



Company Announcements  
ASX Limited  
Exchange Plaza  
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PERTH WA 6000

By Electronic Lodgement

31 May 2013

### **Annual General Meeting Presentation**

In accordance with the requirements of Listing Rule 3.1 we submit the attached material being presented at today's AGM in Sydney.

Mr Richard Rossiter, Executive Chairman of Realm Resources Limited, is making the presentation.

Yours sincerely

Theo Renard  
Company Secretary  
**Realm Resources Limited**

#### **For further information please contact:**

**Richard Rossiter** (Executive Chairman) or **Theo Renard** (Finance Director) on +61 2 8249 4542 or visit the company's website at **[www.realmresources.com.au](http://www.realmresources.com.au)**

#### **About Realm**

Realm's strategy is to create shareholder value through exploration and development of quality metal and minerals sector projects. The Company's primary focus is on the acquisition and development of the Katingan Ria thermal coal project coal in Indonesia. On 6<sup>th</sup> October 2011, Realm announced the acquisition of Kalres Limited and through Kalres acquired 51% of PT Katingan Ria (PTKR), an advanced thermal coal exploration project located in Central Kalimantan, Indonesia, for a total transaction value of US\$12.6 million and 15 million Performance Rights. The Katingan Ria Project has the potential to establish Realm as a thermal coal producer in a nation that has an established coal industry; and is ideally located to export to the high demand southeast Asian markets

In addition, Realm has platinum group metals (PGM) in South Africa an aluminium dross treatment plant in South Africa.

# **REALM RESOURCES LTD**

## **AGM UPDATE - ADVANCING THE KATINGAN RIA THERMAL COAL PROJECT**

31 May 2013



## Disclaimer & Competent Person Statement

Certain forward-looking statements may be contained in this presentation which include, without limitation, expectations regarding platinum and coal prices, estimates of resources, production, operating expenditure, capital expenditure and projections regarding the completion of capital projects as well as the financial position of the company. Although Realm Resources believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be accurate. Accordingly, results could differ from those projected as a result of, among other factors, changes in economic and market conditions, changes in the regulatory environment and other business and operational risks.

Therefore, Realm Resources gives no warranty, express or implied that the projections and/or material contained in this presentation will be achieved or prove to be correct. Realm Resources, its officers, employees and advisors to the extent permitted by law expressly disclaim all responsibility relating to or resulting from the use of the material and information contained in this presentation and exclude all liability whatsoever (including negligence) for any loss or damage suffered by any person as a result of the use of any of the information in this presentation or any error or omission therefrom. It should not be expected from Realm Resources to update any person regarding any inaccuracy, omission or change of the information contained in this presentation.

