



Company Announcements  
ASX Limited  
Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

By Electronic Lodgement

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## **Katingan Ria Coal Project and Funding Update**

Realm Resources Limited (ASX: RRP) wishes to provide the following update on its activities;

### **Katingan Ria Coal Project**

The Company is continuing to work with its partners on advancing the status of permitting for the Katingan Ria Coal Project. In recognition of the delays experienced in procuring the final Pinjam Pakai, 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 to 75% from the 51% held currently.

The revised date remains two months from satisfaction of all Conditions Precedent, but with 31 March 2013 as the new 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 immediately thereafter. This was amended to have the Tranche 2 Payment falling within two months of satisfaction of Conditions Precedent with 30 June 2012 as the cut off date. This amendment has now been superseded by this latest extension.

The Company anticipates that all Tranche 2 Conditions Precedent should now be satisfied by December 2012. Should this be the case, then the Tranche 2 Payment would be made in February 2013, at which point Realm's interest in the Katingan Ria Project would increase to 75%.

### **Funding**

The Company is pleased to announce that its' major shareholder Taurus Funds Management ("Taurus") has agreed to provide funding by way of a loan of up to \$5 million. The funds will be applied towards further resource/reserve definition drilling and Project optimisation activities, as well as general working capital.

The key terms of the loan are:

- facility amount of up to \$5 million;
- The facility is unsecured;
- Interest rate of 8% p.a. payable quarterly in arrears and may, subject to agreement, be paid by way of issue of ordinary shares in Realm at the 5 day VWAP for ordinary shares;
- The facility is repayable on the earlier of the project equity raising or 30 September 2013;



- If Realm is issuing ordinary shares, Taurus may elect to convert their loan into ordinary shares at the same issue price per share as the equity raising;
- The lenders are entitled to a facility fee of 2% of the total facility amount and will be granted options over a total of 100,000,000 shares, exercisable at 5c per share at any time in the next 5 years (subject to the Company obtaining all necessary shareholder approvals under the Corporations Act and ASX Listing Rules); and
- Realm is required to use funds raised on the exercise of the options to repay any outstanding amounts under the facility.

This will fund Realm's current exploration and permitting activities in Indonesia and Africa over the forthcoming 12 months and allow time for the company to schedule the project with greater certainty on permitting and market conditions.

Yours sincerely

**Realm Resources Limited**

**For further information please contact:**

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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 primary focus is on the acquisition and development of the Katingan Ria thermal coal project in Indonesia. On 6<sup>th</sup> October 2011, Realm announced the acquisition of Kalres Limited and through Kalres acquired 51% of PT Katingan Ria (PTKR), an advanced thermal coal exploration project located in Central Kalimantan, Indonesia, for a total transaction value of US\$12.6 million and 15 million Performance Rights. The Katingan Ria Project has the potential to establish Realm as a thermal coal producer within the next 12 months in a nation that has an established coal industry; and is ideally located to export to the high demand southeast Asian markets. Kalres is party to a Master agreement under which Kalres can acquire up to a 75% interest in PTKR.

In addition, Realm has platinum group metals (PGM) in South Africa and an aluminium dross treatment plant in South Africa.