



REALM RESOURCES LTD

ASX/Media Release

30 April 2012

Quarterly report to 31 March 2012

Key points

- Katingan Ria Project - Resource upgrade to 102.2Mt (Indicated and Inferred)
- Completion of Phase 2 exploration programme
- Review of changes to Indonesian mining legislation
- Funding strategy and Feasibility Study work in progress
- Section 11 consent secured allowing completion of the acquisition of three platinum group metal (PGM) tenements in South Africa
- Options to maximise the value of the PGM assets given strong boost by Realm's increased shareholdings

COAL

During the quarter, **Realm Resources Ltd (ASX: RRP) (Realm or the Company)** announced a 29% increase in the JORC coal resources of its flagship Katingan Ria Project to 102.2Mt.

Katingan Ria is located approximately 100km to the north west of the city of Palangkaraya, the regency capital of Katingan in Central Kalimantan. The concession area covers approximately 4,250 ha. Importantly, the project is permitted to allow mining operations (IUP OP) to commence upon completion of the upgrade of the forestry permit (*Izin Pinjam Pakai*) which was received in June 2011.

Realm currently holds 51% of Katingan Ria and has an option to expand its ownership of the project to 75% subject to completion of its study work and satisfaction of remaining conditions precedent.

The Company completed concept study work in October 2011. Due to the advanced state of the project and proposed short path to production, Realm immediately proceeded to undertaking a feasibility study into developing an open cut coal project in a number of stages.

Realm completed its Phase 2 exploration programme in February. The results of the Phase 2 exploration and quality programme formed the basis of the upgrade to the coal resources. To date, the company has drilled 42 holes for a total of 2,844m.

Coal resources within the project have been found to occur in 3 seam groups;

- Upper seams: B,C,D
- Main seam
- Lower seams: Nos. 2 and 3

Work carried out to date has considered the Main seam as the target seam. This averages approximately 3.90m thickness across the deposit, with slight increases in the central and south-eastern parts.

Average Raw qualities for the target main seam are shown in Table 2 by classification status.

Table 2 Raw Coal Quality – Main seam

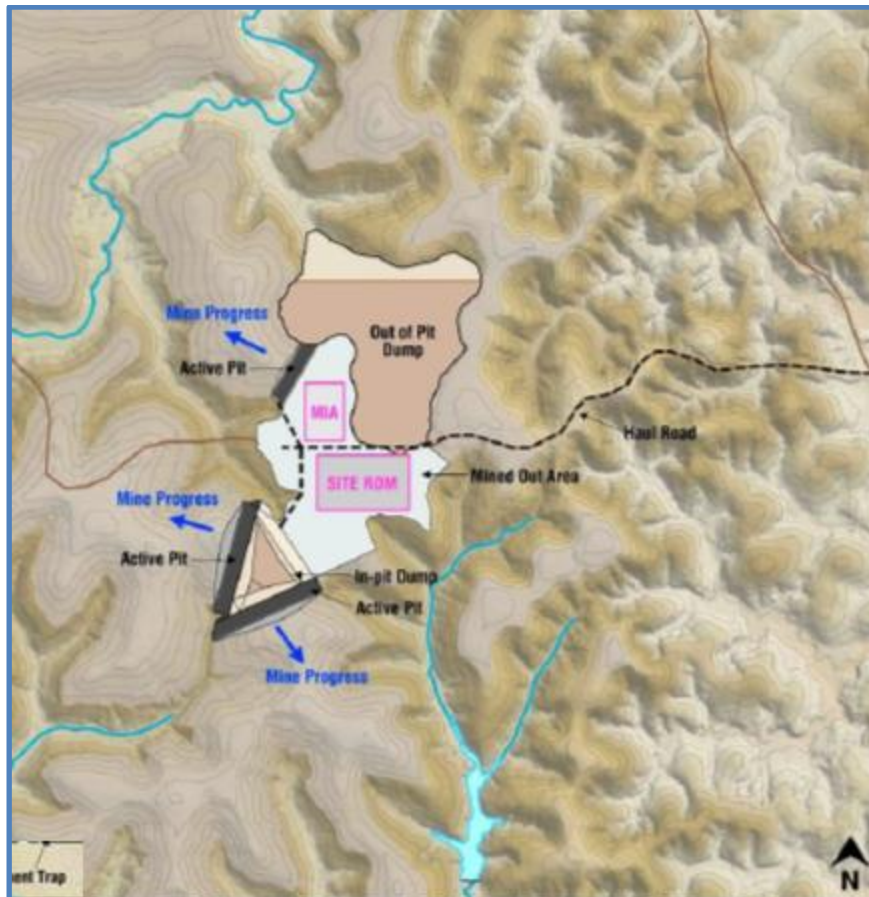
	Seam	Thickness m	PRD In Situ	TM % arb	IM % adb	Ash % adb	Volatiles % adb	TS % adb	Specific Enrgy kcal/kg adb	HGI adb
South										
Indicated	Main	4.34	1.30	33.2	15.1	8.7	38.1	0.21	5,240	48
Inferred	Main	3.58	1.31	31.0	15.6	9.8	38.5	0.20	5,147	48
North										
Inferred	Main	3.92	1.30	30.8	12.2	10.7	39.6	0.24	5,286	49