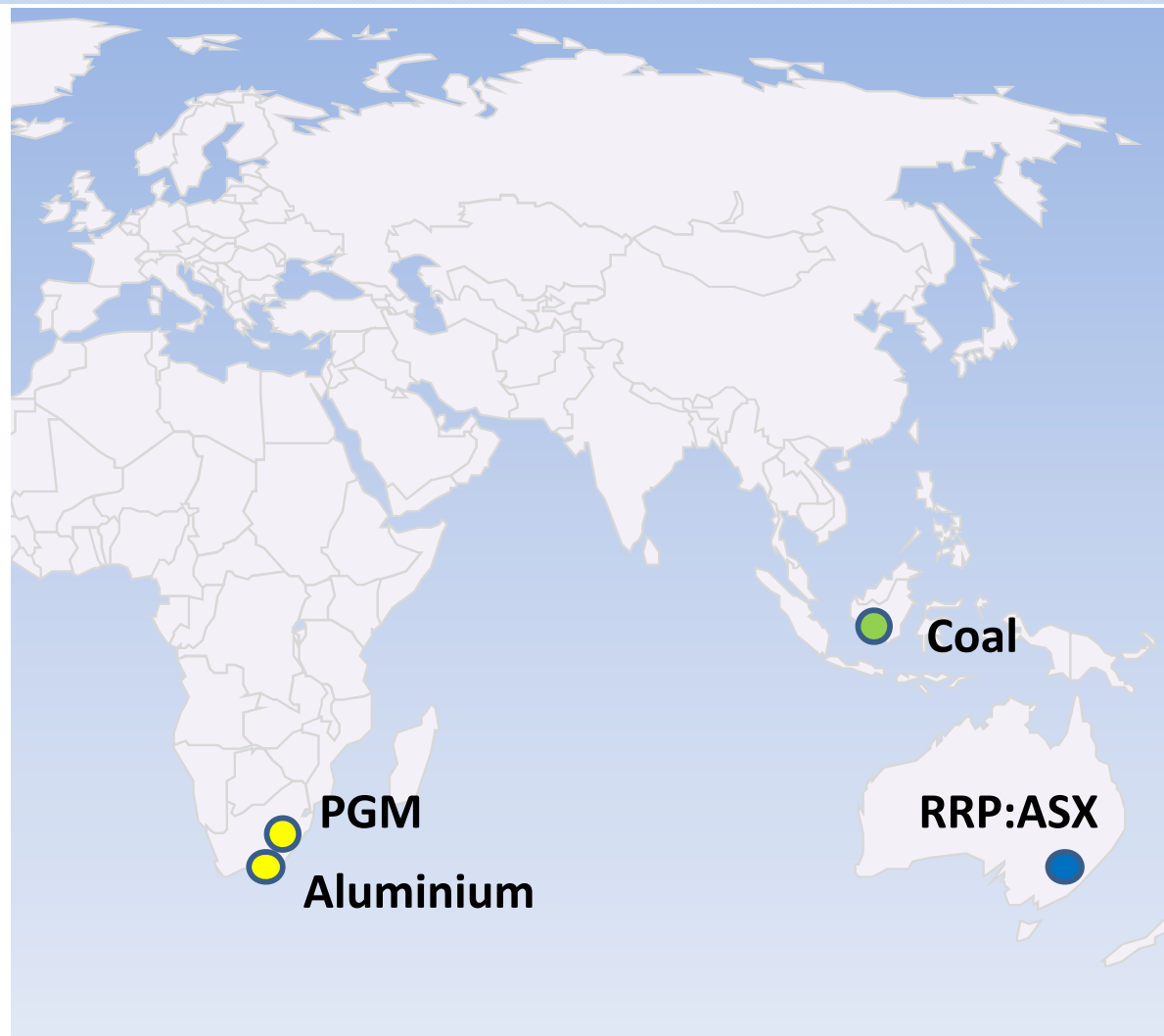
**Competent Persons Statement – Katingan Ria Project** The information in this announcement that relates to Exploration Results, Mineral Resources at the “Katingan Ria” Project is based on information compiled by Mr Troy Turner, who is a Member of the Australian Institute of Mining and Metallurgy. Mr 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. Competent Persons Statement – Katingan Ria Project

The information in this announcement that relates to Ore Reserves at the “Katingan Ria” Project is based on information compiled by Mr Grant Walker, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Walker is a full-time employee of Xenith Consulting Pty Ltd. Mr Walker 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 Walker consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

# Realm Snapshot

as at 19 October 2012

- 410 m shares
  - 101m options
- Share price: A\$0.006c
- Market cap. \$2.5m
- Cash and investments \$1.95m (March '13)
- Major shareholders
  - Taurus Fund – 29.2% <sup>1</sup>
  - A Matheson – 3.0%
  - Mining Investments Ltd – 2.2%
  - Berpaid – 2.2%
- Experienced board & management



# Board and Senior Management

## Board

Richard Rossiter, Chairman (Executive)

- Geology/Mining/Investment Banking

Theo Renard, Finance Director/Company Secretary

- Finance/Commercial/Administration

Michael Davies, Non-Executive Director

- Investment Banking/Project Finance

Neale Fong, Non-Executive Director (Independent)

- Corporate/Health, Safety & Environment

## Senior Management

### Indonesia

- Michael Black – Operations
- Eva Armila – Commercial / legal

### South Africa

- Ryan McConnachie – Operations

# Recent Progress - 2012/3

## Indonesia – Katingan Ria coal project

- Resources and Reserve upgrade – 89Mt Resources, 29Mt Reserves
- Feasibility Study completed – 2.5Mt- 3.0Mt/pa operation with NPV<sub>(10%)</sub> of US\$78m – US\$111m based at US\$52/t coal price (100%)
- In principle Forestry (Pinjam Pakai) Operations Permit received
- Commercial terms with Partners clarified – going forward RRP 51%; Partners 49% with Cooperation Agreement
- Strategic partner/funding initiatives underway

