

REALM RESOURCES LTD

ASX/Media Release

29 October 2010

Quarterly report to 30 September 2010

Key Points

- **Limited scale near surface drilling program completed at Kliprivier platinum project, South Africa.**
- **Initial mapping and surface investigations underway at Ghost Mountain platinum project, South Africa**
- **Active business development focus continues**
- **Positive operational cash flow delivered by Alumicor following improved pricing and sustained higher volumes treated**
- **Cash on hand of AUD 5.7m at the end of the quarter.**

PLATINUM GROUP METALS

Kliprivier platinum project (RRP - 47.5% interest)

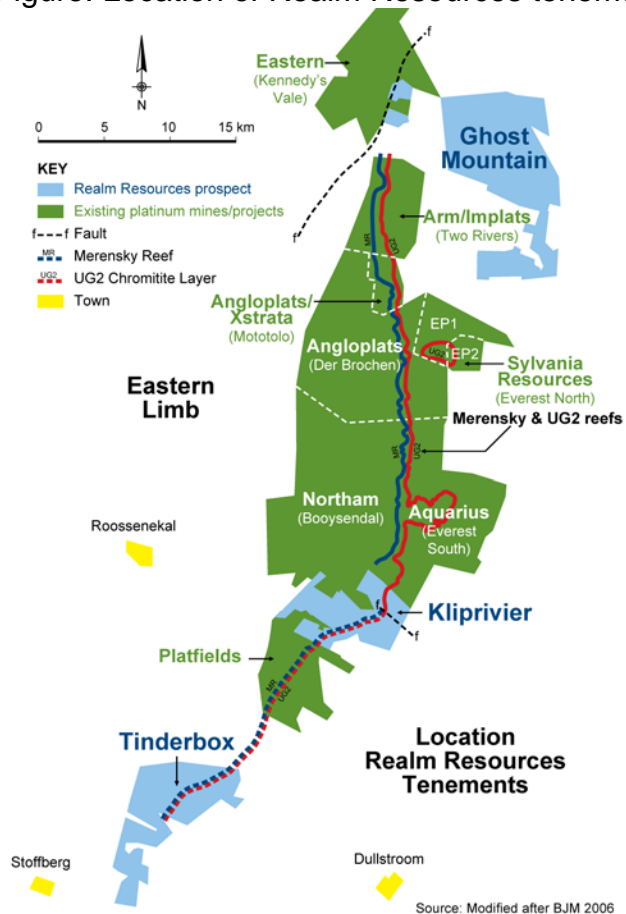
A limited scale drilling program was completed during the quarter at the Kliprivier platinum project, located within the Bushveld Igneous Complex in South Africa. Seven holes totalling 718 metres were drilled along the 6 km outcrop of the UG2 chromite horizon. All intersected near surface mineralisation. The results have provided valuable information for planning future exploration and development activities (Refer to Company Update 1 Sept 2010 for details).

The Board has decided to restrict further 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 47.5% of Kliprivier and 49.9% of Ghost Mountain and Tinderbox). The Company is actively following up on the application process which 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 to improve the administration process at the Department of Minerals and Energy.

Ghost Mountain platinum project (RRP - 49.9% interest)

During the quarter, RRP has extended its low cost surface mapping and sampling programme at the Ghost Mountain project. The farm Tweefontein 360KT has potential for the development of shallow UG2 reef mineralisation, whilst the eastern block of farms hold the potential for the discovery of PGM-bearing chromitite seams within outliers of the Critical Zone.

Figure: Location of Realm Resources tenements



Further mapping and sampling is being undertaken to determine the extent and PGM and chrome content of the chromitite seams present before deciding on more detailed follow up work (eg. trenching and low cost percussion drilling).

Figure 2: Photograph of the chromitite seams on the farm Frischgewaagd 359KT



ALUMICOR SA PTY LTD (RRP - 100%)

Realm Resources' fully-owned subsidiary, Alumicor SA (**"Alumicor"**), treats aluminium dross and returns aluminium to Hulammin Limited (**"Hulammin"**) on a toll conversion fee basis.

