REALM RESOURCES LTD

ASX/Media Release

31 October 2012

Quarterly report to 30 September 2012

Key Points:

Katingan Ria

- Completion of Project Study for Katingan Ria Project, Indonesia;
- Project's Base Case open-cut 3Mtpa mine plan with a designed life of 15 years, is technically viable;
- Coal deposit is structurally simple and with a large area of relatively homogeneous low-strip ratio coal minimising costs and establishing the projected life of mine FOB operating costs at USD39.2/t;
- The quality of a raw coal product should satisfy the specifications for Indonesian 4,200kcal/kg (GAR) low sulphur coal and be readily accepted in rapidly growing markets in China, India, Korea and Thailand;
- Low project start-up capital estimate of USD23M, implying a capital intensity of less than USD10/annual tonne, thereby minimising investment risk;
- Permitting is well advanced, supporting forecast production and ramp up from mid-2013;
- The Base Case mine plan NPV of USD156M (100%) at a 10% discount rate is most sensitive to coal price and least sensitive to capital expenditure;
- Potential to increase the quantity and quality of the resource definition and to better optimise the mine's economics through additional exploration and engineering work.

Platinum

- 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.

Corporate

- Cash on hand of AUD3.8m at the end of the quarter.

KATINGAN RIA

1. OVERVIEW

The Project is located near the town of Tumbang Samba in Central Kalimantan, Indonesia, approximately 175 km North West of the regional capital of Palangkaraya (see Figure 1). The Project mining concession covers an area of some 4,258 ha within an area that has already been subject to commercial forestry operations.

Figure 1 Location of the Project

The Project's Base Case is designed to mine 1.0 to 1.5 Mtpa of coal ramping up to 3.0 Mtpa within three years. It is proposed to use a truck and excavator fleet to produce a thermal coal product for the domestic and export markets, initially over a period of 15 years.

Coal would be transported from the mine site to the Pegatan Anchorage at the southern coast of Central Kalimantan for loading to ocean shipping vessels and export. The total transportation distance to the anchorage (including road and barge) is approximately 450kms.

The following strengths have been identified for the Project:

- The deposit (10.2Mt indicated and 92Mt inferred JORC resource) is structurally simple with a low strip-ratio, therefore leading to lower mining costs.
- The coal (4,200 GAR kcal/kg raw coal basis) is relatively homogenous, low in sulphur and most likely to be marketed to the rapidly growing demand centres in China, India, Korea and Thailand.
- Low start-up capital and operating costs (FOB).
- The Project requires no rail or port infrastructure to be developed and therefore could be brought into production relatively quickly.

The key technical risks for the Project are:

- Converting the predominant inferred resource to indicated or measured through more drilling on the Project site. A thorough exploration plan for the next phase on nominal indicated resource status spacing has been submitted to Realm from Xenith, however the upgrading of existing inferred resources to increase the current 10.2Mt of Main seam indicated resource cannot be assumed at this point due to geological risks such as potential coal quality variation and coal seam structure.
- It cannot be assumed that a JORC compliant reserve estimate would result from the new technical programme contemplated herein as this would depend on the assumptions used in the mining and financial evaluation at that time.
- FOB cost factors associated with river seasonality and the transport distance to the coast.
- Margins received from the sale of the coal are very sensitive to coal price assumptions and potential increases in operating costs.

The following are the main opportunities identified:

- Improve knowledge of coal qualities, allowing for better economic optimisation.
- Expand the total coal resource via further drilling in the underexplored northern portion of the lease.
- Optimisation studies aimed at reducing FOB costs/t in areas such as mining (use of low cost dozer push methods) and transport logistics including barging/stock pile solutions.
- Establishing off-take partners given the expected specification for the Project's coal is typical of the 4,200 kcal/kg (GAR) specification for low rank Indonesian coal and therefore expected to trade consistently with comparable coals, with its low sulphur (0.2%) and relatively high volatiles (31%) potentially more appealing to some customers.
- Obtaining the final Pinjam Pakai Eksploitasi (forestry) permit which would allow operations to commence.

2. TECHNICAL ASPECTS

a. Mine Layout

A total of 10.2Mt indicated and 92.0Mt inferred JORC compliant resources have been identified in the Project area. The Base Case mine plan assumes mining would begin near the south-eastern limit of the concession, as shown in Figure 2.