## South Africa

- PGM's – Chrometco transaction to form “stand alone” Cr and PGM company underway – on completion RRP receives 45m shares in JSE:CMO
- Aluminium – Focus on maximising cash flows and growth initiatives

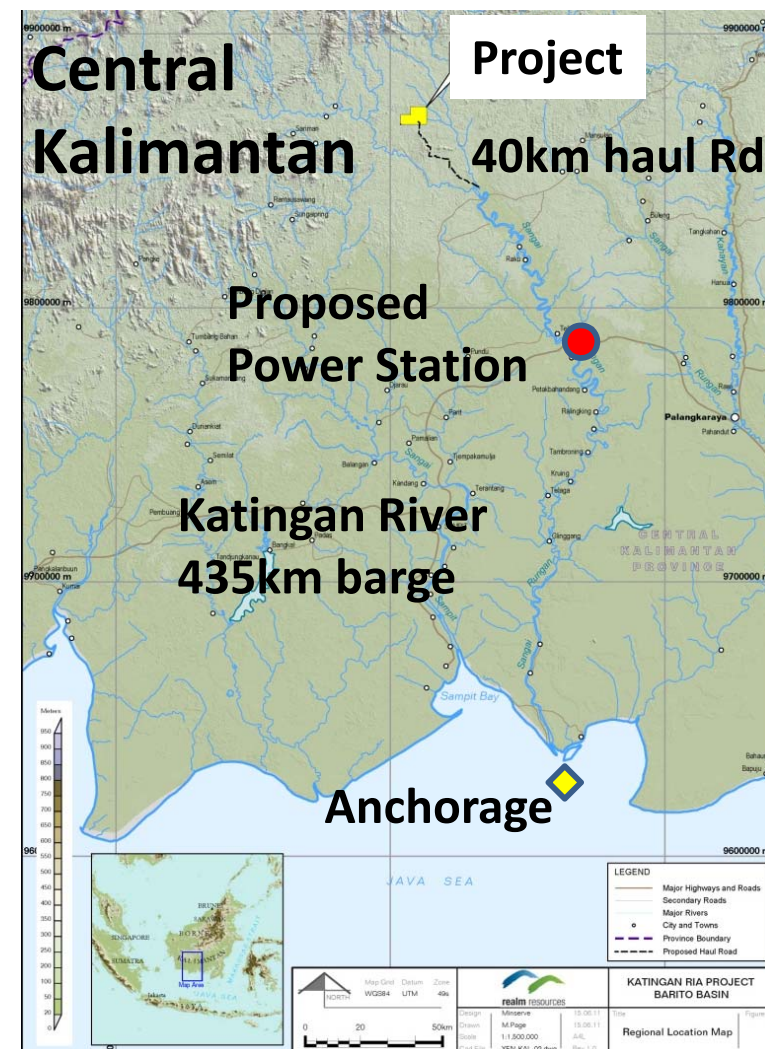


# Katingan Ria Project Overview

- 89Mt JORC resource\*, 29Mt JORC reserve \*\*
- Sub-bituminous, mid-rank (4,200 kcal/kg GAR), low sulphur, low ash thermal coal
- Simple geology, low strip ratio
- 2.5Mt-3.0Mt pa open cut
- Advanced permitting
- RRP 51%
- Supportive Indonesian partners (Goku)
- Growth via regional consolidation

