



# DELIVERING GROWTH

## Australia's newest coal producer

Presentation  
July 2017

# Company Overview

- **Independent Australian metallurgical coal producer**
  - Foxleigh CY2016 – 3.18m product tonnes (100% basis)
  - Benchmark low volatile PCI product
  - Cash contribution since acquisition to 31 March of ~A\$88m (after payment of redundancies, site capital expenditure and exploration costs)
- **Well positioned for growth**
  - Potential to expand Foxleigh production
  - Resource expansion via exploring 52,000ha lease area
  - Assessing further acquisition opportunities
- **Strong Board and Management team**
- **ASX re-compliance process well advanced**

## Capital Structure (ASX RRP)

Current Issued Share Capital	2,449m
Unlisted Options(\$0.05-0.0615)	102m
Diluted shares on issue	2,551m

## Capitalisation (12 July 2017)

<b>ASX Share Price (A\$, Mkt Close)</b>	<b>A\$0.082</b>
<b>Diluted Market Cap' (A\$m)</b>	<b>A\$209.2</b>
- Cash (A\$m, 30/6/2017 unaudited, plus option funds)	<b>A\$107</b>
- Debt (A\$m, 30/6/2017)	<b>A\$45</b>
- Net Cash (A\$m)	<b>A\$62</b>
<b>Enterprise Value (A\$m, D)</b>	<b>A\$147.2</b>
Bank Guarantees (A\$m)	A\$65.5



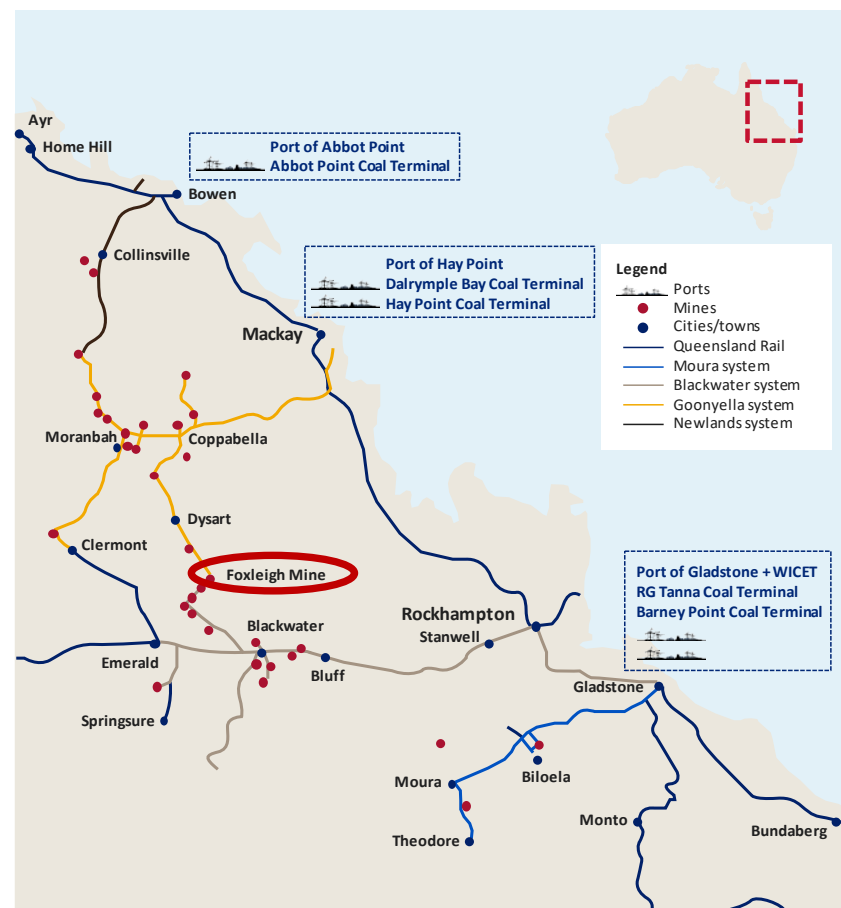
# FOXLEIGH – Flagship Asset



# Foxleigh Mine - Snapshot

## Foxleigh Mine

<b>Ownership</b>	Realm (70%, Operator), Posco (20%), Nippon Steel (10%)*
<b>Product</b>	Benchmark Low Volatile PCI
<b>ROM Production</b>	~4.3Mt CY2016 (100% basis)
<b>Avg. Yield</b>	~75%
<b>Clean Production</b>	3.18Mt CY2016 (100% basis)
<b>CHPP capacity</b>	4.9Mt ROM ~3.65Mt pa product
<b>Export path</b>	Contract rail and port via Dalrymple Bay Coal Terminal (DBCT) 280km away, near Mackay
<b>Customers</b>	Long term steelmaking customers, including JV participants