This creates the following benefits:

- minimising coal haulage distance to the barge transfer station on the Katingan river;
- located close to readily available waste dumping locations;
- targeting a start-up area where current geological modelling indicates attractive coal quality; and
- lowest available strip ratio.

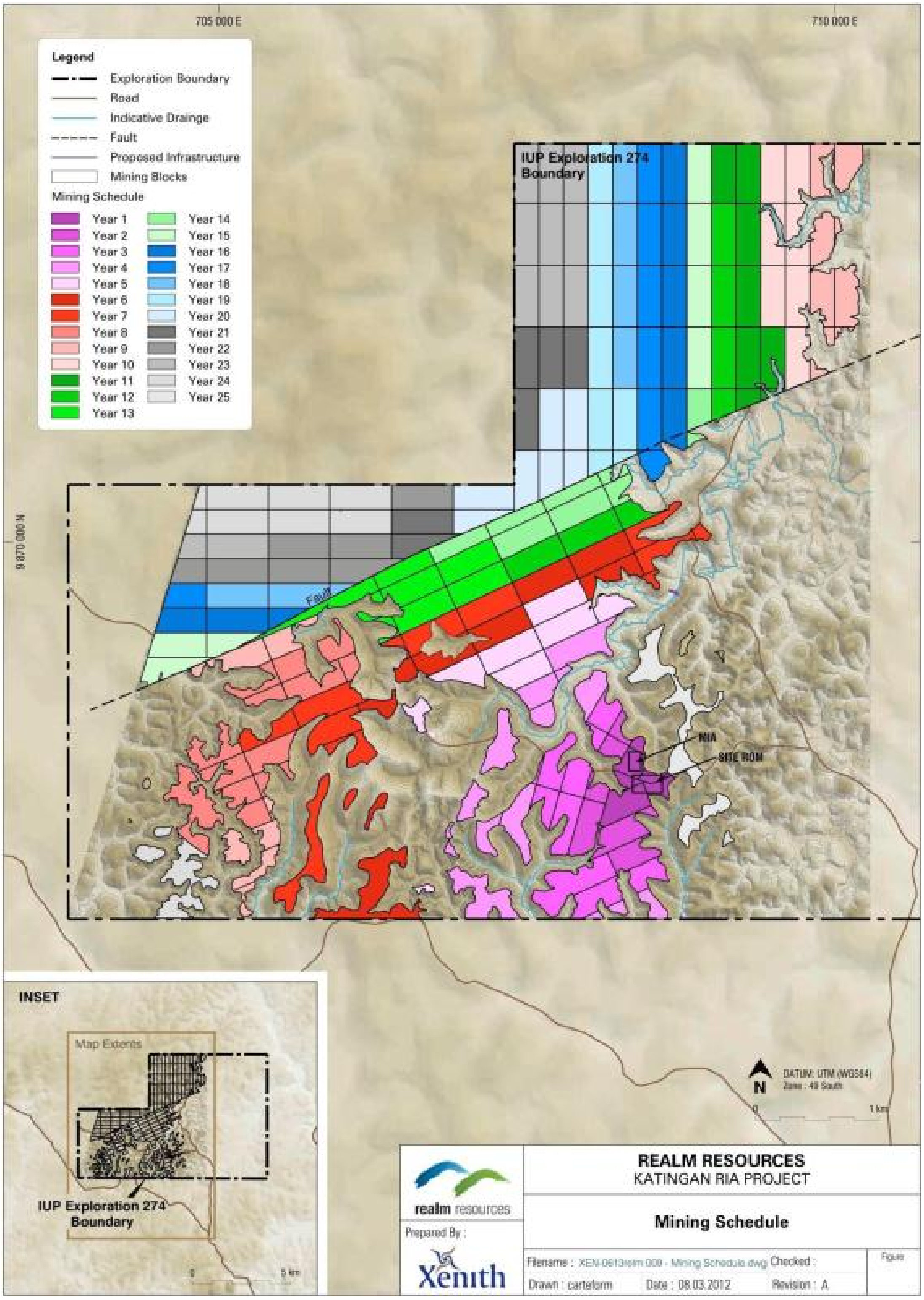


Figure 2 Mining Block Design and Schedule

Several key considerations have been made in the planning of the mine layout. The Main seam floor dip and strip ratio were taken into account in addition to the proposed method of mine development to design the mining strips. The strip widths proposed for the mine are 40m wide to compliment small scale equipment readily available from local contractors for the initial works.

b. Mining

The Base Case mine plan was designed to extract approximately 40Mt of ROM over fifteen years at an annual production rate (after a 2 year ramp up) of 3Mtpa.