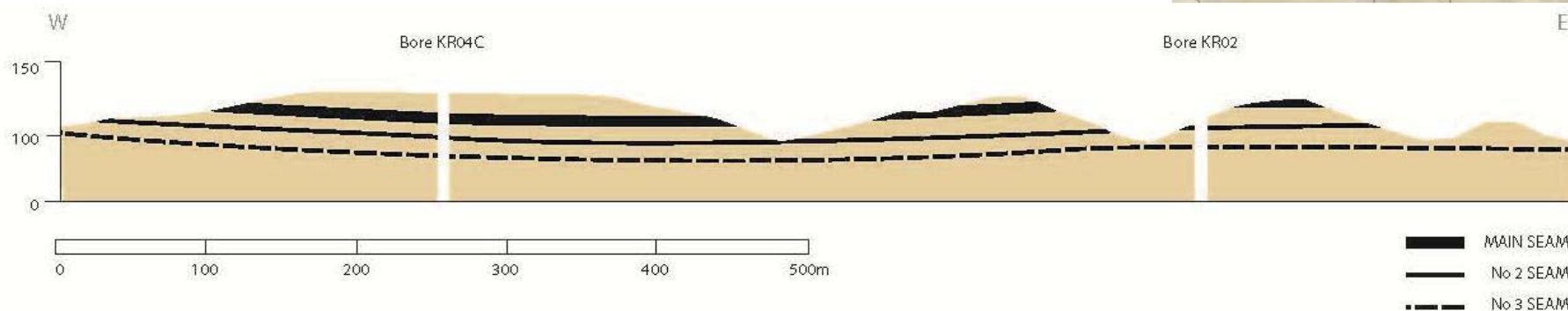
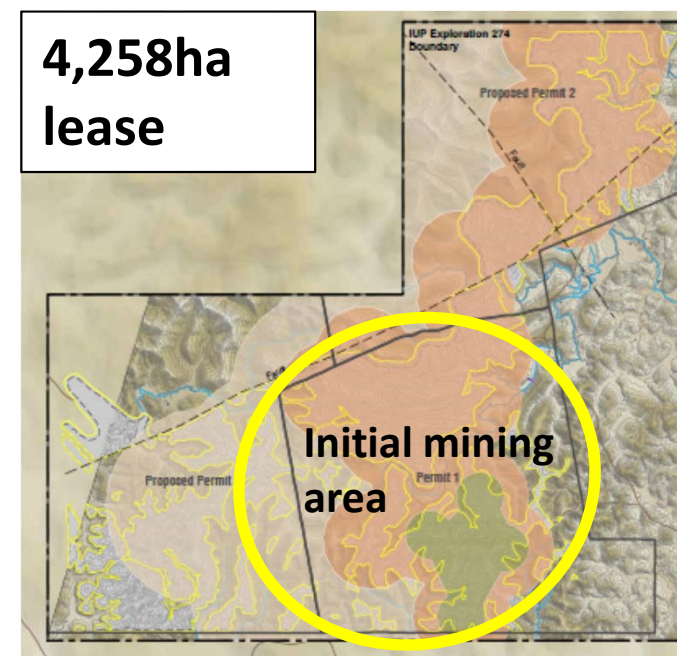
\* 5.7mt measured 44.1mt indicated and 39mt inferred

\*\* Probable reserve based on coal price of \$52/t



# Simple geology with low strip ratios

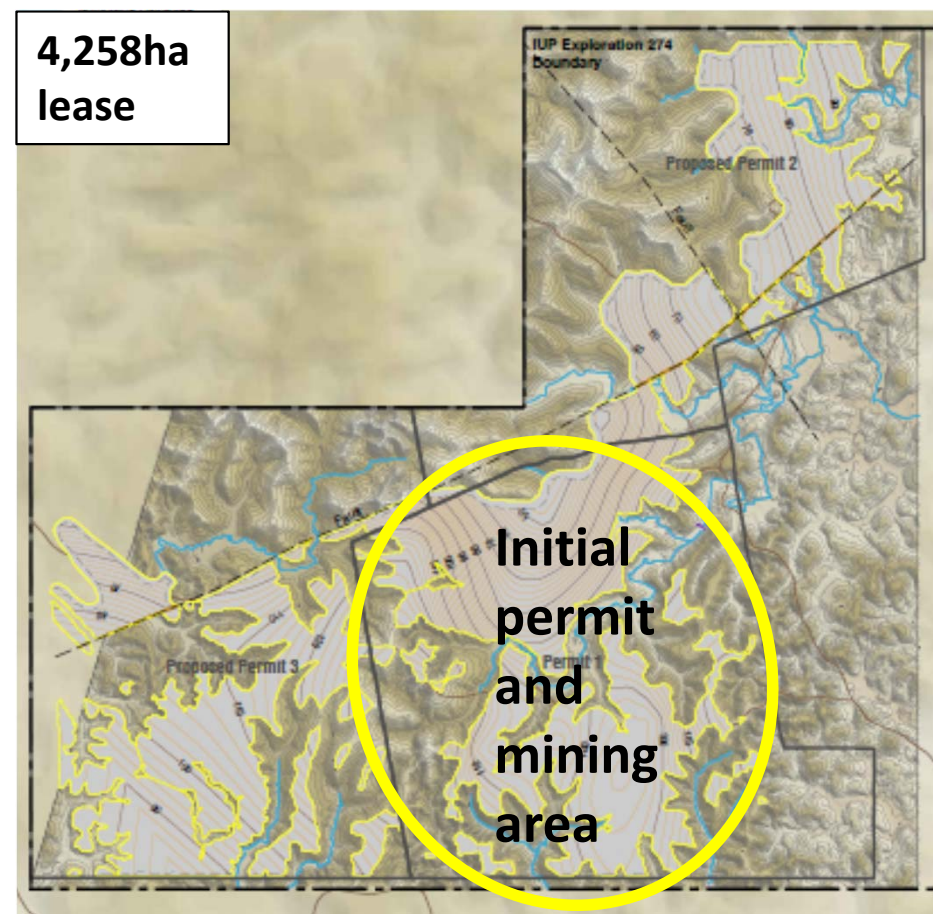
- Shallow dipping, multiple seam deposit
- Main Seam 3-5m thick
- 89Mt JORC resource (63Mt in Main seam)
- 6Mt measured, 44Mt indicated, 39 inferred
- Initial mining area 2-3:1 strip ratio