# Foxleigh – Changes since acquisition

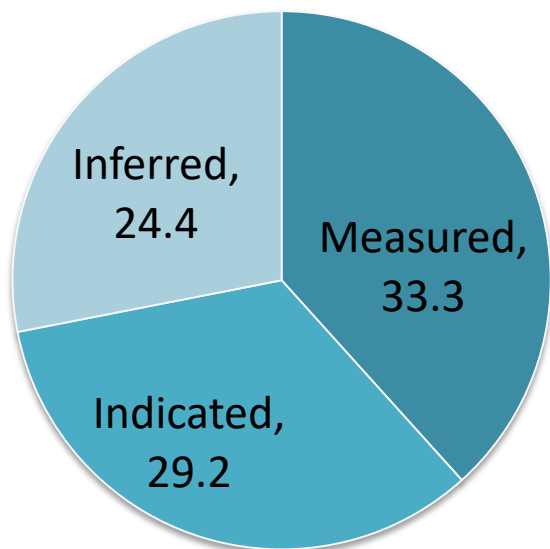
- Introduced a leaner management structure
- Outsourced mobile plant maintenance and CHPP operations
- Introduced clean mining practices
- Improved equipment utilisation
- Construction of a critical levee and creek diversion enabling a minimum 8 year life extension
- Addressed the maintenance backlog - mobile and fixed plant
- Resumption of rehabilitation & exploration



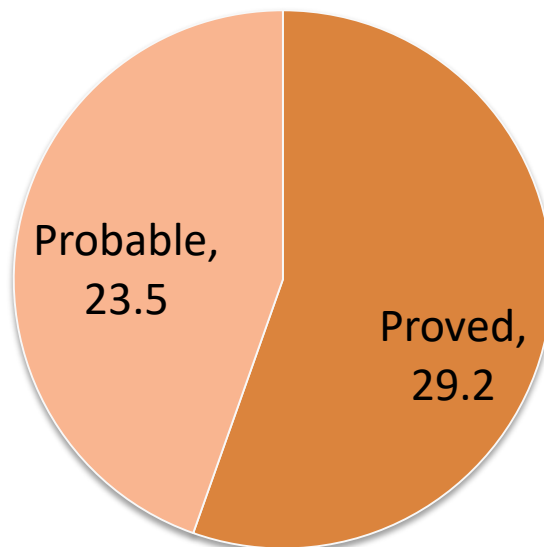
Carlo pit after rehabilitation – resulting in a reduction in financial assurance required by Queensland Government

# Foxleigh – Reserves and Resources

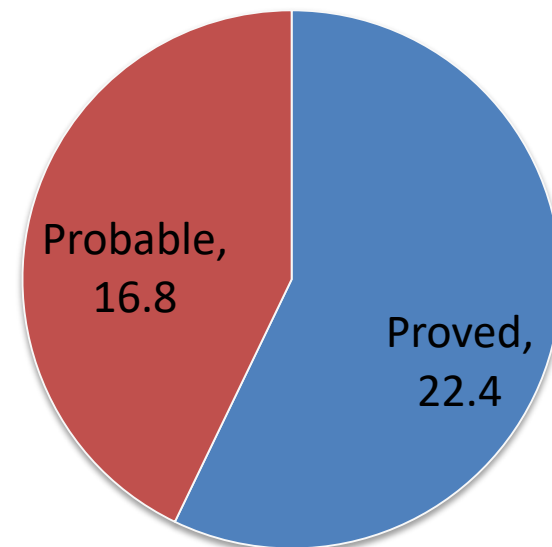
**Resources  
(86.9Mt)**



**Reserves  
(52.7Mt)**



**Marketable coal reserves  
(39.2Mt)**



Upside with 52,000 ha - exploration tenements for future exploration

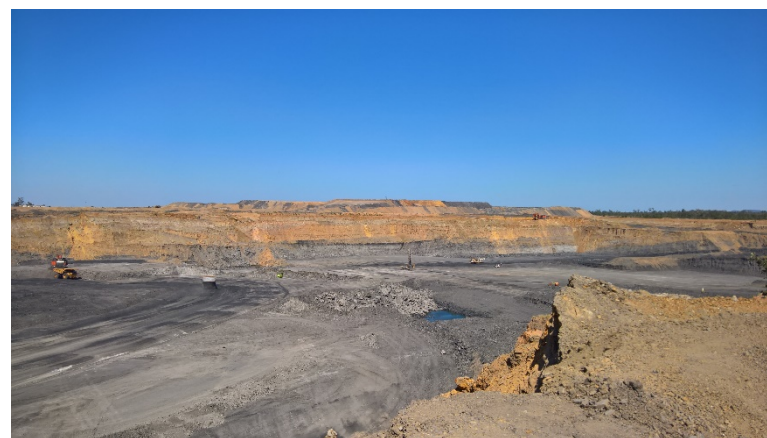
\* Note – Resources and Reserves as of 31 October 2016 – 100% basis. All tonnages are PCI quality coal. JORC 2012 Code

# Foxleigh – Mining Operations

- Truck and shovel open pit mine
- ROM production rate ~4.2mt pa
- Saleable production rate ~3.2mt pa (yield ~76%)
- Revised Life-of Mine plan and optimisation in progress



Thousands of tonnes	June Quarter	Since acquisition*
ROM coal produced	920	3,220
ROM strip ratio (bcm waste / ROM t)	7.9:1	7.0:1
Saleable coal produced	519	2,426
Total coal sales	790	2,470



\* Note – Realm Resources Ltd acquired Foxleigh Mine (70%) on 29/08/16- results as at end June 2017