The mine plan has been designed to commence at the location where the existing logging road enters the south-eastern extent of the deposit. The schedule assumes mining activities progress radially and with a number of faces from the infrastructure area until approximately Year 9 at which stage activities include areas north of the major fault.

The mining operations processes include:

- Clearing and grubbing of vegetation;
- Topsoil stripping;
- Truck/excavator movement of waste including coal roof clean up;
- Truck/excavator movement of coal including coal floor clean up; and
- Rehabilitation.

Based on the geology and topography an opportunity to exploit lower cost dozer push methods to potentially lower stripping costs will be further considered.

c. Logistics

Coal is to be transported from the mine site to the Intermediate Stockpile at Jahan Jang where it is then sold to domestic customers or delivered to the Pegatan Anchorage at the southern coast of Central Kalimantan for loading aboard ocean going vessels for sale to foreign customers. The total transportation distance to the anchorage (including road and barge) is approximately 450kms.

Logistics for transport are as follows:

- Mining and road haulage of ROM coal to the barge loading port on the Katingan River;
- Crushing and sizing of coal to 50mm;
- Loading of coal to barges and transport down the Katingan River to the Intermediate Stockpile at Jahan Jang;
- Unloading, stockpile, blending and cargo assembly operations at the Intermediate Stockpile; and

- Loading of coal to barges and transport to mother vessels at Pegatan Anchorage.

3. MINERAL RESOURCES

The coal sequence, which is found within the Dahor formation in the Barito Basin, occurs as a series of flat lying seams ranging in thickness from 0.1m to 8m, interbedded with weathered sandstones. Structurally, the sequence displays some gentle folding with a 20m – 40m fault down throwing the sequence to the north of the tenement.

For the purposes of this study only the Main seam was evaluated for mining. The Main seam averages approximately 3.80m across the entire deposit, with a slight increase in thickness in the central and south-eastern parts of the deposit (where mining is proposed to start). At present, while there is preliminary information regarding the Upper Seams in the north, there is currently insufficient data to model the extents, tonnages and coal quality. The lower seams (No. 2 and No. 3) have been excluded from the current mine plan and schedules due to their reduced thickness (0.21 - 0.84m thick and 0.36 - 1.57m thick respectively) and expected higher incremental strip ratios.

A typical stratigraphic column from the proposed southern mining area is shown in Figure 3 with cross section shown in Figure 4.

