

ASX/Media release

1 September 2010

COMPANY UPDATE – SOUTH AFRICAN PROJECTS

PLATINUM EXPLORATION PROGRESSES AT KLIPRIVIER AND GHOST MOUNTAIN

INCREASED CASH FLOWS ANTICIPATED AT ALUMINIUM RE-SMELTING OPERATION

Key points

- **Limited scale near surface drilling program completed at Kliprivier**
- **Further drilling slowed due to regulatory process delays and assessment of results**
- **Ghost Mountain geological review and investigation underway for PGMs and chromite**
- **Cash flow set to improve following successful tolling fee renegotiation at Alumicor**
- **Business development focus on growing the PGM business and seeking value adding complementary resource projects**

Platinum

Kliprivier drilling programme completed

Realm Resources Limited (ASX: **RRP**) is pleased to announce the completion of the limited scale drilling program at the Kliprivier platinum project (RRP – 47.5% interest), located on the Eastern Limb of the Bushveld Igneous Complex, South Africa. Kliprivier currently hosts an inferred UG2 resource, estimated by Nkwe Platinum, of 109.6 Mt @ 2.3 g/t (3PGE+Au).

Seven holes totalling 718 metres were drilled along the 6 km outcrop of the UG2 chromite horizon intersecting near surface mineralisation. Given the wide spacing of the programme, drilling was primarily designed to better define the near surface resource potential of the project.

Overall the results, whilst mixed and inconclusive, have provided valuable information for planning future exploration and development activities. In particular, the location of the UG2 horizon has been better defined enabling planning for an infill drilling programme to commence.

Key findings of the program include (see attached table):-

- Overall assay grades were within range, but lower than the average expected grade of 2.3g/t (3PGE+Au) varying from 0.6g/t to 2.2g/t in undisturbed UG2 reef sections.;
- On the positive side, prill splits (typically 70% Pt, 20% Pd, 10% Rh) are extremely favourable, enhancing the overall basket price/oz. The typical Eastern Bushveld UG2 ratios for platinum/palladium are ~ 1:1, compared to the average for the seven Kliprivier intersections of around ~ 3.5:1;
- Hole KLR05 drilled on the southern flank of a large floor up warp intersected reef at 157m in an area in which the UG2 was not previously known, indicating the potential for an additional 2km of UG2 strike length, increasing the overall potential to ~8.5km;

- Reef thickness was narrower than expected at 1.0m to 1.17m compared to >2m in the down dip part of the basin. On the positive side, reef dips (25° – 30°) were shallower than anticipated, thereby improving stripping ratios and economics for potential open pit planning;
- There was no significant reduction in assay grades in the weathered zone (20m-30m). The impact of oxidation on recovery is yet to be tested; and
- Robust chromite intersections range from 13% to 29% Cr_2O_3 in line with regional values. However, the Cr/Fe ratio is lower than the norm of 1.3 to 1.4 at less than 1.1. In addition, there was no significant base metal or gold mineralisation associated with the contact with the floor rocks.

Geological consultants, MSA Group (MSA), have made certain recommendations on further infill drilling. In particular, drilling in the vicinity of KLR02 to test for grade continuity in the area, and along strike of KLR05 to establish the extent of the UG2 on the southern flank of the footwall up warp could be warranted. MSA recommend further investigation of apparent enrichment of platinum in the oxidised intersections as this may strengthen a case for mining oxidised ore.