# Foxleigh – Processing and Haulage

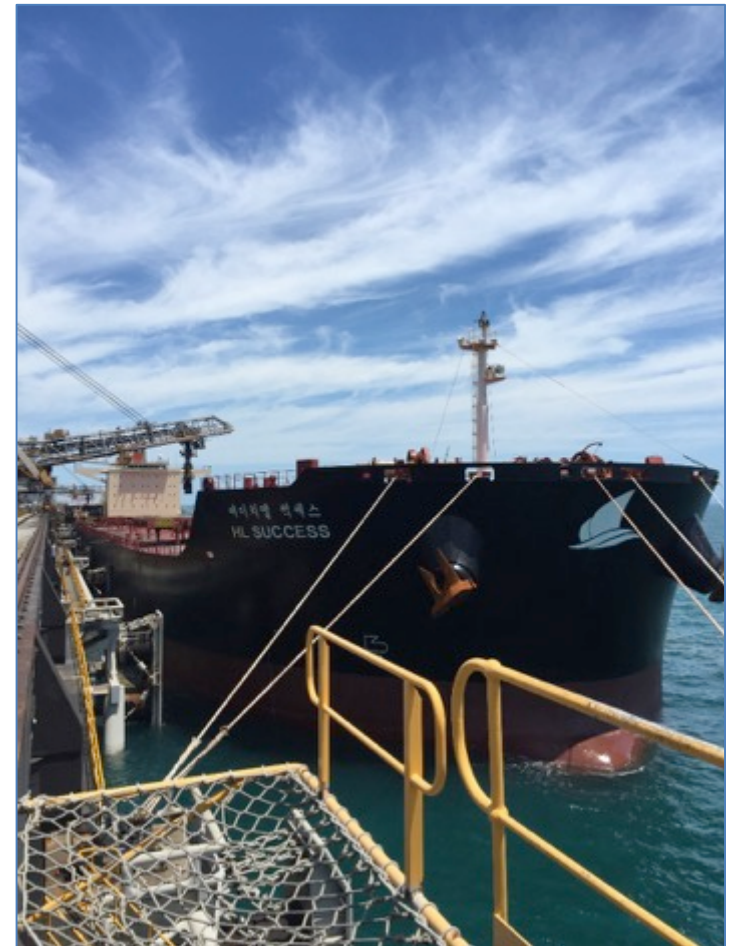
- Raw coal delivered to Foxleigh's coal handling and preparation plant ("CHPP") for washing
- CHPP capacity > 4.9 Mtpa ROM
- Coal hauled 27km on a private haul road to a dedicated train loading facility located inside the Capcoal rail loop





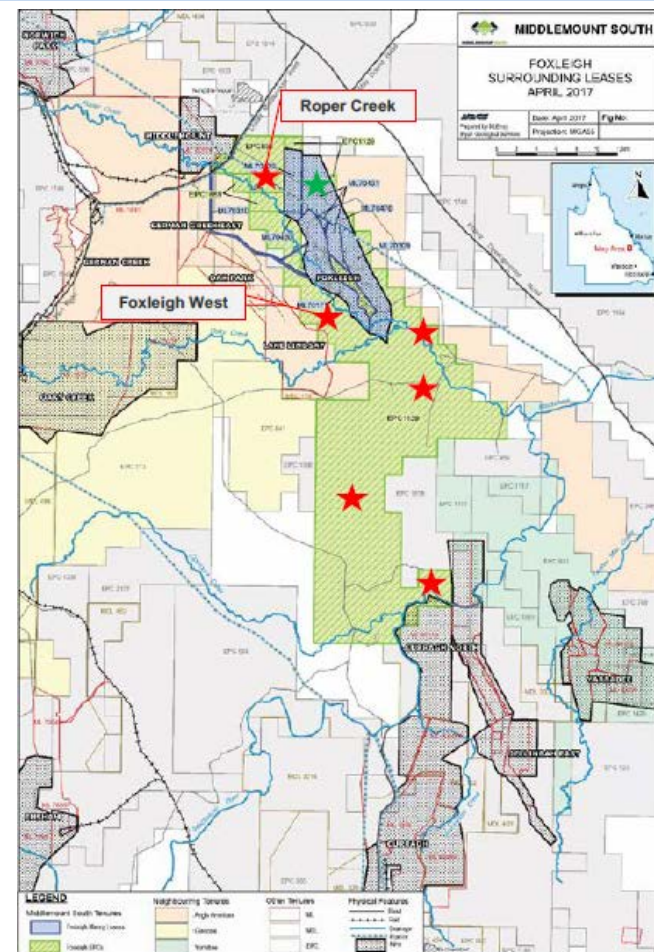
# Foxleigh – Rail and Export

- Railed 280km to DBCT at the Port of Hay Point, near Mackay
- Diversified, quality long term customers in key export markets including South Korea, Japan, China, and Taiwan
- Both JV partners, POSCO and Nippon Steel, are long term off takers



# Foxleigh – Exploration Upside

- Drilling northerly extensions of the active **Foxleigh Plains** pit (green star)
- Also reviewing the database to identify and prioritise future exploration targets (red stars)
- Priority targets are **Roper Creek** (Realm 100%) and **Foxleigh West** (Realm 70%)
  - Roper Creek - 140 drill holes and 2D seismic data
  - Foxleigh West - 370 drill holes and 2D seismic data
  - Drill holes provide good control of the stratigraphic sequence and seam thickness
  - Seismic data provides 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