Study Work

The company has continued with its review of the Projects' feasibility with some delays experienced as a result of the late completion of river bathymetry and delivery aerial survey results on the preferred haul road alignment. As previously reported, the bathymetric survey is now complete and under review, topography is currently being processed.

The mining study has been based on an initial production capacity of 1Mtpa ramping to a 3Mtpa by year 3. This provides the best platform for establishing pit room and work faces for increasing production whilst minimising the equipment requirements in the initial phases of the project. Figure 2 shows the proposed layout in year 1.

Figure 2- Stage Plan Year 1.



Review of barging and river logistics options is now in progress. This work has included analysis of 180' and 240' barge configurations with cost benefit analysis of dredging options for the upper reaches of the river.

Study results will be completed in early May.

Permitting

The Company's application for the production forestry permit (Pinjam Pakai Eksploitasi) continues to progress through regulatory process. PT Katingan Ria anticipates receiving this permit, which is a prerequisite for commencement of mining operations, by May 2012.

Table 3: Permit Status – Katingan Ria Project

Description	Project Region	Status	Expected Date
IUP Exploration	Both areas	Secured	
Pinjam Pakai ¹ (Exploration)	South	Secured	
Pinjam Pakai (Exploration)	North	Secured	
Environmental Impact Statement (AMDAL)	Both areas	Completed	
IUP Operations	Both areas	Secured	
Pinjam Pakai (Exploitation)	Both areas	Submitted ²	May 2012

¹ Forestry permit

² Finalisation subject to Ministry of Forestry completing an assessment of the volume of timber to be disturbed

NB: All mining licences confirmed “clean and clear” by Minister of Energy and Mineral Resources.

See

http://www.djmbp.esdm.go.id/modules/news/?_act=detail&sub=news_minerbapabum&news_id=3313

Funding Strategy

Realm announced on 12 April 2011, that it had entered into a 2 stage acquisition process for the PT Katingan Ria coal project (“PTKR”).

- Stage 1 was successfully completed with a \$15 million funding package secured (announced 14 September 2011), this resulted in the acquisition of 51% of PTKR (announced 6 October 2011) – Tranche 1;
- Stage 2 of the acquisition (expected before the end of June 2012, subject to satisfactory fulfilment of conditions precedent) requires payment of US \$17 million, to take Realm's ownership of PTKR to 75% - Tranche 2; and
- Further to the initial concept study and current exploration programme findings, the capital required for start-up is being analysed with a view to commence sustainable operations with a minimum level of investment and operational expenditure.

