

Company Announcements  
 ASX Limited  
 By Electronic Lodgement

12 July 2017

## QUARTERLY UPDATE

### Highlights

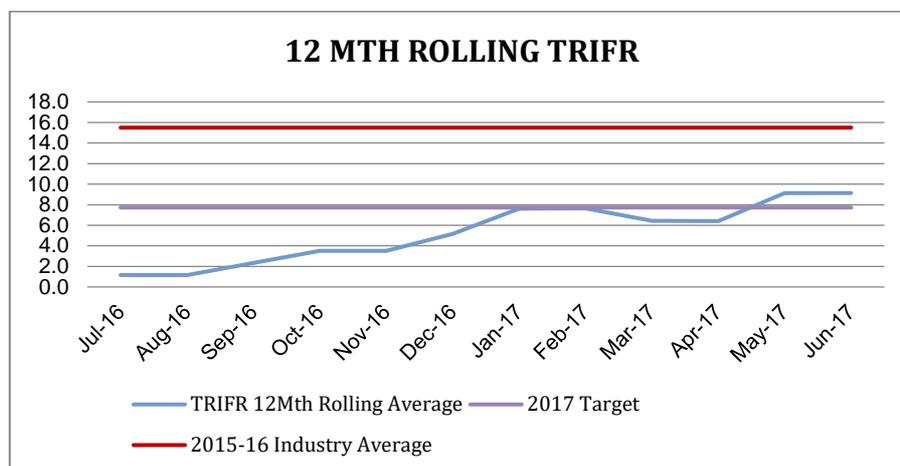
- **Foxleigh Mine produced 519kt of saleable production and shipped 790kt in the June quarter and 1,488kt 2017 YTD.**
- **Railings returned to normal following the impacts of Tropical Cyclone Debbie in April.**
- **June Quarter 2017 Benchmark low-volatile PCI coal price was set at US\$135/t (vs. US\$180/t in March quarter).**
- **Cash generated in the quarter was A\$19 million and cash on hand at 30th June 2017 was A\$107 million.**

**Realm Resources Ltd (ASX: RRP) (“Realm” or the “Company”)** is pleased to provide an update on activities during the quarter.

### Safety & Environment

- One lost time injury (LTI) and one medical treatment injury (MTI) during the June quarter.
- The SHMS Simplification Project, which re-focuses safety procedures on risk identification and management, commenced rollout during the quarter.
- 25ha contract for rehabilitation re-shaping signed. YTD spoil re-shaping is now 187ha, with over 125ha topsoiled, awaiting seeding.

**Figure 1: - Total Recordable Injury Frequency Rate**



## Production and Sales

Key operating results for the June quarter 2017 are shown in Table 1.

**Table 1: - Foxleigh Coal Mine (100%) Operating Results**

	Last quarter	Since acquisition
ROM coal produced (kt)	920	3,220
ROM strip ratio (bcm waste / ROM t)	7.9:1	7.0:1
Saleable coal produced (kt)	519	2,426
Total coal sales (kt)	790	2,470

## Impact of Tropical Cyclone Debbie

Aurizon Holdings re-opened the Goonyella rail system on 26th April, following repairs as a result of Tropical Cyclone Debbie. Foxleigh re-commenced railings on 28 April.

All speed restrictions were lifted on 10 May 2017, at which time the Company's above-rail provider, Pacific National, lifted its force majeure notice.

## Foxleigh Plains Cockatoo Creek Diversion and Levee

The 4.1km creek diversion, which included the realignment of a public road and the construction of 5.6km of flood protection levees, reached Operational Completion during the June quarter. This project will extend the life of the Foxleigh Plains pit.

## Exploration and Development

The Company continued the exploration program on the existing mining leases and EPC's, including:

Project	Open Hole (m)	Cored (m)	Total Drilling (m)
One Tree West	-	87	87
Foxleigh Plains	1,147	28	1,175
Roper Creek	1,595	431	2,026
<b>Total</b>	<b>2,742</b>	<b>546</b>	<b>3,288</b>



## Katingan Ria Coal Project

The Company continues to engage with PLN (Indonesian State owned Electricity Corporation) and other potential partners/buyers to progress its power station strategy. The Katingan Ria thermal coal project (Realm 51%) is suited to supply a mine mouth power station in the region.

At the time of writing the expected price for Katingan Ria coal is US\$40.00/t. This, together with the downward revision of the forecast production costs for the project, have encouraged management to reassess the viability of the project.

## South African Projects

### Aluminium Waste Toll Treating Business

#### Health and Safety

There was one disabling injury during the quarter. The focus on safety training and monitoring continues. The disabling injury frequency rate (DIFR) for the June quarter 2017 was 1.2% (0.0% in the prior quarter).