# International Assets





# PT Katingan Ria Thermal Coal – Power Station

## Indonesian Domestic Power Station Supply opportunity (with export add-on)

- 87Mt JORC resource, 27Mt JORC reserve (100% basis)
- RRP ownership - 51%
- Sub-bituminous, mid-rank (4,200 kcal/kg GAR), low sulphur, low ash thermal coal
- Simple geology, low strip ratio – potential 2.5Mt-3.0Mt pa open cut
- Partnering with EPN (Pama) to develop a mine mouth power station based on PTKR as the coal supplier



# Alumicor – South Africa

- Aluminium waste toll treating business
- Treats waste from the Hualamin Limited's aluminium smelter, at Pietermaritzburg, South Africa
- Successful 10 year track record

## Strategy:-

- Divest (SPA underway).

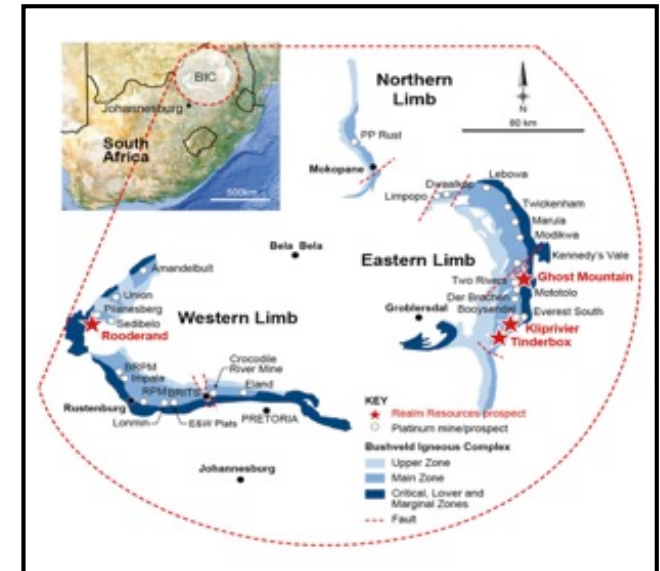


## Platinum Interests

- **PGM East ~ 7Moz advanced exploration project**
  - Outcropping resource
- **PGM West ~ 4Moz advanced exploration project**
  - Realm interests have been vended into Chrometco Ltd (CMO:JSE) (45m shares)

### Strategy:-

- Divest







# PATHWAY TO RELISTING

# Pathway to relisting

- Realm shares suspended on 13<sup>th</sup> July ahead of the EGM on 14<sup>th</sup> July 2017 to approve the Foxleigh Transaction, among other things.
- The Company remains suspended pending:
  - shareholder approval for the Foxleigh transaction
  - re-compliance with Chapters 1 and 2 of the Listing Rules
- The Company continues to work closely with the ASX and the proposed timetable for re-compliance, is:
  - ✓ Notice of EGM dispatched June 15, 2017
  - ✓ EGM - July 14, 2017
  - Capital raising via “full form” prospectus to achieve required “free float” – mid-August 2017
  - Reinstatement of shares to trading on ASX – early September 2017