# Maiden Reserves Established

- 29Mt probable JORC reserve\*
- 19Mt in initial permit area
- Based on US\$52/t coal price expected for Katingan Ria coal quality
- Base case 2.5Mt pa for ~15 years
- FOB cash cost US\$41/t average (~US\$38/t average in first 5 years) excl. royalty
- Main seam average ~4200 kcal/kg GAR, 9% ash and 0.2% sulphur



# Coal Quality → Growing Power Demand

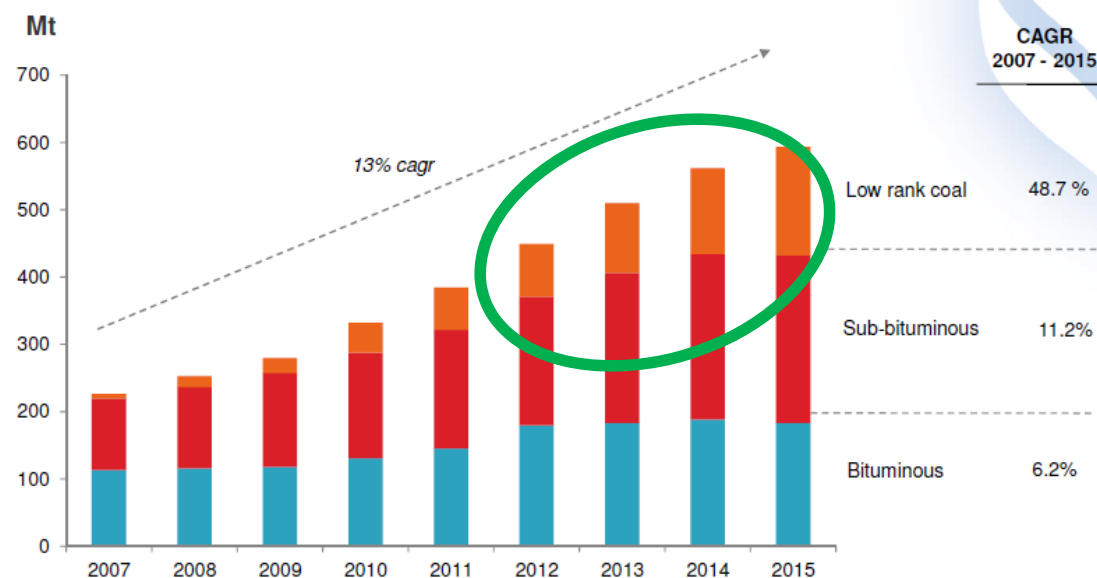
Sub-bituminous, low sulphur thermal coal

## Indicative Specifications\*

- GAR 4,234kcal/kg
- NAR 3,919kcal/kg
- ADB 5,020kcal/kg
- TM 30%
- Ash 8.4%
- Sulphur 0.17%
- HGI 57

