



Company Announcements

ASX Limited

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REALM RESOURCES VENDS ROODERAND ASSETS INTO 'STAND ALONE' PGM AND CHROME MINING COMPANY, SOUTH AFRICA

HIGHLIGHTS

- **Realm announces agreement with Nkwe and Chrometco to establish a new PGM and chrome mining company.**
- **Realm to hold 16% stake in Chrometco following completion of transaction.**
- **Progress update on strategic review of South African Platinum Group Metals and Aluminium assets.**

Realm Resources Ltd ("**Realm**" - ASX: RRP) is pleased to announce that it has entered into an agreement (the "**Agreement**") with Chrometco Limited ("**Chrometco**" – JSE: CMO) and Nkwe Platinum Rooderand (Proprietary) Limited ("**Nkwe**") that will lead to the establishment of a 'stand alone' company focussed on advancing PGM and chrome assets in South Africa.

Nkwe and Realm (the "**Sellers**") have agreed to cancel the existing farm-in agreement and sell the platinum group and base metal mineral rights (the "**Prospecting Right**") as well as historical drill core and geological data to Chrometco. Chrometco holds a mining right for chrome on the same Remaining Extent of the Farm Rooderand 46 JQ property (the "**Property**") in South Africa (Figure 1 and Figure 2).

In terms of the Agreement, Nkwe is in the process of renewing its new order prospecting right for platinum group metals and gold ("**PGMs**") and cobalt, copper and nickel ("**Base Metals**") on the Property. Nkwe has agreed to transfer its geological data and the drill core to Chrometco and conditionally abandon its prospecting right subject to the granting of the Section 102 Consent of the Mineral and Petroleum Resources Development Act in favour of Chrometco (the "**Section 102**").

Application). Subject to the fulfilment of the conditions precedent set out below, Chrometco would issue 90M Chrometco ordinary shares to the Sellers (the **“Consideration”**), 45M to Realm and 45M to Nkwe (the **“Transaction”**). Upon completion of the Transaction and assuming no further Chrometco shares being issued, Realm and Nkwe would hold approximately 16% each of Chrometco and would have board representation.

Chairman Richard Rossiter commented “The transaction is a significant first step by Realm to maximise the value of its PGM portfolio. Realm, via its board representation and shareholding, is looking forward to supporting Chrometco and its vision to grow a new primary PGM and chrome mining company in South Africa”.

1. RATIONALE FOR THE TRANSACTION

The consolidation of the mineral rights on the Remainder Portion of Rooderand via the Section 102 process would unlock significant synergies for the benefit of Chrometco, Realm and Nkwe. Geologically, the economic horizons (reefs) all outcrop on surface and occur in close proximity to each other and furthermore some of the PGM bearing horizons contain by-product chromite (**“Cr”**) and the Cr horizons contain by-product PGMs, making a strong case for combined mining and processing operation. Upon approval of the transfer of the PGM and Base Metal rights, the rights would become part of an existing mining right with a reduced approval timeframe.