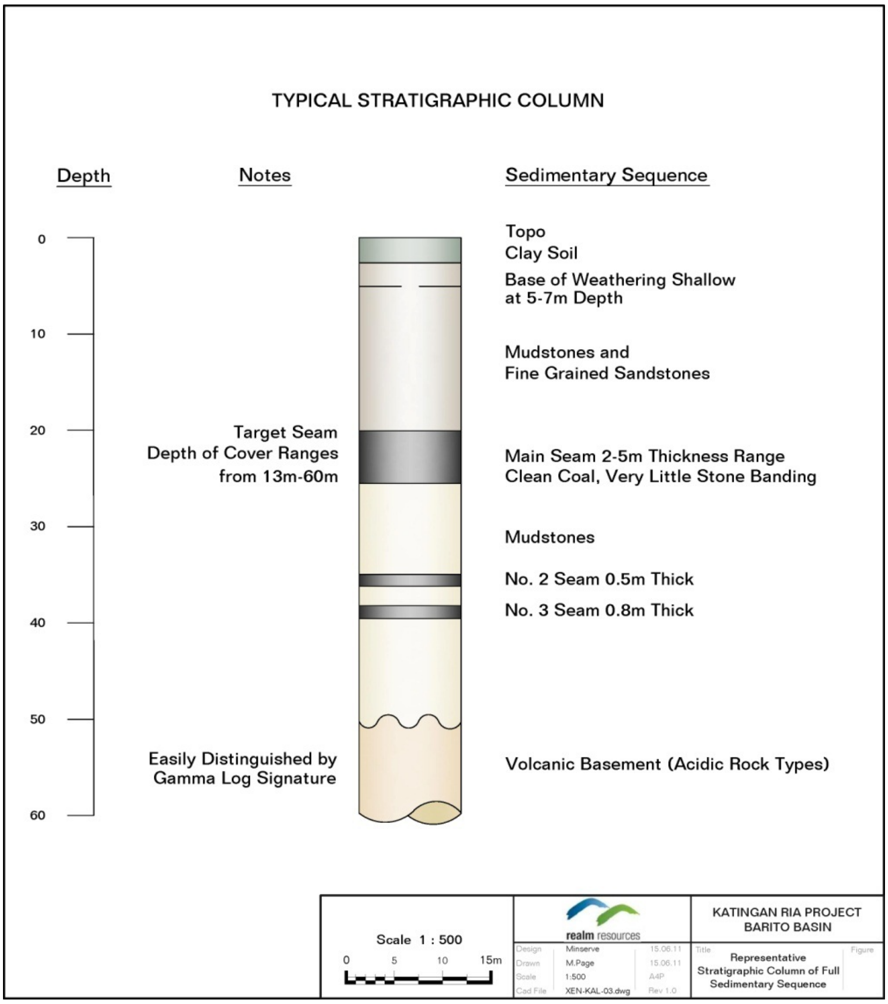


Figure 3 Typical Stratigraphic Column – Southern Resource

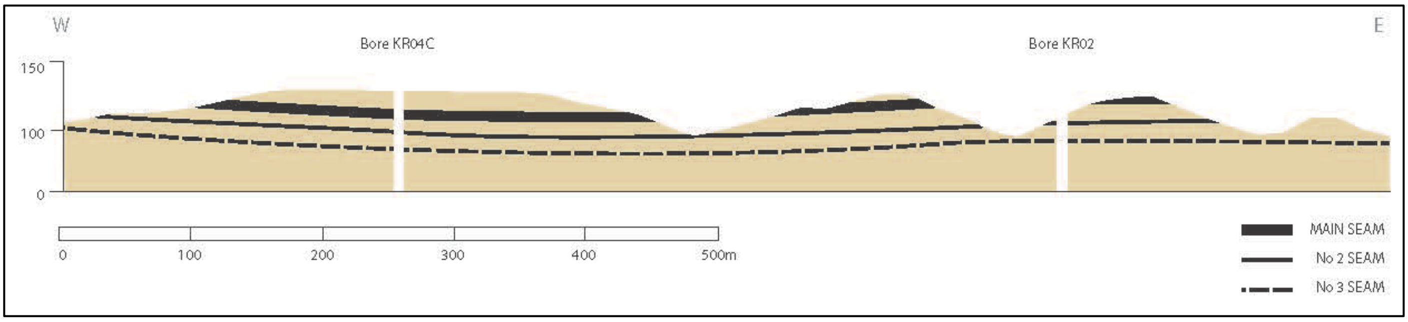


Figure 4 Geological Cross Section – Southern Resource Proposed Mining Area

The JORC Resource Statement for the Project is summarised in Table 1 and Table 2 below.

Table 1 Summary of Coal Resources by Seam

Seam	Indicated (Mt)	Inferred (Mt)	Total Indicated + Inferred (Mt)
Upper Seams		28.0	28.0
Main Seam	10.2	58.6	68.8
Lower Seams		5.4	5.4
Total	**10.2**	**92.0**	**102.2**

Table 2 Raw Coal Quality - Main Seam

	Seam	Thickness m	PRD in situ	TM %	IM adb %	Ash adb %	Volatiles adb%	TS adb%	Specific Energy 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

Indicative coal specifications for marketing purposes are shown in Table 3.

