



ASX/Media Release

9 October 2012

DRILLING RECOMMENCES AT KATINGAN RIA COAL PROJECT AS PRECURSOR TO BANKABLE FEASIBILITY STUDY

Highlights:

- **Katingan Ria thermal coal project drilling programme recommences to improve resource confidence in the initial mining area and support the production of a BFS**
- **Results to date support the original model predictions with the Main Seam average borehole thickness improving to 4.9m (vs. 4.3m model average thickness)**
- **Project optimization work to enhance economics underway**
- **BFS anticipated for release by year-end**

Realm Resources Ltd. (ASX: RRP) (Realm or the Company) is pleased to announce that it has commenced work on the phase three technical programme at its Katingan Project in Central Kalimantan, Indonesia.

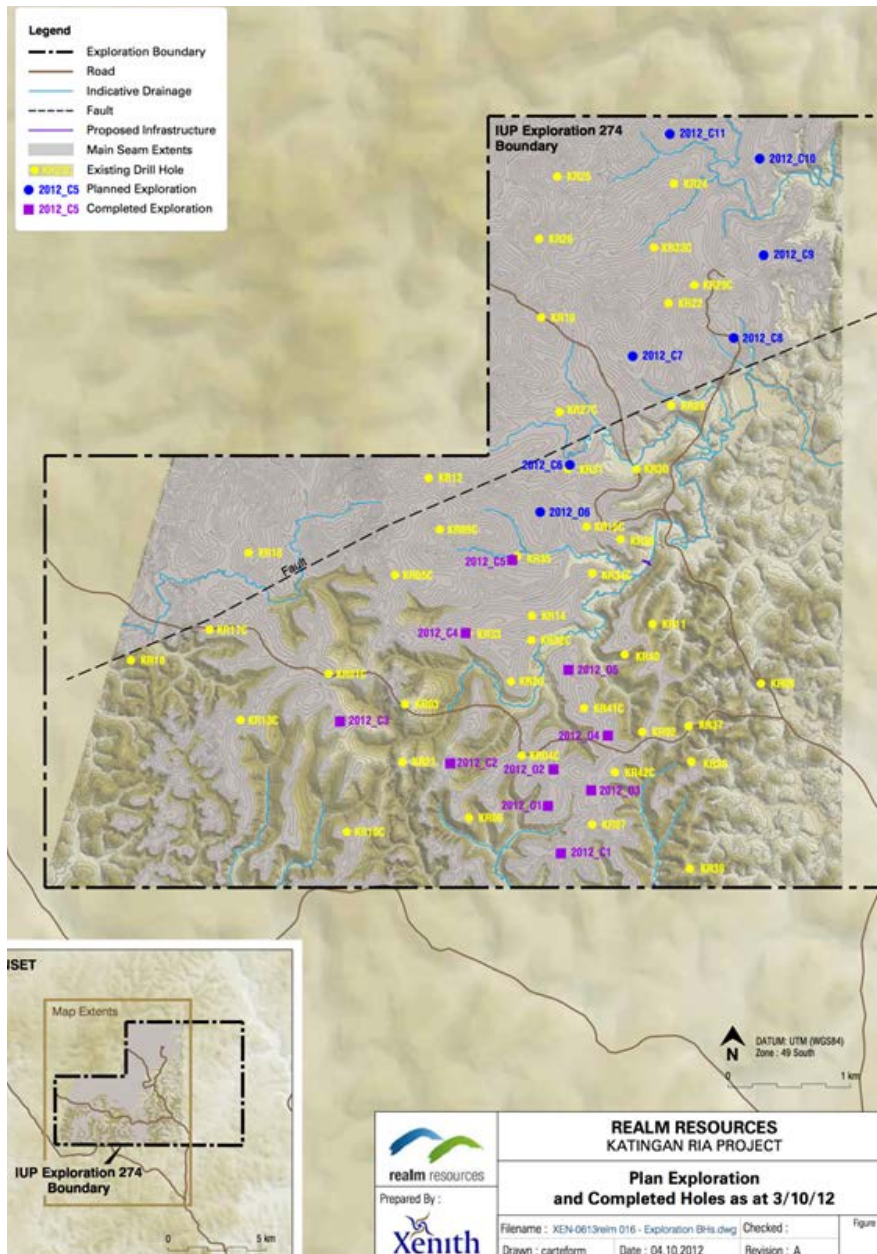
This programme, designed in conjunction with Xenith Consulting, aims to increase the size of the JORC compliant coal resource and allow for conversion of some of this resource to a JORC compliant reserve estimate and the production of a bankable feasibility study ("**BFS**"). In addition, the Company is conducting additional engineering studies and optimisation work aimed at reducing FOB cash costs and enhancing the project's economics.

The exploration programme commenced on the 17th of September with one medium size track mounted drill rig with HQ size capability mobilised to site, by Indonesian drilling firm Arbico.

The drilling has initially focussed on the South Eastern quadrant of the project area, which was identified in the recently completed Project Study as the best potential mining start-up area given the low strip ratios and favourable coal quality results.

As of the 3rd of October, 554m of drilling had been completed with 467m of chip and 87m of HQ size core (Figure 1; Table 1).

Figure 1 Katingan Ria coal project showing location of Phase 3 drill sites and completed holes



A total of 10 holes have been drilled out of the total 16 planned sites, being 5 cores and 5 chip holes. All holes have been geophysically logged.

Results to date support the original model predictions with one exception. The average Main Seam borehole thickness of 4.90m is thicker than the 4.34m average in previous

Indicated Resource model. The depths to the Main Seam have varied slightly from the predictions, however this will allow the structural model to be further enhanced moving forward.

The first batch of coal quality samples have been forwarded to the accredited laboratory at Banjarmasin for testing to build on the coal quality database.

With solid progress to date of this latest field programme, the Company anticipates completion of the BFS before year-end.

Table 1 – Katingan Ria Phase 3 drilling results to 3rd October

Borehole	Seam	Hole Type	Actual From(m)	Actual To(m)	Actual Thick(m)	Total Depth(m)
KR43	MAIN	Chip	24.00	28.80	4.80	
2012_O3	2		37.60	38.15	0.55	
	3		42.95	43.18	0.23	57.00
KR44C	MAIN	Core	32.50	37.90	5.40	
2012-C1						42.50
KR45	MAIN	Chip	21.85	26.90	5.05	
2012-O4	2		36.70	37.52	0.82	
	3		41.30	41.75	0.45	48.00
KR46	MAIN	Chip	3.00	6.60	3.60	
2012-O5	2		16.68	17.22	0.54	
	3		21.10	21.60	0.50	48.00
KR47	MAIN	Chip	26.00	31.25	5.25	
2012-O2	2		42.82	43.70	0.88	45.00
KR48	MAIN	Chip	23.10	28.05	4.95	
2012-O1						36.00
KR49C	MAIN	Core	23.25	28.20	4.95	
2012-C2						32.00
KR50C	MAIN	Core	recommend step-off and deepen to check Main seam			
2012-C3						32.00
KR33C	MAIN	Core	37.22	42.30	5.08	
2012-C4						45.50
KR35C	MAIN	Core	34.95	40.20	5.25	
2012-C5						44.00

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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.

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.