



Company Announcements

ASX Limited

Exchange Plaza

2 The Esplanade

PERTH WA 6000

By Electronic Lodgement

6 November 2012

‘STAND-ALONE’ PGM & CHROME MINING COMPANY AND SHARE ISSUE APPROVED

HIGHLIGHTS

- **Chrometco approves transaction to establish a ‘stand-alone’ PGM and chrome mining company with Realm and Nkwe**
- **Realm to receive 10 million Chrometco shares as payment for Stage 1**
- **Richard Rossiter appointed non-executive director of Chrometco**
- **Realm to hold 16% stake in Chrometco following completion of transaction**

Realm Resources Ltd (“**Realm**” - ASX: RRP) is pleased to announce the advancement of a deal that will position Realm as a major shareholder in a ‘stand-alone’ company focussed on advancing platinum group metals (“**PGM**”) and chrome assets in South Africa.

As signalled to the ASX on 13 August 2012, Realm entered into an agreement (the ‘Agreement’) with Chrometco Limited (“**Chrometco**” – JSE: CMO) and Nkwe Platinum Rooderand (Proprietary) Limited (“**Nkwe**”) to vend the Rooderand PGM assets into Chrometco in exchange for shares in Chrometco.

Following Chrometco’s General Meeting held on 2 November 2012, Chrometco shareholders approved the agreement.

Commenting on the deal, Realm’s Chairman Richard Rossiter said, “Completion of this first stage of the transaction is a significant step towards unlocking the value in Realm’s PGM assets. The Agreement provides obvious synergies and will enable Realm to receive value through its stake in a company solely devoted to developing South African PGM and chrome assets”.

Nkwe and Realm (the “**Sellers**”) have agreed to cancel the existing farm-in agreement and sell to Chrometco the platinum group and base metal mineral rights (the “**Prospecting Right**”) as well as



historical drill core and geological data. 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 Appendix for details).

In terms of the Agreement, Nkwe is in the process of renewing its new order prospecting right for PGM, gold, cobalt, copper and nickel 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, Chrometco would issue 90 million Chrometco ordinary shares to the Sellers (the “**Consideration**”), 45 million to Realm and 45 million 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.

Following Chrometco shareholder approval on 2nd November 2012, the first tranche issue of 20 million new ordinary Chrometco shares will be allotted to the Sellers (i.e., 10 million to Realm). Further, Richard Rossiter has been appointed as a non-executive director of Chrometco.

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/>

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 – CHROMETCO, REALM, NKWE TRANSACTION OUTLINE – REMAINDER PORTION OF ROODERAND

Rationale for the consolidation of mineral rights on the Remainder Portion of Rooderand

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.

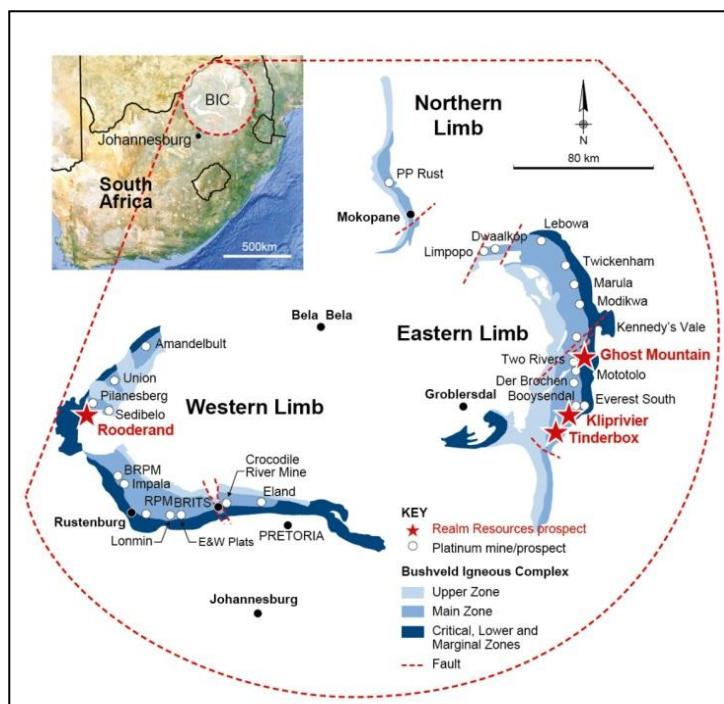
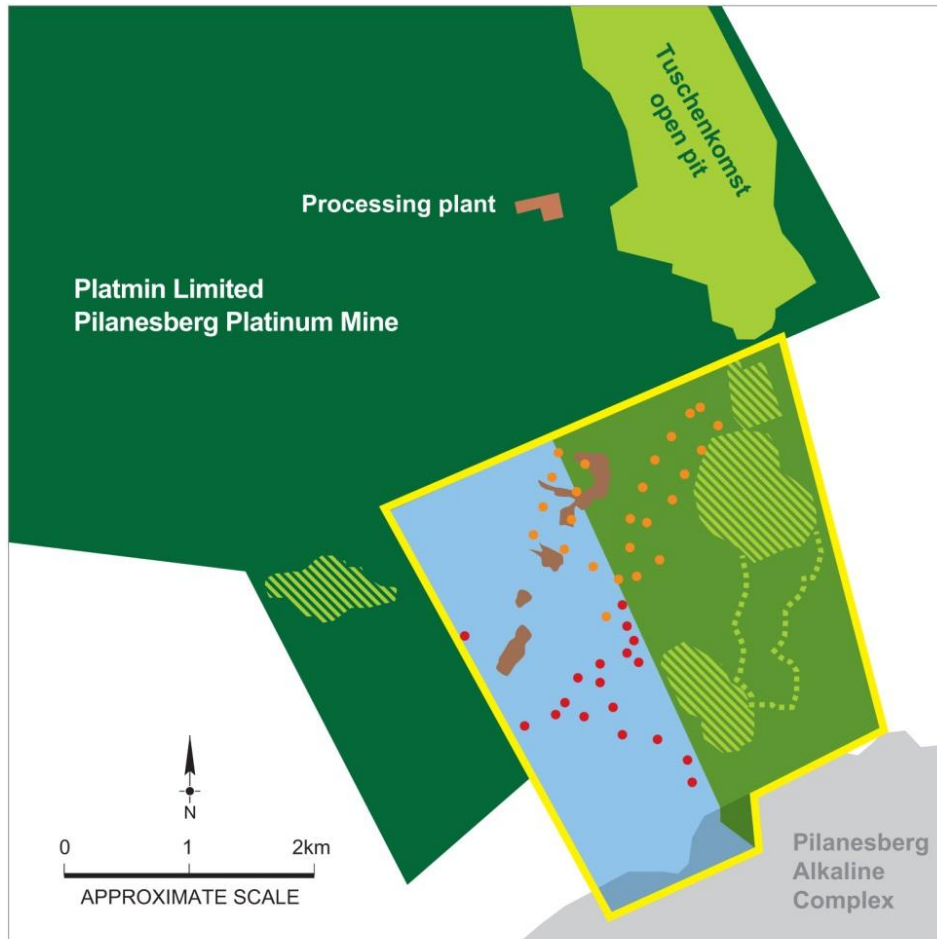


Figure 1 Location of Realm's PGM projects



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 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.

Transaction outline

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.