



Foxleigh Operational Update

Highlights

- Continued focus on safety and environmental performance;
- Operations and shipments returned to normal in late May 2017 following the Tropical Cyclone Debbie disruptions;
- Foxleigh produced 230kt of saleable coal and shipped 398kt in the first two months of the June Quarter (on a 100% basis);
- Geological review of the extensive lease area has identified and prioritised exploration targets, with drilling commenced at Roper Creek;
- June Quarter 2017 Benchmark low-volatile PCI price yet to be agreed (vs. US\$180/t in March quarter); and
- Realm's cash on hand as at 31 May 2017 was A\$100.9 million.

Realm Resources Limited (ASX: RRP) (**Realm** or the **Company**) is pleased to provide an update on activities ahead of its June quarterly activities report.

Foxleigh Mine Performance

The Company is pleased to report that coal mining operations were only marginally disrupted by Tropical Cyclone Debbie, with ROM coal production remaining above 300kt per month (Table 1). Disruptions to the coal supply chain (rail and port) resulted in the mine electing to perform maintenance tasks in the coal handling and preparation plant (**CHPP**) that were scheduled for shutdown periods later in the year, until the coal supply chain returned to normal. During this period, the mine continued production and increased Run of Mine (**ROM**) stocks until the CHPP re-commenced operating and stockpiles returned to planned levels.

Key operating results for the first two months of the June quarter 2017 and since the acquisition of the 70% interest in the Foxleigh Mine on 29 August 2016 are shown in Table 1.

Table 1: – Foxleigh Mine (100%) Operating Results

Thousands of tonnes	April & May	Since acquisition*
ROM coal produced	615	2,915
ROM strip ratio (bcm waste / ROM t)	7.0:1	6.8:1
Saleable coal produced	230	2,136
Total coal sales	398	2,078

* Note: – Realm acquired its share in Foxleigh Mine on 29 August 2016

The Foxleigh Plains levee/creek diversion has reached operational completion on time and below budget. This important capital development secures 7 to 8 years of future mining potential ahead of the active mining face.

In addition, the Company has significantly increased the rehabilitation programme on site with the initial area being the Carlo pit remediation.