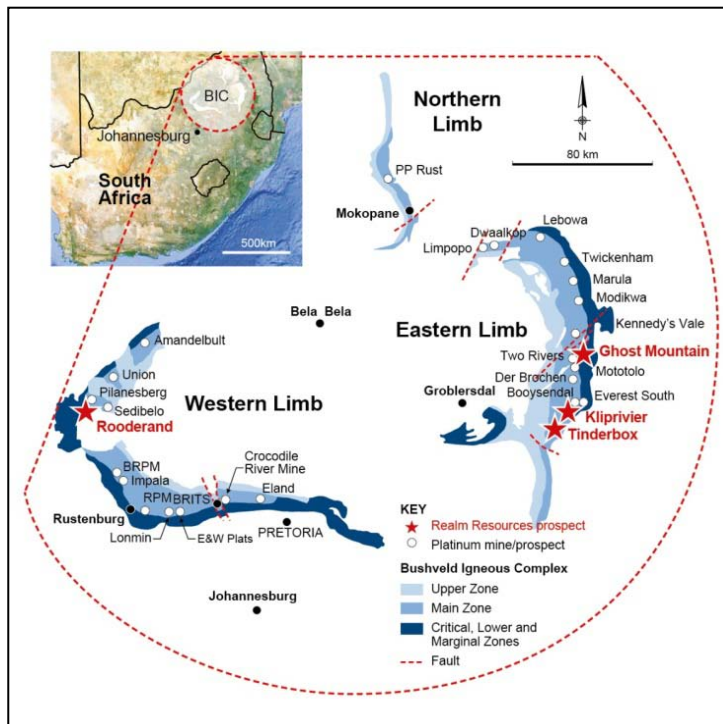
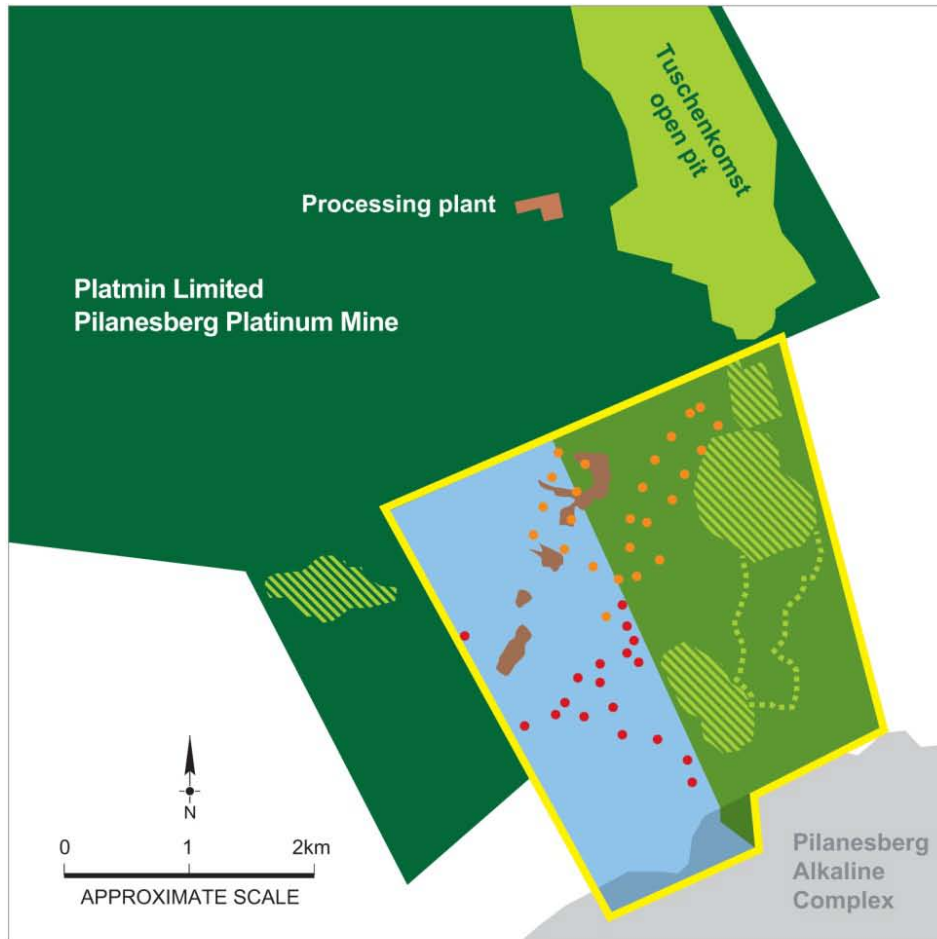


