



Company Announcements
ASX Limited
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By Electronic Lodgement

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Dear Sir/Madam

KATINGAN RIA COAL PROJECT UPDATE

COMMERCIAL WAY FORWARD CLARIFIED WITH REALM CONTINUING AS MAJOR SHAREHOLDER

- **Realm continues as 51% owner and manager of the PT Katingan Ria thermal coal project**
- **Indonesian partners continue to add value and support cooperative coal business expansion in the region**
- **Focus shifting to financing and development, following imminent release of the feasibility study, and advances in permitting**

Realm Resources Ltd. (ASX: RRP) ("Realm" or the "Company") is pleased to announce that the commercial way forward for the development of its 51% held Indonesian thermal coal project, Katingan Ria, has been clarified following termination of the Master Agreement with its Indonesian Partners (**PT SMAA**). Consequently Realm's option to acquire an additional 24% in Katingan Ria for additional staged payments totalling US\$17m has been cancelled (See RRP:ASX announcement 12 April 2011 for details).

Importantly, Realm and its Indonesian partners have committed to progress the project cooperatively with their current shareholdings remaining at 51% and 49% respectively and to be governed by the existing shareholders agreement which enshrines Realm as the manager of the Project.

In addition, Realm and PT SMAA have reaffirmed their intention to cooperatively build a larger coal business in the Katingan and adjacent regencies, by formalising a "Cooperation Agreement".

Commenting on the development, Chairman Richard Rossiter said, "We are pleased that, together with our partners, we have reaffirmed our agreement to cooperatively expand our coal business in the region. The focus will now shift to



financing and development and completion of the permitting phase, following imminent release of the feasibility study results”.

For further information please contact:

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PT Katingan Ria thermal coal project

The Katingan Ria coal project is located near the town of Tumbang Samba in Central Kalimantan, Indonesia. The Company aims to reach 2.5mtpa after a 3 year ramp-up from early 2014. The planned operation consists of an open cut haulback mining method using hydraulic loaders and rear dump trucks to dump both in pit and expit. Coal is transported from the pit by 60 t road trucks approximately 45 km to a stockpiling and barge loading facility on the Katingan River. Barges will then transport coal 435 km from the stockpile area to the river mouth for transshipment into coal ships for delivery to market.

Coal is planned to be sold “unwashed”, meaning there is no metallurgical treatment required to achieve a saleable product. The coal is expected to be predominately sold as a low ash and low sulphur coal ideally suited for modern Indian and Chinese power generation.

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.