Table 3 Indicative specifications for Katingan Ria Coal (Source: Xenith)

Katingan Ria - Main Seam
Initial Mining Area
Indicative product quality (no dilution)

Jul 12

			AS RECEIVED	AIR DRIED	DRY	DRY ASH FREE
Moisture (%):	Total		32.0			
Proximate Analysis (%) :	Inherent Moisture			15.0		
	Ash		6.8	8.5	10.0	
	Volatile Matter		30.6	38.3	45.0	
	Fixed Carbon		30.6	38.3	45.0	
Total Sulphur (%) :			0.17	0.21	0.25	
Calorific Value :	Gross	(kcal/kg)	4200	5250	6176	
	Net	(kcal/kg)	3870	4800		
Ultimate Analysis (%) :	Carbon		44.5	55.6	65.4	72.7
	Hydrogen		3.0	3.7	4.4	4.9
	Nitrogen		0.48	0.60	0.71	0.79
	Oxygen by difference		13.2	16.5	19.4	21.6
	Sulphur		0.17	0.21	0.25	0.27
Ash Analysis	SiO_2	51		K_2O	0.3	
(% in dry ash)	Al_2O_3	33		TiO_2	1.9	
	Fe_2O_3	6.5		Mn_3O_4	0.01	
	CaO	3.2		P_2O_5	0.1	
	MgO	1.10		SO_3	2.18	
	Na_2O	0.04		Total	99	
HGI:	50					
Ash Fusion Temperatures (°C):			Reducing			
	Deformation		1325			
	Sphere (Softening)		1420			
	Hemisphere		1430			
	Flow		1440			
Topsize (mm) nominal:	50					

4. FINANCIAL PARAMETERS

a. Summary of Results

The Project evaluation was based on the Base Case mine plane with discounted cash flows on an unleveraged basis. All costs and valuations are in real terms (i.e., no escalation of capital and operating costs) and based on a 15 year mine design.

Table 4 Key Financial Model Assumptions and Outputs

Item	Units	
FOB Cash Costs (LOM)[1]	USD/t ROM	39.2
Start-up Capital	USD	23.2
Tonnes Produced	Mt	40.4
Sale Price / Tonne	USD	52.0
Discount Rate	%	10.0
NPV	USD	156.0

[1] Company estimate (excluding royalties). Weighted average for first 5 years = USD35.8/t

b. Capital Expenditure

Capital costs for the Project include study costs, mine haul road and infrastructure, the crushing and barging facility and capital expenditure required for improving the local community. These were based on previous capital expenditure at similar operations in Indonesia and quotes received. It is important to note that the capital intensity of the Project is extremely low (less than USD10/annual tonne). Future studies would focus on optimising the capital versus operating cost equation given the potential to reduce operating costs via limited additional capital investments.

The estimated start-up capital requirement of USD23.2M includes a 30% contingency and is summarised in Table 5.

Table 5 Capital Costs Assumptions

Capital	USD M
Mine Development	5.0
Haul Road	3.4
River Dredging	3.0
Upper Stockpile	2.2
Intermediate Stockpile	2.9
Project Management	1.5
Misc & Contingency	5.2
Total	**23.2**

c. Operating Costs Assumptions

The scope of Xenith's review included making an assessment of the reasonableness of the operating costs used by the Company in its financial models (Table 6). Xenith's life of mine operating cost assumption, arrived at using typical Indonesian contractor costs, varied only slightly from (and were less than) the Company's estimates which they considered to be reasonable, realistic and achievable. Importantly, Xenith noted that there were a number of areas that could be focussed on to potentially reduce operating costs (namely mining, haulage, barging and handling). These would be the subject of further studies.

Table 6 Average LOM Operating Cost (ex. Royalty)

Activity	USD/t
Waste Removal	7.4
Coal mining	1.8
Coal haulage	9.9
Coal processing/handling	3.7
Barging & transhipment	14.8
Rehabilitation	0.2
Administration (inc. Corporate)	0.7
Community	0.2
Marketing	0.5
Total[2]	**39.2**

[2] Company estimate (excluding royalties). Weighted average for first 5 years = USD35.8/t

d. Markets and Coal Price

Salva Resources were engaged to provide market advice (July 2011). Their view has been that Indonesian coal exports would continue their strong growth, adding a further 120Mt (for a total of 391Mt) to 2015. This would include a large proportion of ‘low-rank’ coals, such as that from the Project, which are gaining increasing acceptance in the thermal coal markets particularly in India and China. In addition, Indonesia remains competitively positioned with the ability to expand production relatively quickly. This is expected to ensure it captures a substantial share of demand growth in the Pacific, at least until the opening up of other large supply basins.

