



Company Announcements
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By Electronic Lodgement

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KATINGAN RIA COAL PROJECT ACQUISITION UPDATE

Highlights

- **JORC coal resource (inferred) of 40.5Mt defined on the main seam in the Southern area of the Katingan Ria Project**
- **Scoping study for development of an initial 3mtpa open pit operation in the Southern area underway**
- **Potential to advance Katingan Ria to mining within 12 months**
- **Laboratory tests confirm sub-bituminous coal with low energy, sulphur and ash and high moisture, similar to other 4,200 (GAR) kcal/kg Indonesian coals**
- **Forestry exploration permit secured in the Northern area enabling drilling to commence in the second half of July**
- **Acquisition decision anticipated within next two months following scoping study**

Realm Resources Ltd (ASX: RRP) (Realm or the Company) is pleased to provide an update on the potential acquisition of the Katingan Ria Coal Project in Indonesia (**Katingan Ria Project**).

As announced on 12 April 2011, Realm has an exclusive option to acquire all of the issued capital in Kalres Limited (**Kalres**), for an aggregate consideration of US\$29.6 million and the issue of 15 million performance rights. Should the acquisition proceed, Realm will effectively have a 75% interest in the Katingan Ria project.

The Katingan Ria Project is an advanced thermal coal exploration project with the potential to progress to mining within 12 months. The project covers 5,053 hectares under Mining Business Permit for Exploration (IUP Exploration) No. 274. It is located in Central Kalimantan within the Katingan Hulu district, approximately 175km North West of the regional capital of Palangkaraya.

Kalres is a party to a Master Agreement with PT Sinar Mulia Anugerah Agung (**PT SMAA**), under which Kalres can acquire up to a 75% interest in an Indonesian coal company, PT Katingan Ria (**PTKR**), which holds the Katingan Ria Project.

At present, Realm has advanced its due diligence on Kalres, PT SMAA and PTKR in accordance with the terms of the Master Agreement and as part of the Company's strategy to identify and develop opportunities in the bulk commodity sector.

Inferred JORC Resource delineated in Southern Area

Realm has identified an initial 40 million tonne inferred resource estimate for the Southern area of the Katingan Ria Project. Of note, the deposit has relatively low stripping ratios (average approximately 3:1).

A scoping study on the feasibility of developing an initial 3mtpa open pit operation has commenced focussed on the Southern area, with coal quality data and logistics studies incorporated.

In parallel, drilling in the Northern area is expected to confirm the existence of the main seam which is seen in outcrop at various locations and mapped at over 6 metre seam thickness.

Table 1: JORC Resource Estimate (Main Seam – Southern area)

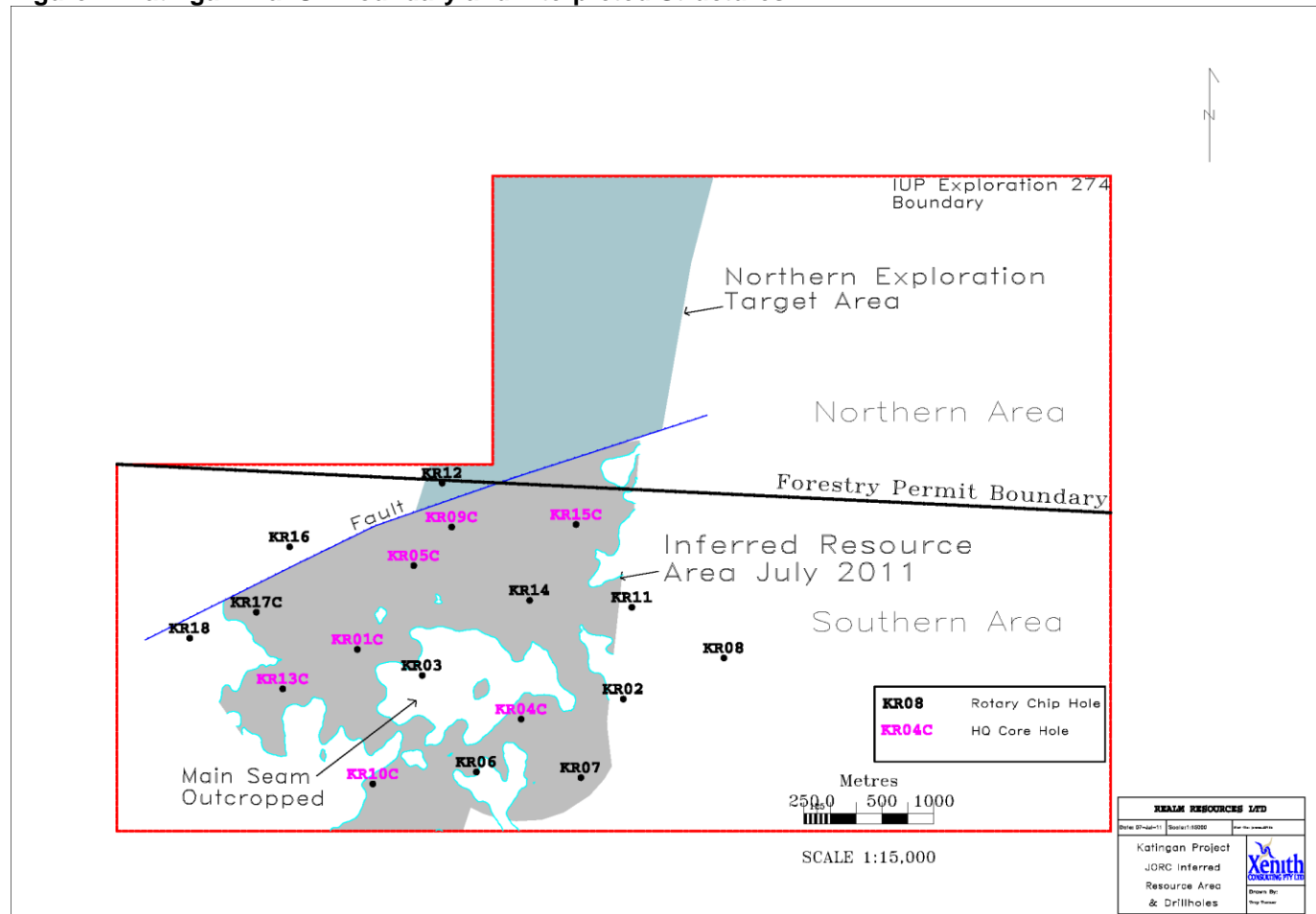
Main Seam	Coal Mass Tonnes Insitu (x 10 ⁶)	Av. Coal Thickness (m)	Coal RD Insitu	Total Moisture %	Inherent Moisture % (Adb)	Raw Ash % (Adb)	Raw Volatile Matter % (Adb)	Raw Sulphur % (Adb)	Raw Specific Energy Kcal/Kg (Adb)	HGI
Total Measured	-	-	-	-	-	-	-	-	-	-
Total Indicated	-	-	-	-	-	-	-	-	-	-
Total Inferred	40.1	3.88	1.31	30.7	17.1	9.5	38.0	0.20	5,063	48
Sub Total	40.1									