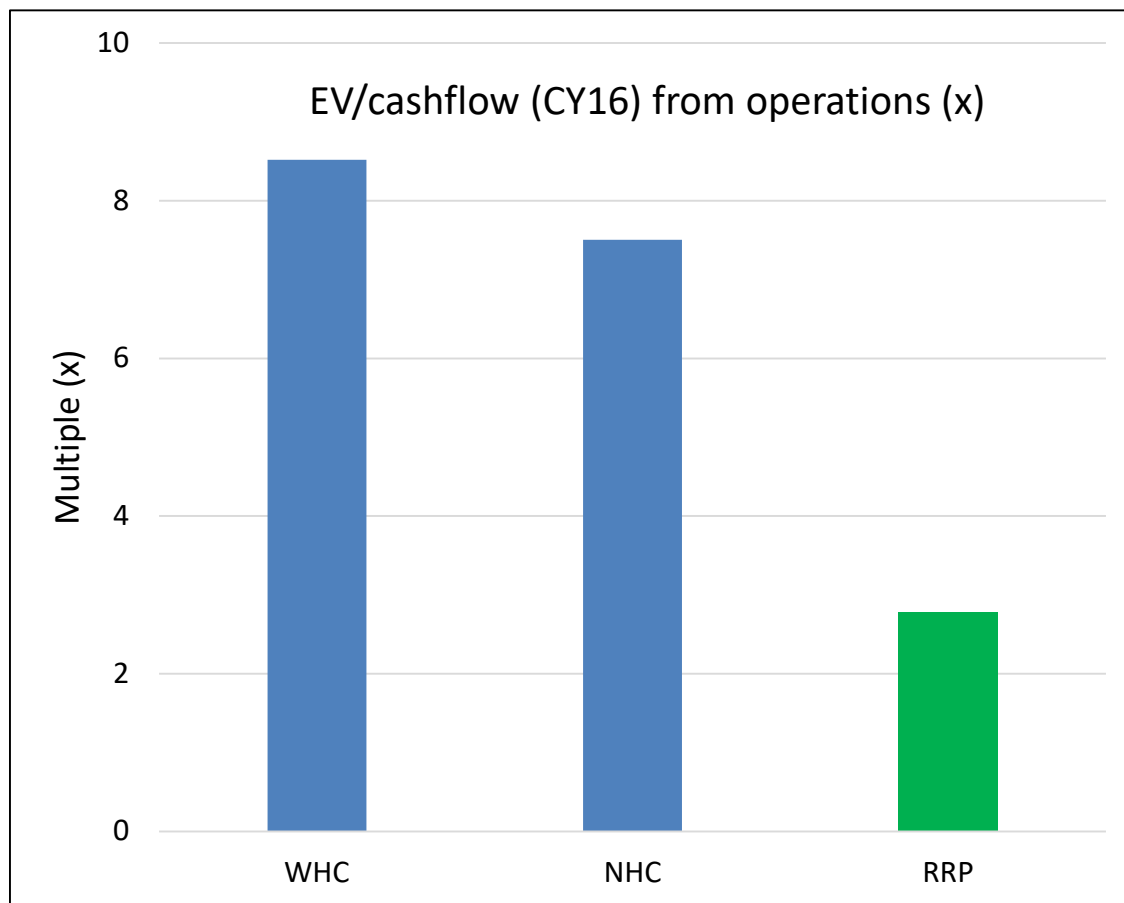
# Investment Drivers

- Transformational Foxleigh mine acquisition completed
  - Saleable production of premium LV PCI (3.18mt – 2016)
  - Robust cash flow - ~A\$88m contribution to 31 March 2017 (since acquisition)
  - Optimizing mine plan and cost structure to protect the business during market downturns
- Organic growth opportunities via exploration and low cost expansion – 52,000ha lease area
- Assessing acquisition opportunities that leverage existing infrastructure and market positions
- Compelling value compared to profitable peers



# Coal producer comparables

- Only five ASX listed pure play coal producers with Australian assets
- Only RRP, NHC & WHC are delivering positive cashflow from operations
- RRP is trading at a far lower multiple than its profitable peers



Source: Realm Resources estimates, closing prices 12/7/2017, company reports

# Q&A?

**Foxleigh PCI Mine**



**PT Katingan Ria**



**Alumicor refinery**



**Platinum – Sth Africa**



# Appendix





## Disclaimer & Competent Person Statement

Certain forward-looking statements may be contained in this presentation which can be identified by the use of forward-looking words such as “may”, “could”, “will”, “expect”, “believes”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs including, without limitation, expectations regarding platinum and coal prices, estimates of resources, production, operating expenditure, capital expenditure and projections regarding the completion of capital projects as well as the financial position of the Company. Statements other than statements of historical fact may be forward looking statements. Realm Resources believe that it has reasonable grounds for making all statements relating to future matters attributed to it in this presentation. Although Realm Resources believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be accurate. Accordingly, actual results, values, performance or achievements could differ materially from those projected as a result of, among other factors, changes in commodity prices, foreign exchange fluctuations, changes in economic and market conditions, changes in the regulatory environment, increased costs and demand for production inputs, the speculative nature of exploration and project development including, the risks of obtaining necessary licences and permits and diminishing quantities or grades of resources or reserves, political and social risks, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues, litigation and other business and operational risks. Investors should note that any reference to past performance is not intended to be, nor should it be, relied upon as a guide to any future performance. Forward-looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. Realm Resources does not give any assurance that the assumptions on which forward-looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control.

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# Disclaimer & Competent Person Statement

## **Competent Persons Statement – Foxleigh Project Coal Resources**

The information contained in this presentation, which relates to estimates of coal resource for the Foxleigh Project, is based on, and fairly represents, data compiled by Mr Lyndon Pass who holds a Bachelor of Science (Geology), and is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM).

Lyndon Pass is the Principal Geologist of Encompass Mining Pty Ltd. Mr Pass has over 21 years' experience in open cut coal mining in Australia. Mr Pass has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Person as defined in the JORC Code 2012. Neither Mr Pass, nor Encompass Mining Pty Ltd has any material interest or entitlement, direct or indirect, in the securities of Realm Resources, its subsidiary, Middlemount South Pty Ltd or any associated companies. The estimates of Coal Resources in this presentation have been carried out under the guidelines of the JORC Code 2012. Mr Pass consents to the release of information in this presentation, in the form and context in which it appears.

## **Competent Persons Statement – Foxleigh Project Coal Reserves**

The information contained in this presentation, which relates to estimates of coal reserves for the Foxleigh Project has been prepared by experienced mining engineers under the direction of Mr Troy Ince.

Troy Ince is a Principal Mining Engineer of Encompass Mining Pty Ltd. Mr Ince holds a Bachelor of Engineering (Mining, Hons) from the University of Queensland. He has over 18 years of experience in the open cut coal mining industry. Mr Ince is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a Registered Professional Engineer of Queensland (RPEQ). Mr Ince has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Person as defined in the JORC Code 2012. The estimates of Coal Reserves in this presentation have been carried out under the guidelines of the JORC Code 2012. Mr Ince consents to the release of information in this presentation, in the form and context in which it appears.

## **Competent Persons Statement – Katingan Ria Project**

The information in this presentation that relates to Exploration Results, Mineral Resources at the "Katingan Ria" Project is based on, and fairly represents, information compiled by Mr Troy Turner, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Turner is a full-time employee of Xenith Consulting Pty Ltd. Mr Turner is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code, 2012 Edition. Mr Turner consents to the release of information in this presentation, in the form and context in which it appears.