Indian thermal coal import demand is forecast to almost triple over the period, from 67Mt in 2010 to 197Mt in 2015, on the back of a surge in imported coal required for new coastal coal-fired power plants. China remains more opaque due to its current huge domestic production capacity. China is expected to remain a large importer of thermal coal to 2015, while Korea and Thailand would have steady growth over the period. All of these countries already take low-rank coal and blend it for use in power generation.

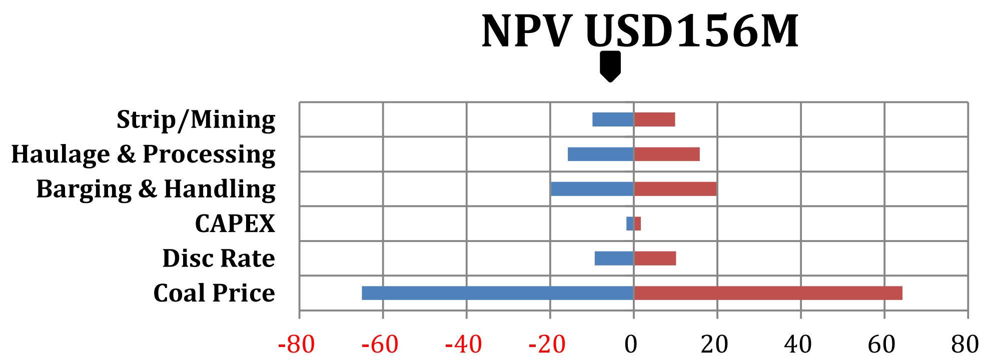
As reserves of bituminous and higher energy sub-bituminous thermal coals continue to be depleted, emerging consumers are building new power stations with boilers designed to use lower rank coals which is expected to lead to increased demand. Emerging consumers in developing economies such as China, India and Thailand need low cost fuel, long term security of supply and, as much as practically possible, control of their fuel pricing. These developing economies view emerging suppliers favourably if they can offer supply security and cost advantage. The Project is well positioned to supply to these markets commencing in the near term.

All Indonesian export coal is priced relative to a benchmark system which itself is linked closely to Newcastle thermal coal indices. Various sub-grades are then indexed based on coal quality parameters and using this (approximate) method Salva’s advice to Realm is that coal from the Project would be priced in the range of 47% - 52% of Newcastle thermal coal indices, with the provision that the benchmarking system remains intact and operational.

A price of USD52/t has been used as the base case selling price for the Project’s coal. This was based on 47% of the consensus forecast of USD110/t FOB Newcastle for the period 2013 - 2016 as compiled by Bloomberg.

e. Sensitivity Analysis

A sensitivity analysis was undertaken for the Base Case mine plan by varying the key cost drivers by plus and minus 10%. The Project is most sensitive to coal price and operating costs and is largely insensitive to capital. Future studies would therefore include a review of the capital versus operating cost assumptions with the aim of further reducing operating costs and protecting margins. The results are presented in Figure 5.



	Coal Price	Disc Rate	CAPEX	Barging & Handling	Haulage & Processing	Strip/Mining
Downside	-65	-9	-2	-20	-16	-10
Upside	64	10	2	20	16	10

Change in NPV (USD M)

Figure 5 Sensitivity Analysis of Base Case Mine Plan

f. Other Financial Assumptions

The divestment requirements of the Indonesian Government's regulations pertaining to permitted levels of foreign ownership in Indonesian mining companies are assumed to happen at arm's length. The financial analysis presented herein has therefore been done on a 100% basis.

The Company currently owns 51% of the Project, directly through a wholly-owned subsidiary. Subject to the satisfaction of the remaining conditions precedent, the Company has the right to acquire an additional 24% of the Project which would take its interest to 75%.

5. CONCLUSIONS

This Project Study establishes the viability of the Project using the realistic and reasonable assumptions made and all material risks are believed to have been considered. However, the recent sharp fall in coal prices have negatively impacted the Project's projected economics, although the medium-to-long term fundamentals remain robust. Given the additional time required to finalise permitting, Realm's near-term focus will be to potentially convert the coal resource to JORC code compliant reserves (this will require further indicated and/or measured resources to be classified) and optimisation work aimed at reducing FOB cash costs and enhancing the Project's economics. The Board has therefore approved commencement of the work programme to support the creation of a BFS.