Figure 1 Location of Realm's PGM projects



LEGEND

	Chrometco – Chrome Mining Right (Rooderand 46JQ Remaining Extent and Portion 2)		PGM Drillholes
	Nkwe/Realm Resources (Rooderand 46JQ Remaining Extent)		Chrome Drillholes
	Platinum Australia (Rooderand 46JQ – Portion 2)		Chrome Mined-Out Areas
			Proposed PGM Open Pits

Figure 2 Location of Chrometco's chrome and Nkwe/Realm's PGM and base metals rights

Key value drivers are:

- Time to mining significantly reduced via merger of PGM and Base Metals rights into Chrometco's mining right for Cr via the Section 102 process;

- Upgrading resource categorization via combination of existing geological information and limited additional work;
- Reducing capital and timing to cash flow by accessing nearby underutilised processing infrastructure;
- Developing synergistic Cr from PGM and PGM from Cr operations – i.e., ability to mine all the minerals simultaneously, which would allow for more cost efficient mining;
- Expanding operations into neighbouring and other shallow mining PGM/Cr properties; and
- Improving critical mass and ability to finance development as well as attractiveness to logical PGM/Cr consolidation buyers.

2. SETTLEMENT OF THE CONSIDERATION

In terms of the Agreement the Consideration would be settled as follows:

- The issue by Chrometco of 20 million new ordinary Chrometco shares in equal allotment to the Sellers (i.e., 10M to Realm) subject to the fulfilment of the Part A Conditions (the “**First Tranche Shares**”); and,
- The issue by Chrometco of 70 million new ordinary Chrometco shares in equal allotment to the Sellers (i.e., 35M to Realm) subject to the fulfilment of the Part B Conditions (the “**Second Tranche Shares**”).

3. CONDITIONS PRECEDENT

Part A conditions precedent. The issue of the First Tranche Shares is subject to Chrometco shareholder approval by special resolution.

Part B conditions precedent. The issue of the Second Tranche Shares is subject to the fulfilment of, inter alia, the following conditions precedent:

- Renewal of the Nkwe Prospecting Right unconditionally by the Minister of Mineral Resources, or renewal on terms and conditions acceptable to Chrometco and the Sellers;

- Section 102 application being unconditionally granted, or on terms and conditions acceptable to Chrometco and the Sellers;
- The execution of the abandonment of the Prospecting Right held by Nkwe;
- Termination of the JV/farm-in agreement between Realm and Nkwe; and,
- The successful execution of the amendment of the Chrometco Mining Right by the addition of the Prospecting Right.

4. FURTHER UPDATE ON STRATEGIC REVIEW OF PGM INTERESTS AND ALUMINIUM OPERATIONS

Realm is also pleased to present an update on the strategic review of its other South African platinum projects and its aluminium dross retreatment operation. The Company's primary objective was to consider alternatives to maximising value for shareholders, or raise funds, given the Company's primary focus on coal in the Asia Pacific region. Over the period, management has considered a range of alternatives and worked up a number of potential transactions. Progress has however been affected by the general weakness in global commodity and equity markets requiring management to seek ways to add value to the assets in anticipation of an improvement in market conditions.

In platinum, Realm secured Section 11 consent in March 2012 enabling the Company to finalise the acquisition of Kliprivier, Ghost Mountain and Tinderbox on the Eastern Limb of the Bushveld Igneous Complex in South Africa. Kliprivier contains an inferred resource of 109.6Mt @ 2.3g/t (3PGE+Au) containing 7.6Moz of PGMs (undiscounted). Following completion of the transaction, Realm holds 95% of Kliprivier and 100% of Ghost Mountain and Tinderbox respectively. Gaining control of the assets allows Realm to take meaningful action to maximise the value of these assets. At this stage, management is considering all options including, logical consolidation transactions, joint ventures and/or proceeding with further exploration and resource upgrade work, specifically targeting resources with shallow open cast potential.

