



Company Announcements  
ASX Limited  
By Electronic Lodgement  
17 October 2016

## Foxleigh Mine - Coal Price and Operations Update

### Highlights

- Successful operational transition following Realm's acquisition of 70% of Foxleigh mine.
- December Quarter Benchmark low-volatile PCI coal price set at US\$133/t (vs. US\$75/t last quarter).
- Geological assessments and studies underway to define JORC 2012 reserve and resource estimates for Foxleigh.
- Detailed review of Foxleigh operations underway.

Realm Resources Limited (ASX: RRP) ("**Realm**" or the "**Company**") is pleased to announce that its subsidiary, Middlemount South Pty Ltd ("**Middlemount**"), has successfully taken over operatorship of the Foxleigh mine ("**Foxleigh**") (RRP 70%).

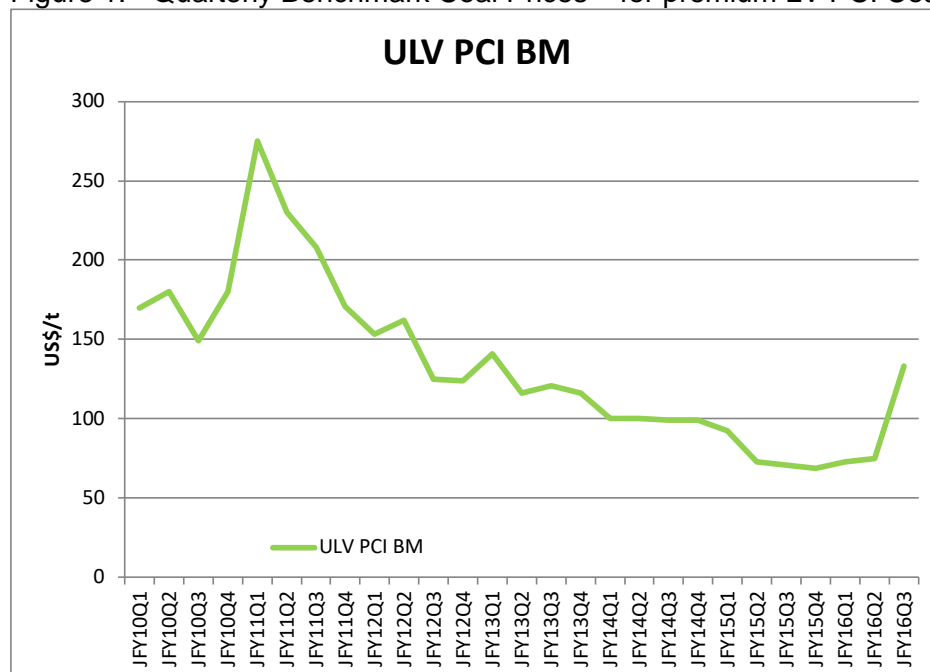
### Coal Price and Market Update

The quarterly benchmark price for low-volatile PCI coal ("LV PCI") for the period October to December 2016 (i.e. JFY Q3) has increased by 77% to US\$133/t (vs. US\$75/t for the previous quarter) (Source IHS) (Figure 1). Under Foxleigh's term contracts, each new quarterly price applies after any carry over tonnes from the previous quarter are delivered. On this basis it is currently anticipated that the higher December quarterly price will apply to coal delivered by Foxleigh from around November 2016 through February 2017.

The rise in the LV PCI quarterly benchmark price follows a dramatic recovery in the spot market price for premium hard coking coal, which has risen to around US\$226/t Australia, and LV PCI to US\$141/t (Platts 14/10/16). There are a number of factors behind the recent price rise including the Chinese government's efforts to constrain coal production, the most notable of which is the reduction of working days allowed. At the same time, disruptions at a number of operations in Australia have further constrained the supply side.

Foxleigh's premium high quality LV PCI coal is sold to longstanding customers in key export markets including South Korea, Japan, and Taiwan.

Figure 1: - Quarterly Benchmark Coal Prices – for premium LV PCI Coals (Japanese FY)



Note: Japanese financial year starts 1<sup>st</sup> April

### Operations Update

The new management team has settled in and is focussing on ensuring an efficient and effective operational transition. The team is also conducting a detailed review of the Foxleigh operations.

As part of the review, Middlemount is undertaking the necessary geological assessments and studies required in accordance with the JORC 2012 code to verify the estimates provided by Anglo and is confident that reserve and resource estimates will be completed by the end of Q4 2016. When completed, the Company will advise the likely effect of the acquisition on the financial position of the Company, and any potential modifications to the operating plan. Importantly, the focus on occupational health and safety (OH&S) and environmental, social and governance issues(ESG) continues with no incidents to report since acquiring the mine.

### 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 Mr Richard Rossiter (Executive Director) by email at [richard.rossiter@realmresources.com.au](mailto:richard.rossiter@realmresources.com.au).

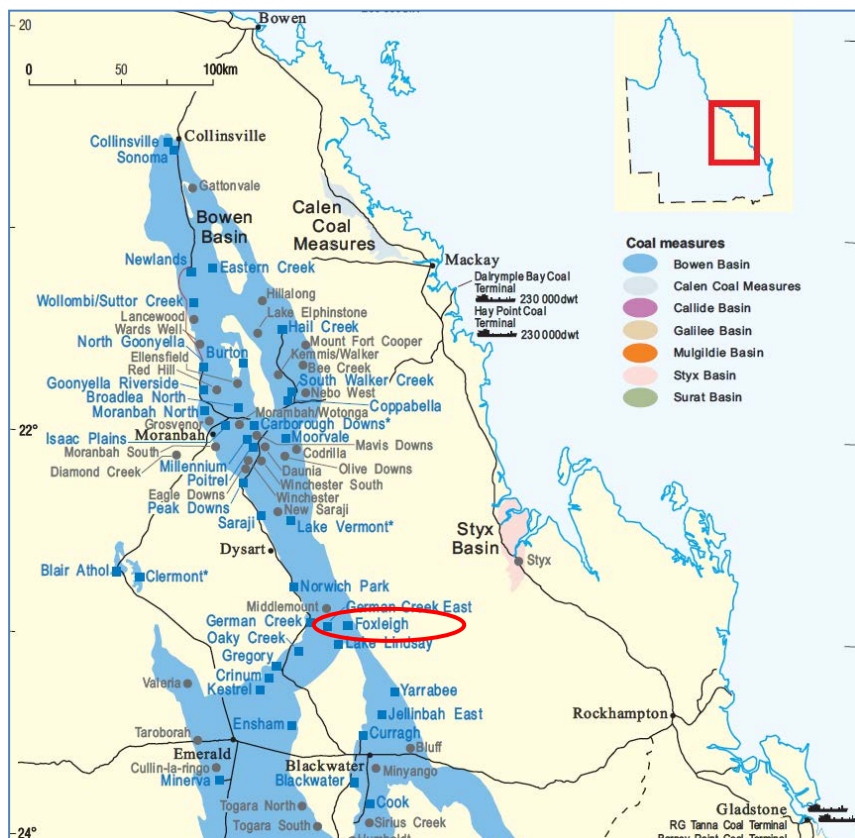
## Appendix 1: - Foxleigh Mine

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 2015 (100% basis) was ~2.6 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