The information in this presentation that relates to Ore Reserves at the "Katingan Ria" Project is based on, and fairly represents, information compiled by Mr Grant Walker, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Walker is a full-time employee of Xenith Consulting Pty Ltd. Mr Walker has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code, 2012 Edition. Mr Walker consents to the release of information in this presentation, in the form and context in which it appears.

## **Competent Persons Statement – Roodeerand Project**

The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is based on, and fairly represents, information compiled by Mr Nico Bleeker, who is a member of the South African Council for Natural Scientific Professions (SACNASP). Mr Bleeker is employed by Witkop Fluorspar Mine (Proprietary) Limited. Mr Bleeker has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code, 2012 Edition. Mr Bleeker consents to the release of information in this presentation, in the form and content in which it appears.

## **Competent Persons Statement – Kliprivier, Ghost Mountain and Tinderbox projects**

The information in this presentation which relates to Exploration Results, Mineral Resources or Ore Reserves is based on, and fairly represents, information compiled by Mr. Allen Maynard, who is a Member of the Australian Institute of Geoscientists and a Corporate Member of the Australasian Institute of Mining and Metallurgy. Mr. Maynard is the principal of Al Maynard & Associates Pty Ltd and has over 30 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code, 2012 Edition. Mr. Maynard consents to the release of information in this presentation, in the form and context in which it appears.

# Board and Senior Management

## Board

**Gordon Galt** - Chairman

- Mining/Investment Banking

**Glen Lewis** – Managing Director

- Mining/Corporate

**James Beecher** – Non-Executive Director

- Finance/Commercial/Administration

**Michael Davies** - Non-Executive Director

- Investment Banking/Commercial

**Staffan Ever** – Non-Executive Director

- Engineering/Commercial/Coal marketing

## Senior Management

### **Australia**

- **Scott Graham** – Mining operations
- **Theo Renard** – CFO/Company Secretary
- **Richard Rossiter** - EGM Business Development

### **Indonesia**

- **Eva Armila** – Commercial/Legal

### **South Africa**

- **Trevor Arran** – Operations/Investment Banking



## JORC 2012 Compliant Reserves & Resources (100% basis)

### Coal Resources:

Project	Country	RRP Ownership	Coal type	Coal Resources (Millions of Tonnes in Situ)			
				Measured	Indicated	Inferred	Total
Foxleigh	Australia	70%	PCI	33.3	29.2	24.4	86.9
Katingan Ria	Indonesia	51%	Thermal (sub-bituminous)	6.5	44.0	37.0	87.5

### Coal Reserves:

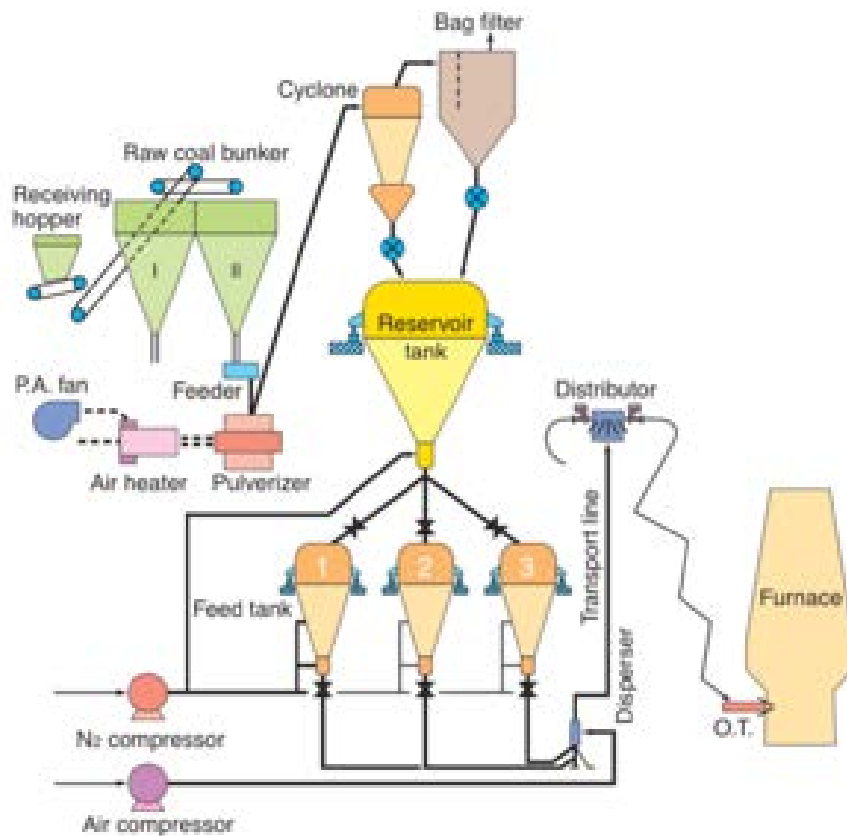
Project	Country	RRP Ownership	Coal type	Product Yield	Coal Reserves (Millions of Tonnes)			
					Proven	Probable	Total	Total (Marketable)
Foxleigh	Australia	70%	PCI	74.4%	29.2	23.5	52.7	39.2
Katingan Ria	Indonesia	51%	Thermal (sub-bituminous)	100%	0.0	27.4	27.4	27.4