In aluminium, management has considered a range of options including sale, joint ventures and further growth and has concluded that at this time, the focus will remain on maximising cash flow from the South African operation. In this regard, volume expansion on a fixed cost base would yield the best result. As such, management has recently applied for, and been granted, the right to expand the maximum tonnage treated from 1,400 t per month to 2,100 t



per month. Management will now investigate ways to expand production via accessing additional dross from Hulamín or, if necessary, from other third parties with Hulamín's cooperation.

Given the attraction of our modular on site dross treatment model to smelters, management has followed up on a recent request for proposal to construct a similar aluminium dross retreatment facility at one of the major international aluminium refineries. We will advise the market of progress as developments unfold.

For further information please contact:

Richard Rossiter (Chairman) or Theo Renard (FD) on +61 2 8249 4542 or visit the Company's website at <http://www.realmresources.com.au/>

Competent Persons Statement – Katingan Ria Project

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 ("AIG") and a Corporate Member of the Australasian Institute of Mining and Metallurgy ("AusIMM"). 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.

About Realm

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

APPENDIX

Transaction Outline for consolidation of the mineral rights on the Remainder Portion of Rooderand.

In terms of the transaction, Chrometco would acquire all the assets of Nkwe and Realm on the remainder portion of Rooderand for 90 million shares in a two-stage transaction.

The assets are:

- Nkwe prospecting right for PGMs and Base Metals;
- Nkwe drill core at De Wildt;
- Nkwe geological data; and,
- Realm farm-in agreement.

Upon signing, Chrometco gets an exclusive option to acquire all the additional metals (PGMs and Base Metals) for inclusion into the existing Chrometco chrome mining right.

The two-stage transaction would be as follows:

Stage One

The conditions precedent for Stage One (Part A conditions precedent) are, inter alia:

- The approval by Chrometco shareholders for the Transaction by special resolution.

After Chrometco shareholder approval, the following occurs:

- The new three-way agreement becomes active;
- The agreement supersedes the current Nkwe- Realm farm-in agreement;
- Chrometco gets the Nkwe geological data and drill core;
- Chrometco applies for PGMs and Base Metals rights (Section 102 consolidation on mineral rights);
- Nkwe gives up their PGM and Base Metals prospecting right, conditionally;
- Realm/Nkwe get a board seat at Chrometco; and,
- In return, Chrometco issues 20 million new shares (First Tranche Shares), 10M to Realm and 10M to Nkwe.

Stage Two

The conditions precedent for Stage Two (Part B conditions precedent) are, inter alia:

- Renewal of the Nkwe Prospecting Right unconditionally by the Minister of Mineral Resources, or renewal on terms and conditions acceptable to Chrometco and the Sellers.
- Section 102 application being unconditionally granted, or on terms and conditions acceptable to Chrometco and the Sellers;
- The execution of the abandonment of the Prospecting Right held by Nkwe;
- Termination of the JV/farm-in agreement between Realm and Nkwe; and,
- The successful execution of the amendment of the Chrometco Mining Right by the addition of the Prospecting Right.

The effect is as follows:

- Chrometco would then have the mining right for all minerals on the Remainder portion of Rooderand;

- Mining for chrome and PGMs can then commence; and,
- In return, Chrometco issues an additional 70 million new shares (Second Tranche Shares), 35 million to Realm and 35 million to Nkwe.

Additional information and background

Chrometco has a 30 year new order mining right over Portion Two as well as the Remainder Portion of Rooderand for Chromite.

Nkwe applied for a renewal of a Prospecting Right for PGMs and Base Metals over the Remainder Portion of Rooderand.

Realm has a farm in arrangement to earn 51% of the NKWE Rooderand asset, against an expenditure of US\$2m (refer to RRP ASX announcement 26 May 2011).

Chrometco has 184.9 m shares in issue and would have 275M shares in issue, post deal (assuming no further shares are issued).

There are no related parties in this transaction, Nkwe and Realm act independently.

Realm and Nkwe agree to hold the Consideration for a minimum period.