Given the weak state of capital markets, Realm's approach is to assess all avenues of funding while at the same time endeavouring to minimise shareholder dilution. The following funding options are being pursued:



- Prepayment for Off-take –Realm is in discussions with several interested parties;
- Off-take for equity - discussions are underway with potential strategic investors regarding the potential sale of a minority stake in Realm or a subsidiary in return for off-take;
- Debt - confidentiality agreements are in place with several banks to allow them to analyse relevant information on the company and the coal project. Initiating discussions have taken place on a range of debt facilities from off-take finance through to project finance; and,
- Equity markets – road-shows and market updates continue.

A strategic review of the company's South African assets is underway; an update of progress will be made in due course. At this stage however, potential outcomes are not expected to crystallise in the short-term.

The company will provide further updates on any material developments in relation to funding as they arise.

Management is pleased with the progress of the Katingan Ria project. Management continues to work vigorously towards funding the acquisition of the final 24% of PTKR and build Realm's capability in bulk commodities and in Indonesia.

Amendment to payment date for Katingan Ria Project, Indonesia

On 7 February 2012, Realm announced that Realm and its partners have agreed to amend the date for the Tranche 2 Payment, the time at which its interest in the Katingan Ria Coal Project in Indonesia is increased.

The revised date will now fall within two months from satisfaction of all Conditions Precedent, with 30 June 2012 as the cut off date.

The original master agreement anticipated the satisfaction of all Conditions Precedent by January 2012 with Realm required to make the Tranche 2 Payment three months later (i.e. April 2012).

The Company anticipates that all Tranche 2 Conditions Precedent should now be satisfied in May 2012. Should this be the case, then the Tranche 2 Payment would be made in June 2012, at which point Realm's interest in the Katingan Ria Project would increase to 75% from its current 51%.

Review of Implications of Indonesian Mining Regulations

Realm is considering the impact of the recently announced amendments to Regulation of the Republic of Indonesian No. 23 of 2010 (GR 23) and believes it is prudent not to make a final assessment on how these changes may affect the Company until further clarification on the scope of these amendments is given by the Government of Indonesia in the days and weeks ahead.



In summary, though, the material amendments to GR 23 resulting from Government Regulation No. 24 of 2012 (GR 24) that was signed by the President of Indonesia on 21 February of this year are as follows:

1. *A mining permit for a PMA shall only be granted by the Minister of Energy and Mineral Resources*

This is a new provision introduced by GR 24 since previously a mining permit (IUP) could be issued by authorised local governments. A PMA company is one which is permitted to have foreign shareholders.

This additional provision would appear not to have any impact on the licence held by PT Katingan Ria ("**PTKR**") since it has already received its final mining permit.

2. *An IUP may be transferred to another entity so long as the transferee is at least 51% owned by the IUP holder*

Previously it was not possible for the holder of an IUP to transfer it to another entity. It would now appear that it is permitted to transfer the IUP to a subsidiary so long as it is majority owned.

This additional provision would appear to have no impact on PTKR's mining concession.

3. *Divestment*

Prior to this amendment, the regulations required PMA companies that had been granted IUPs to have a minimum of 20% of their shares held by Indonesian entities by the fifth anniversary of the commencement of production. GR 24 now details the increased percentage that must be divested to Indonesian entities as follows:

- a. By the sixth anniversary, 20% divestment;
- b. By the seventh anniversary, 30% divestment;
- c. By the eighth anniversary, 37% divestment;
- d. By the ninth anniversary, 44% divestment; and,
- e. By the tenth anniversary, 51% divestment.

GR 24 amends the "no dilution" provision of GR 23 to these new levels and makes no amendment to the priority of entities to be divested to (i.e., a) Central government, b) Provincial or regency governments, c) National state-owned enterprises, d) regional state-owned enterprises then e) private local entities).

The company will continue to monitor to these requirements closely with time. Realm's planning with respect to Katingan Ria will be made both on the basis of 75% ownership and the divestment schedule above.