Figure 1 Kliprivier geological plan showing borehole positions

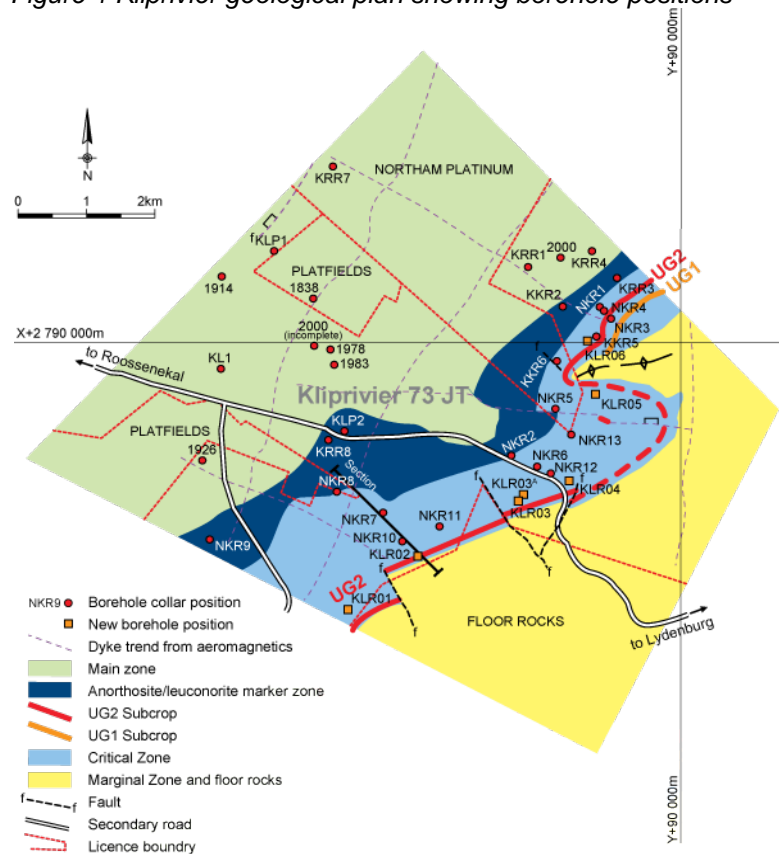
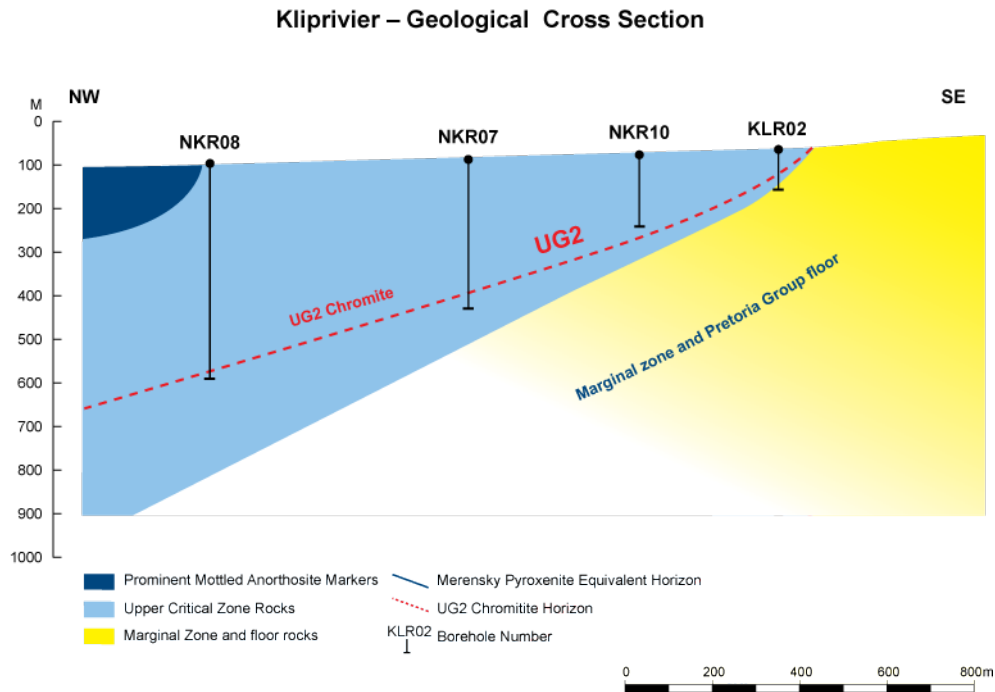


Figure 2 Kliprivier geological section



Source: Realm Resources Limited – Compiled by the MSA Group 2010

Split half core samples were submitted to Setpoint Laboratories in Johannesburg for the determination of Pt, Pd, Rh, Au, Cu, Ni, Cr_2O_3 and Fe_2O_3 . The precious metals (or 4E) were analysed by fire assay using lead collection followed by an ICP finish. Partial (sulphide-hosted) Ni and Cu values were determined by ICP following digestion in aqua regia. Total Ni, Cu, Cr_2O_3 and Fe_2O_3 values were determined by ICP following fusion in Na_2O_2 . The assay results received from Set Point Laboratories have been evaluated with rigorous QAQC routines and found to be accurate and precise

Further work

RRP are evaluating these results and recommendations in order to decide on the optimal route to maximise the value of Kliprivier. Options under consideration include the potential to process Kliprivier ore at a nearby plant or logical tenement consolidation initiatives.