The resource estimate was based on the main seam only, drill spacing of approximately 1 km and publically available terrain elevation data. In order to improve the JORC classification to indicated status, further work is required to upgrade the topographical resolution. This work is planned to commence subject to Realm acquiring the asset.

The raw coal quality obtained to date confirms that the coal is typically sub-bituminous, low ash, moderate moisture with relatively low energy and consistently low total sulphur. Coal marketing study work is progressing and negotiations are underway with a number of groups regarding the provision of marketing support services within the markets of Indonesia, India and northern Asia.

In the mean time, further coal quality test work will be undertaken on outcrop samples during the next few weeks. No washability test work is planned at this stage. Due to the relatively low levels of ash, the coal is likely to require only crushing and screening to produce a marketable product thus obviating the need for a coal handling and preparation plant.

Figure 2: Katingan Ria IUP Boundary and Interpreted Structures



Permitting progress - Northern Area forestry exploration permit received

The Pinjam Pakai (Forestry) Exploration for the Northern Portion of the Katingan Ria Project has recently been granted. As a result, Realm has until 30 September 2011 to decide whether or not to proceed with the transaction under the Master Agreement and pay the Tranche 1 fee of US\$10 million to acquire a 51% interest in PTKR, the holder of the Katingan Ria Project.

Table 3 summarises the status of the permits for the Katingan Ria Project split by locality as required along with expected timeframes for achieving them.

Table 3: Permit Status - Katingan Ria Project

Description	Region	Status	Expected Date	Comments
IUP Exploration	Both areas	Secured		
Pinjam Pakai (Forestry)-Exploration	South	Secured		
Pinjam Pakai (Forestry)-Exploration	North	Secured		
IUP Operations	Both areas	Pending	July 2011	Permit is believed to be imminent. The Master Agreement allows production to commence once Forestry permits have

				been upgraded for operations
Pinjam Pakai (Forestry)- Operations	South	Application will follow issue of IUP (OP)	March 2012	Final approval required to commence mine development. Process of upgrading forestry permit depends mostly on the commercial value of the forest being determined. This area was previously commercially exploited by the forestry licence holder.
Pinjam Pakai (Forestry)- Operations	North	Application will follow issue of IUP (OP)		Potential operation would commence in the south and a decision to apply to upgrade the forestry permit for the north, would be made around life of mine planning.

Forward Work Plan

The Northern portion of the Katingan Ria Project is now available for exploration. However, given that the Company is scoping the Southern area for development, drilling in the North will be a limited programme of 6 to 10 holes, including both structural and coal quality holes. This programme should be completed by the end of August 2011.

The results of the planned scoping work over the next month will form the basis of the Company's decision as to whether to proceed with the acquisition of Kalres and the Katingan Ria Project, subject to the receipt of all necessary shareholder approvals.

Further regular updates on progress will be provided during the following months.

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About Realm

Realm's strategy is to create shareholder value through exploration and development of quality metal and minerals sector projects. The Company's focus is on platinum group metals (**PGM**) in South Africa as well as bulk commodities abroad. In addition, the Company has an aluminium dross treatment plant located in Pietermaritzburg, South Africa.

Competent Persons Statement: *The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves at the "Katingan Ria" Project is based on 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Turner consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.*