Note – Foxleigh R & R as of 31 October 2016. Katingan Ria R & R as of 28 February 2017. All 100% basis. JORC 2012 Code

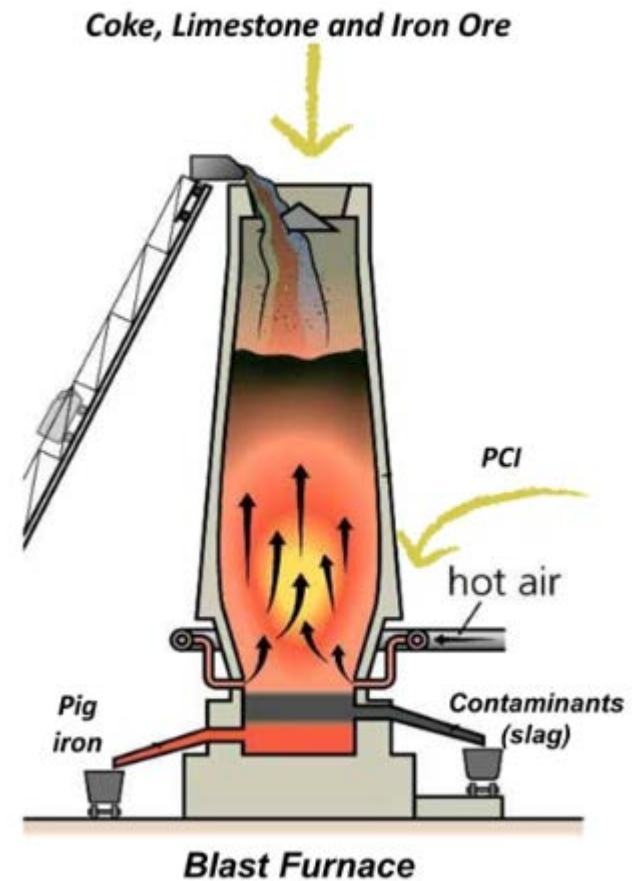
# What is PCI? How is it used? Who uses it?

- PCI is short for **Pulverised Coal Injection**
- The **blast furnace** remains by far the most common means of producing **iron, and hence steel**. **Use of PCI coal can reduce energy consumption, lower CO<sub>2</sub> emissions and reduce costs for blast furnace operators**
- Most **metallurgical coals** are used to **produce coke**, an intermediary product which is then used in a blast furnace to **produce iron**
  - In contrast, **Pulverised Coal Injection (PCI)** coals are **finely ground and injected directly into the blast furnace as a supplementary source of energy and carbon**, reducing the demand for coke (and hence Hard Coking Coal (HCC)) in the process
- Metallurgical coal consumers always **use a blend of coals** in their coke ovens and blast furnaces
- They do this to **reduce supplier risk**, but also to **achieve the desired overall properties at the lowest possible price**.
- **PCI is cheaper than Hard Coking Coal**. The Value In Use is the value of a tonne of PCI in terms of the value of HCC that it allows a consumer to displace. PCI is increasingly sought after when blast furnace productivity is critical.
- **Since the June Quarter 2010 PCI has traded at an average of 78% of the HCC price, but has ranged from 63% - 87%.**  
While HCC pricing has now moved to an Index basis, **PCI pricing will still be priced off Quarterly Benchmark prices.**