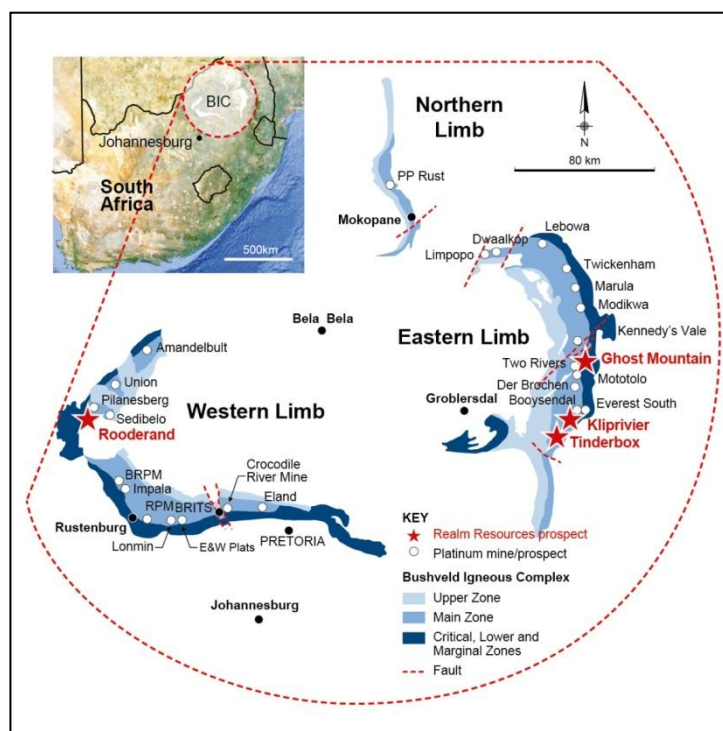
Platinum Group Metals

On 16 March 2012 Realm announced that Section 11 had been received from the South African Department of Mineral Resources, allowing the Company to complete the planned acquisition of the South African platinum properties. Section 11 is a Ministerial approval required by a foreign company before it can acquire a controlling interest in a South African company holding a mining concession. The Company provided an update on its activities relating to its platinum interests.

Eastern Limb Platinum Projects Update

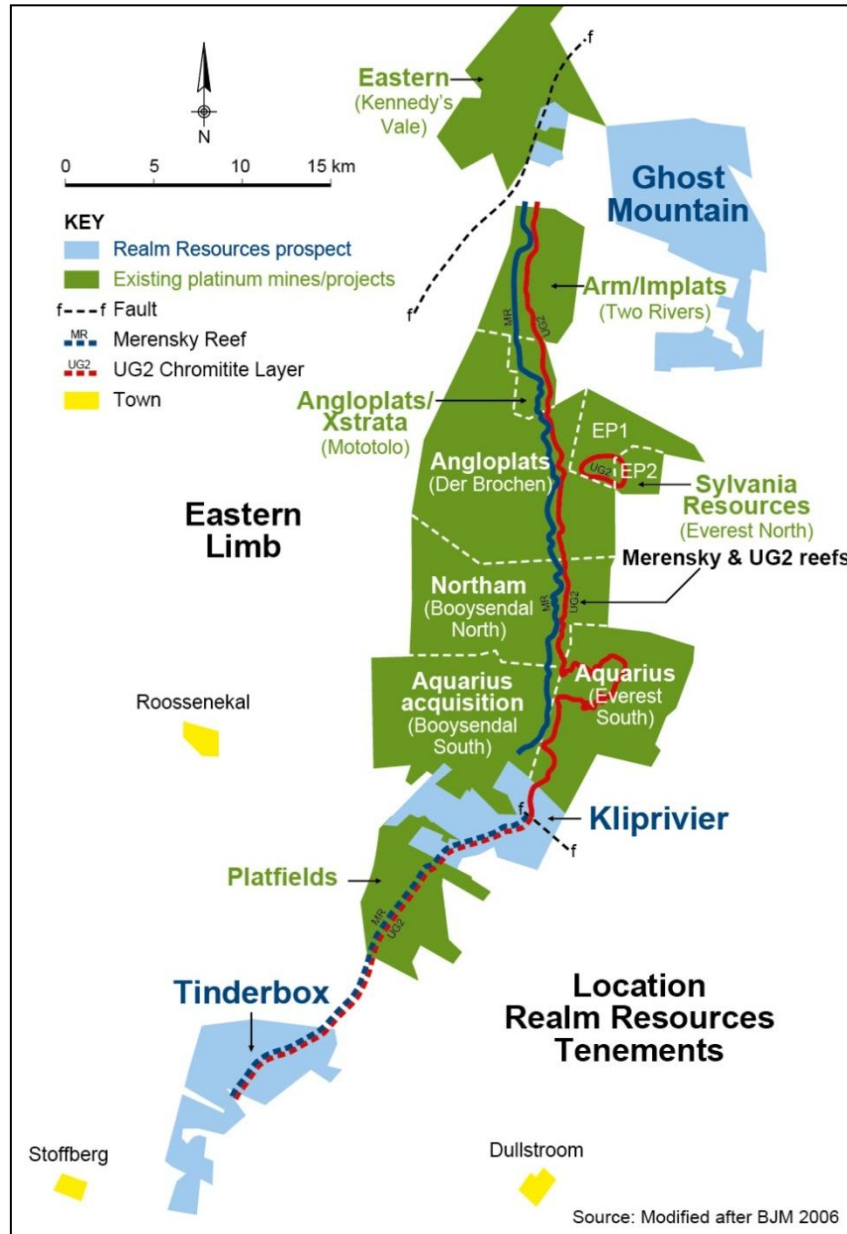
The Section 11 applications lodged in respect of the Kliprivier, Ghost Mountain and Tinderbox projects located on the Eastern Limb of the Bushveld Igneous Complex in South Africa have finally been approved. Approval of the Section 11 applications has enabled the Company to finalise the acquisition of the three PGM tenements which contain an inferred resource of 109.6Mt @ 2.3g/t (3PGE+Au) containing 7.6Moz of PGMs (undiscounted).