### Smelting and recovery performance comparison

Alumicor	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	% change Q1 2017
<b>Tonnes smelted</b>	5,412	4,868	4,473	5,083	5,083	4,391	5,182	4,005	-23%
<b>Average recovery</b>	56%	57%	57%	60%	60%	59%	59%	61%	3%

Tonnes smelted was down during the quarter as a result of furnace refurbishments. Alumicor continues to operate profitably and deliver positive cash flow.

Constructive discussions with Hulamin are continuing with the aim of securing a mutually beneficial long term processing agreement in the near term.

## Platinum Group Metals

Chrometco (JSE:CMO), in which Realm owns 45m shares, and the Sail Group of Companies ("Sail"), have entered into conditional agreements that could result in Sail acquiring just less than 90% of Chrometco. In return, Chrometco will receive cash, a controlling stake in two fully financed chrome projects and a stake in Sail Minerals. By joining the respective strengths of Sail and Chrometco as well as the potential of two exceptionally good chrome projects, the new entity will be well placed to become a significant player in the chrome market (Refer <http://www.chrometco.co.za/>).



The Company continues to keep its mineral rights situated in the Eastern Limb of the Bushveld Igneous Complex in good standing.

### **Business Development**

Numerous opportunities continue to be reviewed, with the focus directed at projects or mines with near term cash generation capacity, largely in first world jurisdictions.

### **Financial results**

Referring to the attached 5B schedule, net operating cash inflows were AUD\$23,684,000 for the quarter (inflow of AUD\$29,788,000 in the prior quarter).

Realm's cash on hand as at 30<sup>th</sup> June 2017 was A\$107 million.

### **About Realm**

Information on Realm Resources Limited is available on the Company's website at [www.realmresources.com.au](http://www.realmresources.com.au).

For further information, please contact:

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## JUNE QUARTERLY UPDATE

### Appendix 1: - Foxleigh Mine

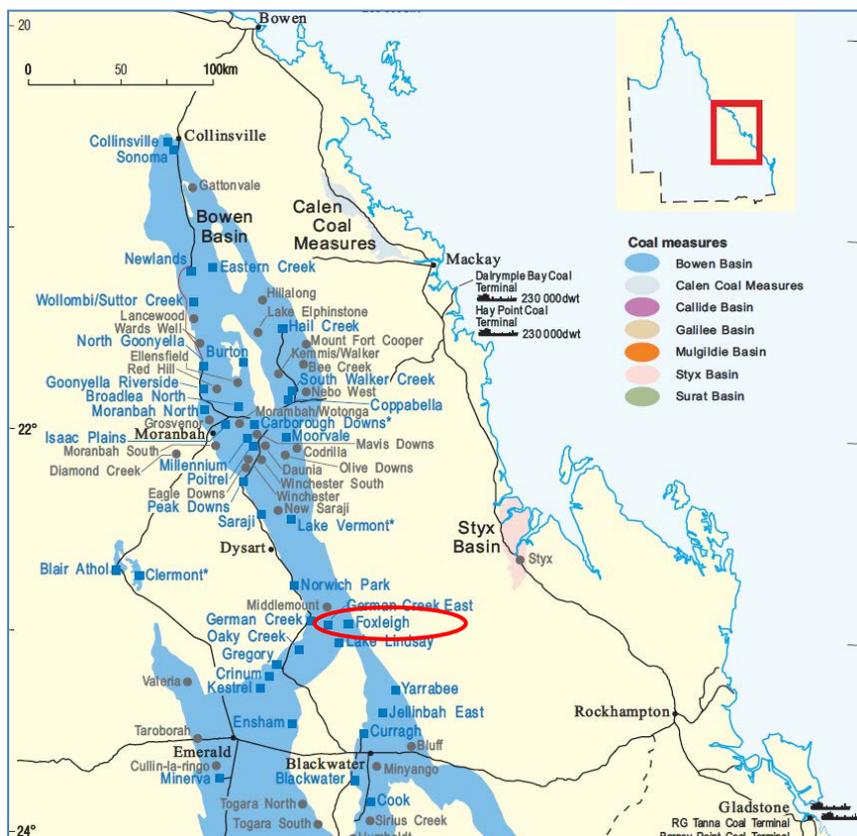
Realm’s 99.9% held subsidiary, Middlemount South Pty Ltd (“**Middlemount**”) owns 70% of the Foxleigh Mine (“**Foxleigh**”).

Foxleigh Mine is located in Queensland’s Bowen Basin coalfield, 12km south of Middlemount and 272km northwest of Rockhampton (see Figure 1). The mine was established in 1999 as an open cut operation producing benchmark quality, LV PCI coal for the export market. Saleable production in CY 2016 (100% basis) was ~3.1 million tonnes.