Exploration

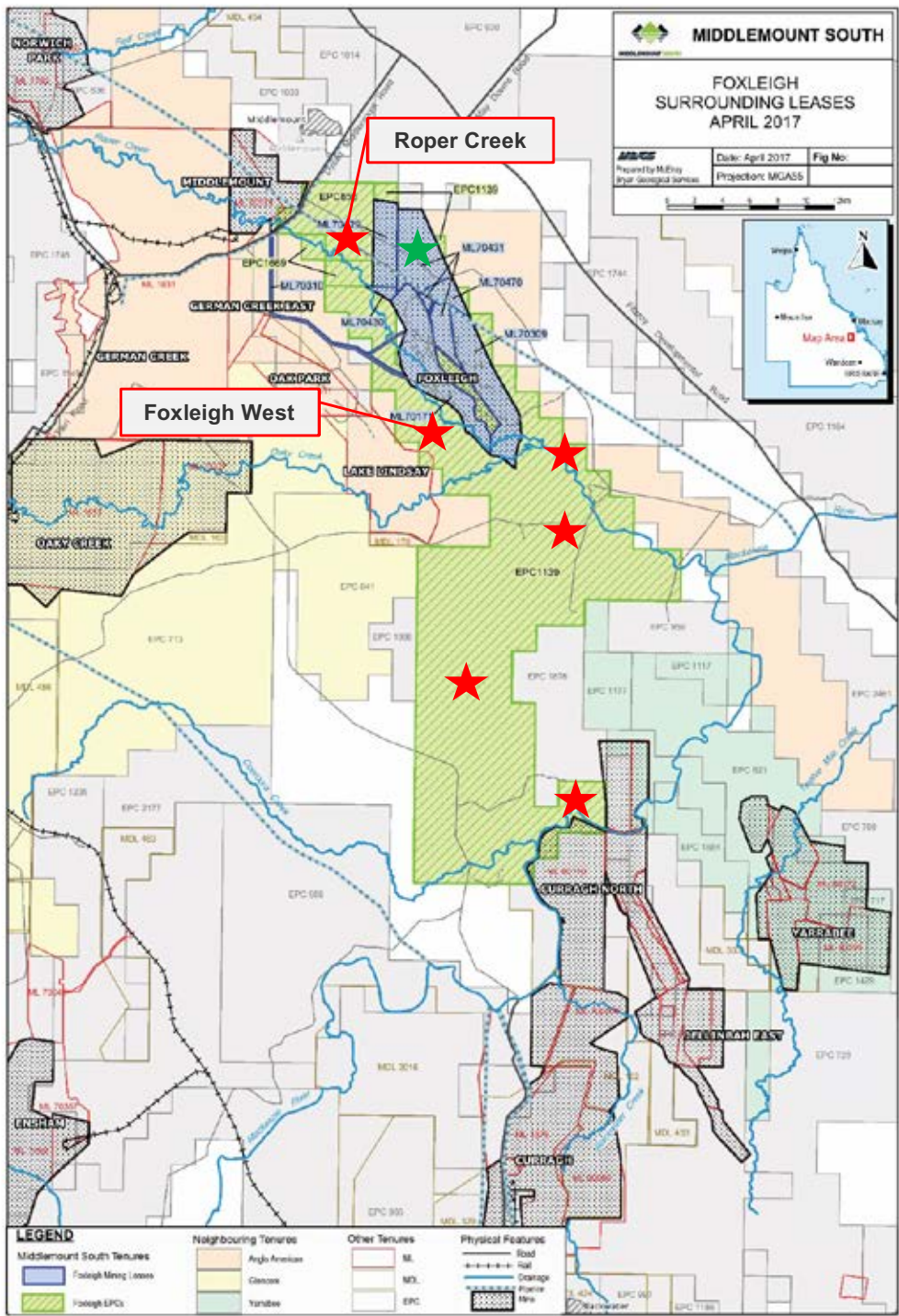
The Company progressed the exploration program designed to better define the northerly extensions of the active Foxleigh Plains pit (Figure 1 – green star). The results will be used to update the existing Foxleigh JORC resources and reserve statement.

In addition, the Company engaged McElroy Bryan Geological Services (**MBGS**) to review the geological database covering the extensive Foxleigh tenement package and identify and prioritise future exploration targets (Figure 1 – red stars). MBGS has extensive and relevant geological knowledge, obtained over many years of work throughout this part of the Bowen Basin. This, combined with the compilation of a large amount of historical exploration drilling and seismic information for Foxleigh, provided a very strong geological foundation upon which the regional analysis and target generation was based.

The immediate priority targets are Roper Creek on EPC's 855 and 1669 (Realm 100%) and Foxleigh West (EPC 1139 – Realm 70%). Around 140 drill holes and 2D seismic data were used to interpret the Roper Creek area. Approximately 370 drill holes and extensive 2D seismic data were reviewed in EPC1139 (excluding Foxleigh Mine). The drill holes, particularly those with geophysical logs, provided good control of the stratigraphic sequence and seam thickness while the seismic data provided confidence in the continuity and location of the principal structures.

Drilling has commenced on Roper Creek and is in the planning stage for Foxleigh West. The Company will provide further updates as exploration progresses.

Figure 1: - Foxleigh Mine and Surrounding Leases showing Target Areas



Coal Market Update

Discussions for the quarterly benchmark price for low-volatile PCI (LV PCI) for the period April to June 2017 (i.e. JFY Q1), have not finalised as negotiations have been hampered by price volatility associated with Tropical Cyclone Debbie. The Company will update the market when these negotiations are finalised.

Foxleigh's premium high-quality LV PCI is sold to longstanding customers in key export markets including South Korea, Japan, and Taiwan, and the majority of sales are at the benchmark price.

Corporate

Group cash on hand as at 31 May 2017 was A\$100.9m.

About Realm

The company's primary focus is creating shareholder value through the operation of the Foxleigh Mine in Central Queensland, while advancing development ready projects throughout the region. Additionally, Realm seeks to acquire value accretive operations and grow the Company.

Information on Realm Resources Limited is available on the Company's website at www.realmresources.com.au

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