Health and Safety

The disabling injury frequency rate (DIFR) for the September Quarter has increased to 4.8% (1.0% for the previous quarter). The worsening has been caused by three minor but reportable incidents during the quarter. A rigorous safety campaign has been implemented.

Smelting and recovery performance comparison

Alumicor	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	% change Q2 2010
Tons smelted	4,280	3,639	3,977	3,823	4,070	4,160	2%
Average recovery %	64%	67%	62%	61%	61%	61%	0%

Operations

Over the quarter, there was a slight increase in volumes treated through the plant, primarily due to increased feed from Hulamin.

Financial

Following the renegotiated tolling fee, there was improved profitability in the third Quarter of 2010. An application to increase the throughput limit for the plant is being finalised by the environmental authorities.

BUSINESS DEVELOPMENT

The Company remains focussed on growing its PGM business and is actively seeking and evaluating complimentary value adding opportunities in the resource sector.

CORPORATE

Referring to the attached 4C schedule, net operating cash inflows were \$177,000 for the quarter (outflow of \$290,000 in the prior quarter). The improved operating cash flow resulted primarily from improved volumes and pricing at Alumicor. In addition, there has been minimal project expenditure on Kliprivier whilst awaiting for the section 11 application to be finalised. There was a net decrease in cash held of \$9,000 (net decrease of \$353,000 in the prior quarter).

Group cash position as at 30 September 2010 was \$5,678,000.

For further information please contact:

Richard Rossiter (MD) or Theo Renard (FD) on +61 2 8249 4542

Or visit the company's website www.realmresources.com.au



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 assess the development potential 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.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Realm Resources Limited

ABN

98 008 124 025

Quarter ended ("current quarter")

30 September 2010

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from customers	1,376	3,715
1.2	Payments for (a) staff costs	(501)	(1,444)
	(b) advertising and marketing		
	(c) research and development		
	(d) leased assets		
	(e) other working capital	(745)	(2,719)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	73	211
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid	(26)	(134)
1.7	Other (provide details if material)		
	Net operating cash flows	177	(371)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	177	(371)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(169)	(235)
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
Net investing cash flows	(169)	(235)
1.14 Total operating and investing cash flows	8	(606)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings	(17)	(48)
1.19 Dividends paid		
1.20 Other (provide details if material)		
Net financing cash flows	(17)	(48)
Net increase (decrease) in cash held	(9)	(654)
1.21 Cash at beginning of quarter/year to date	5,725	6,354
1.22 Exchange rate adjustments to item 1.20	(38)	(22)
1.23 Cash at end of quarter	5,678	5,678

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	298
1.25	Aggregate amount of loans to the parties included in item 1.11	
1.26	Explanation necessary for an understanding of the transactions	
	N/A	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	30	30
3.2 Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

Reconciliation of cash

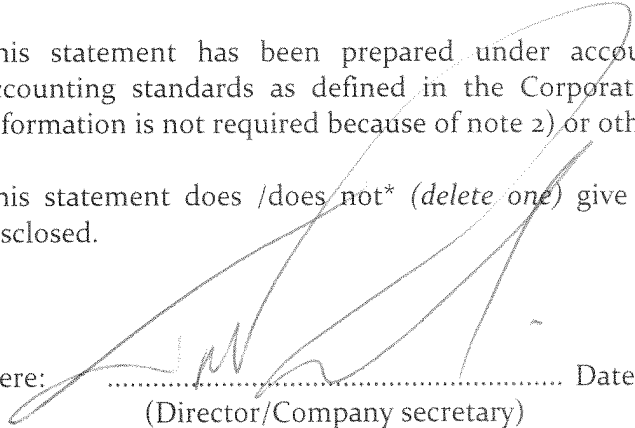
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	162	293
4.2	Deposits at call	4,521	4,760
4.3	Bank overdraft		
4.4	Other (provide details)	995	672
Total: cash at end of quarter (item 1.23)		5,678	5,725

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	N/A	N/A
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets		
5.5	Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:  Date: 29 October 2010
(Director/Company secretary)

Print name: Theo renard

+ See chapter 19 for defined terms.

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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