# What is PCI? How is it used? Who uses it?



Source: NEDO, 2006

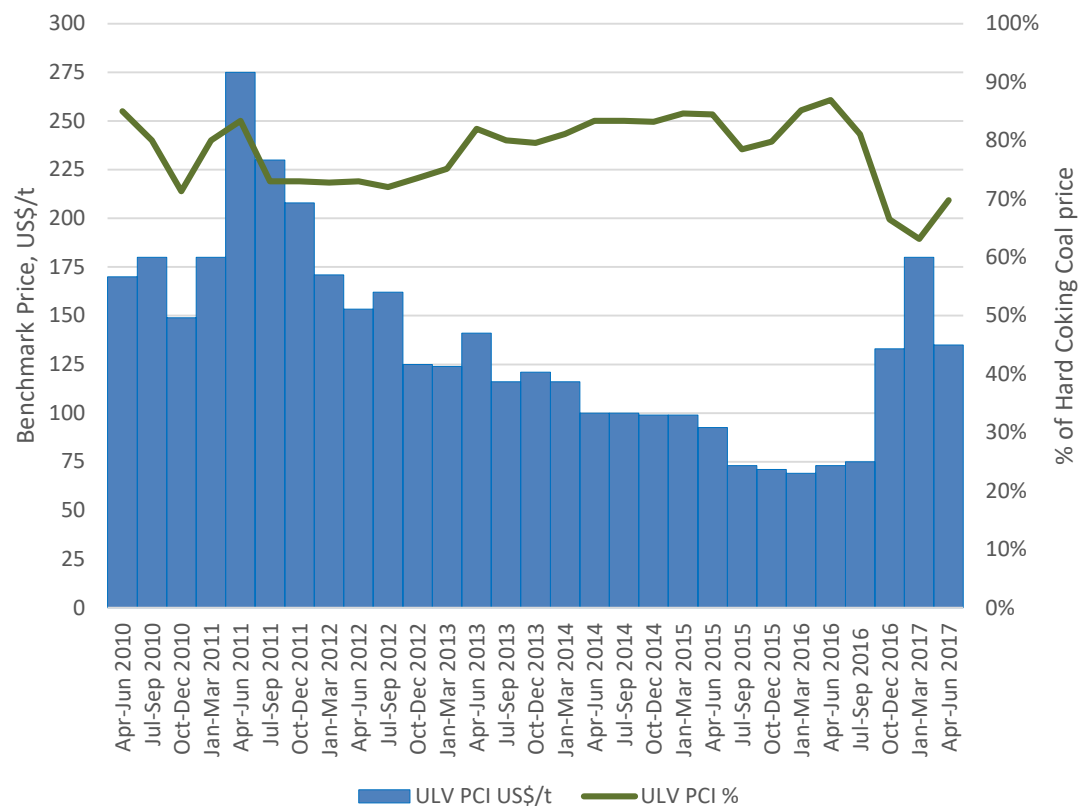


Source: Peabody presentations



# Historical PCI pricing

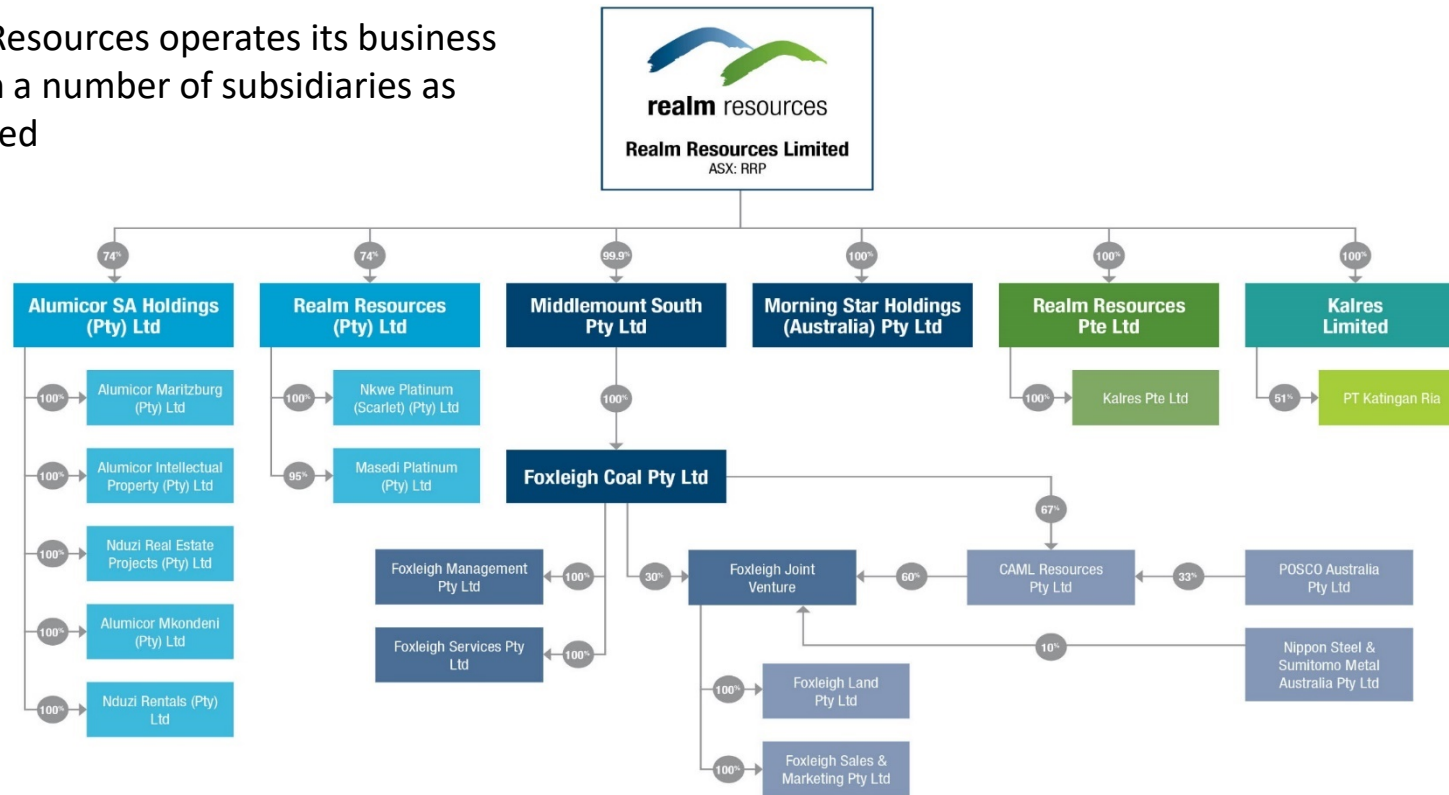
- Quarterly Benchmark prices (US\$/t) since June Quarter 2010, and percentage of agreed to hard coking coal price



Source: IHS

# Company Structure

- Realm Resources operates its business through a number of subsidiaries as illustrated



## Legend:

■ Australia  
 ■ South Africa  
 ■ Indonesia  
 ■ Singapore  
 ■ Cayman Islands