Figure 2 - Location of Realm's PGM projects.



In accordance with the terms of the September 2008 Share Sale Agreement, Realm will issue 34,789,565 Shares to the shareholders of Morning Star Holdings (Australia) Ltd. (**MSH**) - previously Realm Resources Ltd. - and 15,220,435 Shares to Nkwe Platinum (South Africa) (Pty) Ltd. (**Nkwe**), or its nominee, to complete the acquisition of MSH, Masedi Platinum (Proprietary) Limited (**Masedi**) and Nkwe Platinum (Scarlet) (Proprietary) Limited (**NPS**), in accordance with the MSH Share Sale Agreement and the Nkwe Share Sale Agreement.

Figure 2 -- Kliprivier, Ghost Mountain and Tinderbox Prospect locations.



Following completion of the transaction, Realm (Pty) Limited (South Africa) will hold 95% and 100% of the issued capital in Masedi and NPS respectively. Gaining control of Masedi and NPS will allow Realm to take control of the assets and take meaningful action to maximise the value of the assets.

The Company is continuing with its assessment of its options to maximise the value of the PGM portfolio. These may include sale, joint ventures or proceeding with further exploration and resource development work.



ALUMINIUM

Alumicor SA Holdings (Pty) Ltd (RRP 74%)

Realm's subsidiary, Alumicor SA ("**Alumicor**"), treats aluminium dross and returns aluminium to Hulamin Limited ("**Hulamin**") on a toll conversion fee basis.

Health and Safety

There was one disabling injury during the quarter. The focus on safety training and monitoring continues. The disabling injury frequency rate for the quarter was 1.35%.

Smelting and recovery performance comparison

Alumicor	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	% change Q4 2011
Tons smelted	3,350	4,983	4,925	3,620	4,562	26.0%
Average recovery	53%	58%	62%	48%	56%	16.7%

Operations

Alumicor has had a good start to 2012, volumes of dross processed for the quarter have improved from the prior quarter. The quarter returned profits for Alumicor.