Mining is undertaken using the truck and shovel method with raw coal delivered to Foxleigh’s coal handling and preparation plant (“**CHPP**”) for washing. The CHPP has processing capacity in excess of 4Mtpa of raw coal.

Product coal is hauled 27km on a private haul road to a dedicated train loading facility located alongside the Capcoal rail loop and is then railed 280km to the Dalrymple Bay Coal Terminal (“**DBCT**”) at the Port of Hay Point near Mackay, Queensland.

**Figure 1: Foxleigh Location and Infrastructure Map**



Source: Queensland Government – Department of Mines and Energy

**Appendix 2: - Interests in mining tenements**

<b>PROJECT/LOCATION</b>	<b>TENEMENT</b>	<b>INTEREST AT THE BEGINNING OF THE QUARTER</b>	<b>INTEREST AT THE END OF THE QUARTER</b>
Marikat District, Katingan Regency, Central Kalimantan Province, Indonesia	IUP Operasi Produksi No. 545/222/KPTS/VIII/2011 In Prinsip Izin Pinjam Pakai No. S.515/Menhut- VII/2012	51%	51%
Mpumalanga province, South Africa	Prospecting right renewal reference number MP 30/5/1/1/2/ 1021 PR.	74%	74%
Mpumalanga province, South Africa	Prospecting right renewal reference number MP 30/5/1/1/2/ 1028 PR.	74%	74%
Mpumalanga province, South Africa	Prospecting right renewal reference number MP 30/5/1/1/2/ 1030 PR.	70.3%	70.3%
Mpumalanga province, South Africa	Prospecting right renewal reference number MP 30/5/1/1/2/ 1020 PR.	74%	74%
Mpumalanga province, South Africa	Prospecting right renewal reference number MP 30/5/1/1/2/ 958 PR.	74%	74%
Mpumalanga province, South Africa	Prospecting right renewal reference number MP 30/5/1/1/2/ 1105 PR.	74%	74%
Mpumalanga province, South Africa	Prospecting right renewal reference number MP 30/5/1/1/2/ 1029 PR.	74%	74%
Mpumalanga province, South Africa	Prospecting right renewal reference number MP 30/5/1/1/2/ 1060 PR.	74%	74%

Central Queensland Australia	ML 70171	70%	70%
Central Queensland Australia	ML 70309	70%	70%
Central Queensland Australia	ML 70310	70%	70%
Central Queensland Australia	ML 70429	70%	70%
Central Queensland Australia	ML 70430	70%	70%
Central Queensland Australia	ML 70431	70%	70%
Central Queensland Australia	ML 70470	70%	70%
Central Queensland Australia	EPC 1139	70%	70%
Central Queensland Australia	EPC 855	100%	100%
Central Queensland Australia	EPC 1669	100%	100%

Further; Realm did not have any interest in any farm-in or farm-out agreements at the end of the quarter. Realm did not acquire or dispose of any farm-in or farm-out interests during the quarter

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Realm Resources Limited

### ABN

98 008 124 025

### Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	78,253	157,185
1.2 Payments for		
(a) exploration & evaluation	(466)	(1,350)
(b) development	(7,768)	(15,670)
(c) production	(26,127)	(46,259)
(d) staff costs	(5,680)	(16,418)
(e) administration and corporate costs	(3,064)	(7,790)
1.3 Dividends received (see note 3)		
1.4 Interest received	86	207
1.5 Interest and other costs of finance paid	(2,244)	(4,067)
1.6 Income taxes paid	-	(127)
1.7 Research and development refunds	-	-
1.8 Other – Royalties State Government	(9,306)	(17,668)
Other – Royalties	-	(2,061)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>23,684</b>	<b>45,982</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(4,595)	(4,595)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(4,595)</b>	<b>(4,595)</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	88,193	69,160
4.2 Net cash from / (used in) operating activities (item 1.9 above)	23,684	45,982
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(4,595)	(4,595)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(383)	(3,648)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>106,899</b>	<b>106,899</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	106,151	87,481
5.2	Call deposits	190	190
5.3	Bank overdrafts		
5.4	Other (provide details)	558	522
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>106,899</b>	<b>88,193</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
62

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**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>

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## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	45,000	45,000
8.2 Credit standby arrangements		
8.3 Performance Guarantee Facility	129,605	65,927
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	(2,150)
9.2 Development	-
9.3 Production	(23,130)
9.4 Staff costs	(17,040)
9.5 Administration and corporate costs	(3,900)
9.6 Other – Non-current assets and Tenements	(8,760)
<b>9.7 Total estimated cash outflows</b>	<b>(54,980)</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

(Company Secretary)

Date: 12 July 2017

Print name: Theo Renard

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.