6. TIMETABLE

A timetable for the production of a BFS and the revised plan for the development of the Project was released on 22nd October 2012. Importantly, development can only be contemplated after the final Pinjam Pakai Eksploitasi (Forestry) permit has been issued. This permit, which was originally expected in Q1 2012, has been delayed and is now expected by Goku Resources (Realm's partners) to be received in Q4 2012.

PLATINUM GROUP METALS
Realm Resources (Pty) Ltd
(RRP 74%)

During the quarter, the Company announced that it had 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 existing 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 (see Figure 6 & 7).

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.

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 time frame.

Figure 6. Location of Realm's PGM Projects

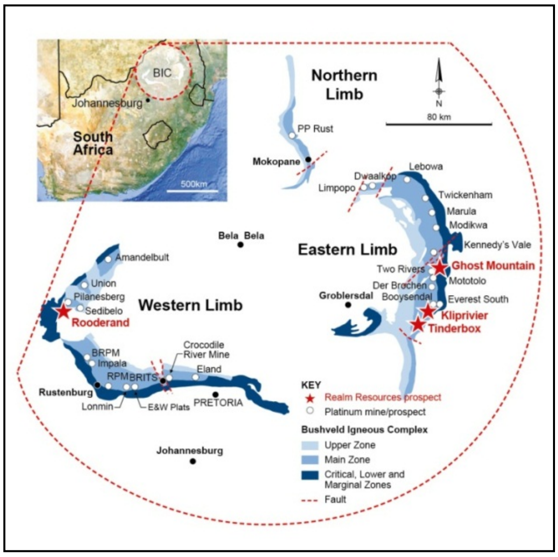
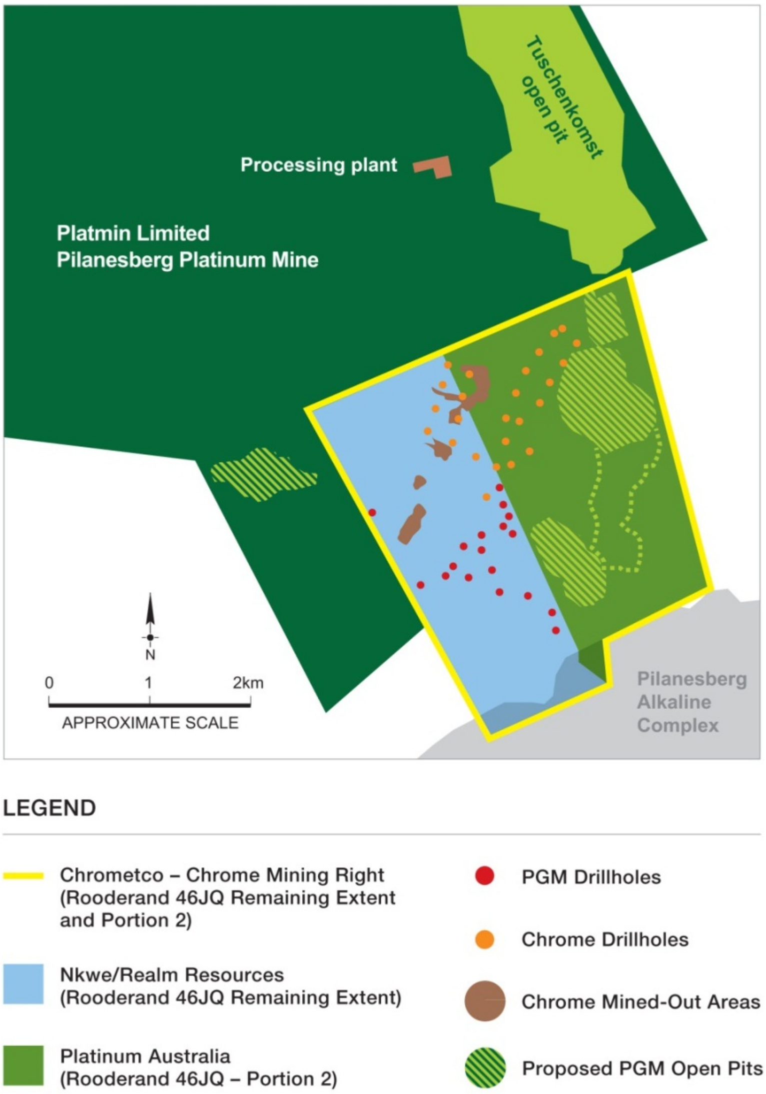


Figure 7. Location of Chrometco's chrome and Nkwe/Realm's PGM and Base Metals rights



Key value drivers are:

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

During the quarter, Realm was also pleased to provide 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 Hulamin or, if necessary, from other third parties with Hulamin'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.