CORPORATE

Referring to the attached 5B schedule, net operating cash outflows were \$1,384,000 for the quarter (outflow of \$713,000 in the prior quarter). Operating cash flow for the quarter includes evaluation and exploration expenses incurred on the Katingan Ria Project (as detailed in the Appendix 5B). There was a net decrease in cash held of \$1,432,000 (net decrease of \$13,540,000 in the prior quarter), during the quarter exploration activities continued on the Katingan Ria project.

On 28 February 2011, shareholders approved the repayment of the Taurus loan of \$5,170,000 by the issue of 56,813,187 fully paid ordinary shares and the issue of 12,087,912 fully paid ordinary shares to Mr Andrew Matheson, who had accepted shares in Realm Resources Limited in lieu of cash consideration.

Group cash position as at 31 March 2012 was \$1,844,000.



About Realm Resources

Realm's strategy is to **create shareholder value through exploration and development of bulk commodity projects, primarily in coal**. In addition, the Company's has platinum group metals (**PGM**) advanced exploration projects and an aluminium dross treatment plant in South Africa.

For further information please contact:

Andrew Matheson (MD) on +61 431037143; Richard Rossiter (Chairman) and Theo Renard (FD) on +61 2 8249 4542

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

Competent Persons Statement – Katingan Ria Project

The information in this announcement that relates to Exploration Results, Mineral Resources 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 presentation of the matters based on his information in the form and context in which it appears.

Competent Persons Statement – Kliprivier, Ghost Mountain and Tinderbox projects

The information in this announcement 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 Geoscientists and a Corporate Member of the Australasian Institute of Mining and Metallurgy. Mr. Maynard is the principal of AI 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 this announcement of the matters based on his information in the form and context in which it appears.

Appendix: Coal Resources Summary

[illegible]

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Realm Resources Limited

ABN

98 008 124 025

Quarter ended ("current quarter")

31 March 2012

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	873	873
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(43) (606)	(43) (606)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	27	27
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid	45	45
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(1,384)	(1,384)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(45)	(45)
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	(45)	(45)
1.13	Total operating and investing cash flows (carried forward)	(1,429)	(1,429)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,429)	(1,429)	
	Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.			
1.15	Proceeds from sale of forfeited shares			
1.16	Proceeds from borrowings			
1.17	Repayment of borrowings	(2)	(2)	
1.18	Dividends paid			
1.19	Other (provide details if material)			
	Net financing cash flows	(2)	(2)	
	Net increase (decrease) in cash held	(1,432)	(1,432)	
1.20	Cash at beginning of quarter/year to date	3,267	3,267	
1.21	Exchange rate adjustments to item 1.20	9	9	
1.22	Cash at end of quarter	1,844	1,844	

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
1.23	Aggregate amount of payments to the parties included in item 1.2	502
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Issue of 56,813,187 fully paid ordinary shares to repay \$5,170,000 loan from Taurus No. 2 Trust and Taurus Resources. Issue of 12,087,912 fully paid ordinary shares to Andrew Matheson in lieu of vendor cash consideration for Kalres shares

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 projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements	3	3

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	115
4.2 Development	-
4.3 Production	650
4.4 Administration	920
Total	1,685

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
5.1 Cash on hand and at bank	251	126
5.2 Deposits at call	60	1,674
5.3 Bank overdraft		
5.4 Other (provide details)	1,533	1,467
Total: cash at end of quarter (item 1.22)	1,844	3,267

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A			
6.2 Interests in mining tenements acquired or increased	N/A			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>	-			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	350,032,974	350,032,974	N/A	N/A
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	68,901,099	68,901,099	9.1	9.1
7.5	+Convertible debt securities <i>(description)</i>	-			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	2,500,000 1,000,000	Nil Nil	<i>Exercise price</i> \$0.15 \$0.15	<i>Expiry date</i> 30 June 2012 30 January 2015
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>	-			

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)		
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~/does not~~ (delete one) give a true and fair view of the matters disclosed.

Sign here:


.....
(Director/Company secretary)

Date: 30/4/2012

Print name: Theo Renard

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 "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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.

+ See chapter 19 for defined terms.

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