Importantly, the Board has decided to restrict any further significant expenditure on Kliprivier ahead of the finalisation of regulatory approvals (Section 11 consent), which are required before full ownership of the assets can be effected (at present Realm Resources owns approximately 47.5% - 49.9% of the assets). The processing of the Section 11 application is taking longer than anticipated. The Government of South Africa recently announced a six month moratorium on new applications for prospecting licences, in order to clear the applications backlog and improve the administration process at the Department of Minerals and Energy.

In the interim, RRP is extending its low cost surface mapping and sampling programme at Ghost Mountain. Ghost Mountain has potential for shallow UG2 reef mineralisation on the farm Tweefontein. The eastern block of farms hold the potential for the discovery of PGM outliers and PGM-bearing chromitite seams.

In addition, the company is reviewing the potential of Tinderbox, located 10km to the south of Kliprivier.

Aluminium

RRP's subsidiary, Alumicor, operates an aluminium dross and scrap re-smelting operation in Pietermaritzburg, Kwazulu Natal, South Africa.

The Directors are pleased to announce that following lengthy negotiations with aluminium producer Hulamin, an increased tolling fee has been agreed. The new tolling fee arrangement will considerably enhance Alumicor's operating margins going forward. Alumicor will begin invoicing at the new rate in the third quarter with the net profit before tax margins expected to increase to around 20% at current operating parameters.

Outlook

Richard Rossiter, Managing Director of Realm Resources, commented, "we are pleased to have completed this limited scale drilling program and can now assess how best to proceed at Kliprivier. While we are working through the regulatory issues, we are focussing on low cost work to add value to our other PGM assets and optimising cash flow from our Aluminium business. In addition, the Company is particularly focussed on growing its PGM business while continuing to seek and evaluate complimentary value adding opportunities in the resource sector".

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Table 1: Kliprivier limited scale drilling results

Hole ID	From (m)	To (m)	Width (m)	4E (g/t)	Pt	Pd	Rh	Au
KLR01	21.03	22.73	1.70	0.62	0.45	0.10	0.06	0.01
	Prill split				73.4%	16.1%	9.3%	0.9%
KLR02	72.19	73.22	1.03	2.22	1.57	0.42	0.22	0.01
	Prill split				70.9%	19.0%	9.8%	0.4%
KLR03	13.81	15.53	1.52	1.41	1.10	0.20	0.10	0.01
	Prill split				78.2%	14.0%	7.3%	0.4%
KLR03A	31.50	32.86	1.36	1.40	1.05	0.20	0.15	0.01
	Prill split				75.1%	14.0%	10.5%	0.4%
KLR04	79.32	80.90	1.58	1.04	0.69	0.23	0.12	0.01
	Prill split				66.0%	21.8%	11.1%	1.1%
KLR05	156.19	157.81	1.62	1.51	1.00	0.35	0.14	0.02
	Prill split				66.2%	22.9%	9.6%	1.4%
KLR06	51.25	59.56	8.31	0.24	0.14	0.07	0.02	0.01
	Prill split				60.3%	28.0%	9.5%	2.3%
Total average prill split					71.2%	18.4%	9.6%	0.8%



ABOUT REALM RESOURCES

RealM Resources' strategy is to create shareholder value through exploration and development of quality metal and minerals sector projects. The Company's core focus is on platinum group metals (PGM) in South Africa. The recent acquisition of three tenements on the Eastern Limb of the Bushveld Igneous Complex in South Africa, provides the Company with an inferred resource of 7.6 Moz of PGMs and an opportunity to progress the development of an open pit operation along 6 km of near surface outcrop of the UG2 reef horizon on one of the tenements. In addition, the Company has an aluminium dross treatment plant located in Pietermaritzburg, South Africa.

The information in this report which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. 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 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.