ALUMINIUM

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

Realm Resources' 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 (DIFR) for the September Quarter was 3.22% (1.47% in the prior quarter).

Smelting and recovery performance comparison

Alumicor	Q3 2011	Q4 2012	Q1 2012	Q2 2012	Q3 2012	% change Q2 2012
Tons smelted	4,925	3,620	4,562	3,790	4,527	19%
Average recovery	62%	48%	56%	56%	60%	7%

Operations

During the quarter, normal operations resumed at Hulamin, and normal levels of dross throughput are anticipated for the final quarter of 2012.

Financial

Following the improvement in throughput volumes in the quarter, operating profitability improved. Management of operating costs continues together with continued efforts to improve processes.

CORPORATE

Referring to the attached 5B schedule, net operating cash outflows were AUD1,597,000 for the quarter (outflow of AUD979,000 in the prior quarter). During the Quarter, tranche 2 of the Taurus facility was drawn down.

Group cash position as at 30 September 2012 was AUD3,763,000.

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 (**PGM**) advanced exploration projects and an aluminium dross treatment plant in South Africa.

Competent Persons Statement – Katingan Ria Project
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.

Competent Persons Statement – Kliprivier, Ghost Mountain and Tinderbox projects
The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves at the Kliprivier, Ghost Mountain and Tinderbox projects 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 Al 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 the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

For further information please contact:
Richard Rossiter (MD) or Theo Renard (FD) on +61 2 8249 4542

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

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 supercedes 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 USD2m (refer to RRP ASX announcement 26 May 2011).

Chrometco has 184.9m 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.

Rule 5.3

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	Quarter ended ("current quarter")
98 008 124 025	30 September 2012

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (9 months) $A'000
1.1	Receipts from product sales and related debtors	933	2,807
1.2	Payments for (a) exploration & evaluation	(355)	(688)
	(b) development		
	(c) production	(568)	(1,789)
	(d) administration	(1,472)	(4,015)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	6	54
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid	(41)	(229)
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(1,497)	(3,860)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(158)	(306)
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	128	
1.12	Other (provide details if material)		
	Net investing cash flows	(30)	(306)
1.13	Total operating and investing cash flows (carried forward)	(1,527)	(4,166)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,527)	(4,166)
	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	4,016	4,736
1.17	Repayment of borrowings	-	(5)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	4,016	4,731
	Net increase (decrease) in cash held	2,489	565
1.20	Cash at beginning of quarter/year to date	1,311	3,267
1.21	Exchange rate adjustments to item 1.20	(37)	(69)
1.22	**Cash at end of quarter**	3,763	3,763

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	691
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

During the quarter, Realm Resources Ltd, drew down the second tranche of the previously announced loan of up to A$5 million from its major shareholder Taurus Funds Management.

The key terms of the loan are:

- Facility amount of up to A$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 were 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.

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.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	5,000	5,000
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	383
4.2	Development	-
4.3	Production *	697
4.4	Administration **	571
	Total	**1,651**

** Note – production costs absorbed by operations*
*** Note – portion of Administration costs absorbed by operations*

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	155	264
5.2	Deposits at call	2,410	60
5.3	Bank overdraft		
5.4	Other (provide details)	1,198	987
	Total: cash at end of quarter (item 1.22)	3,763	1,311

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.

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** *(description)*	-			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	400,042,974	400,042,974	N/A	N/A
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	N/A	N/A	N/A	N/A
7.5	**+Convertible debt securities** *(description)*	Unsecured 8% A$5,000,000 Convertible Equity Linked Credit Facility, repayable on or before 30 September 2013, either by way of cash or issue of shares.			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	1,000,000	Nil	*Exercise price* $0.15	*Expiry date* 30 January 2015
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	2,500,000	Nil	$0.15	30 June 2012
7.11	**Debentures** *(totals only)*	-			

+ See chapter 19 for defined terms.

7.12	**Unsecured notes** *(totals only)*		

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: .... Date: 31 October 2012
(Director/Company secretary)

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.