## Forecast Potential Production by Coal Type

Significant growth in LCV coal while HCV coal represent growth only 6.2% pa and could be constant after 2011



Note: Bituminous: >5,400 kcal/kg (gar)  
Sub-bituminous: >4,200 to 5,400 kcal/kg (gar)  
Low rank coal: Up to 4,200 kcal/kg (gar)

Source : Marketing, Sales and Logistics, Banpu PCL

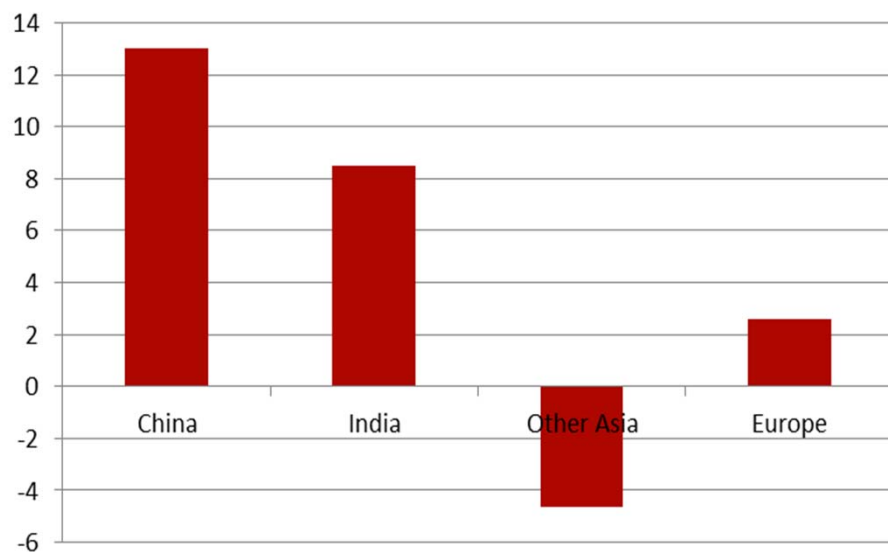
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**Will supply the fastest growing Indonesian export coal type to India and China**

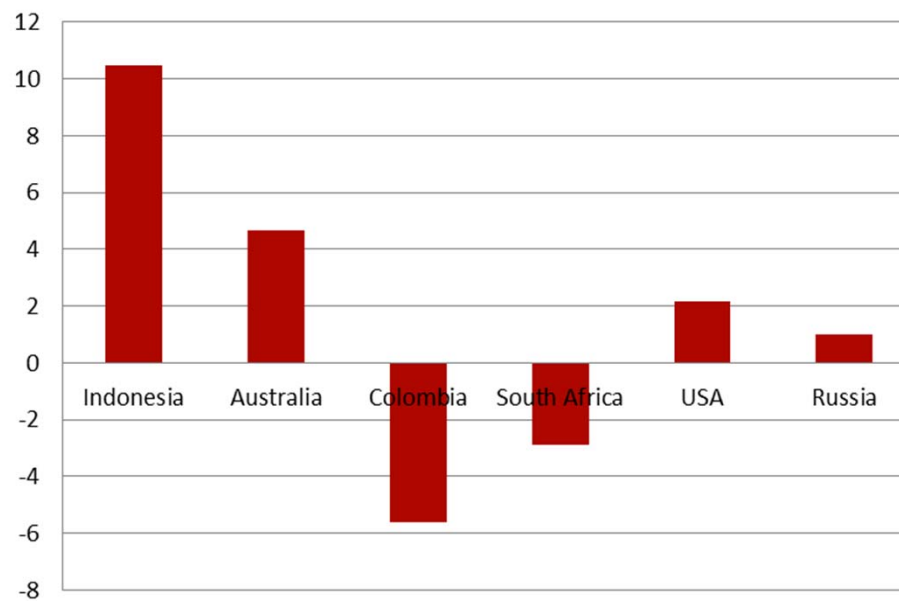
# Thermal Coal Market Update – Q1 2013

- Demand continues to be dominated by China and India
- Indonesia continues to fill the demand gap - despite weak prices
- Demand growth mainly in lower CV coal (<4800 kcal/kg GAR)

Thermal Import Growth 2013 (Mt, Year on Year)



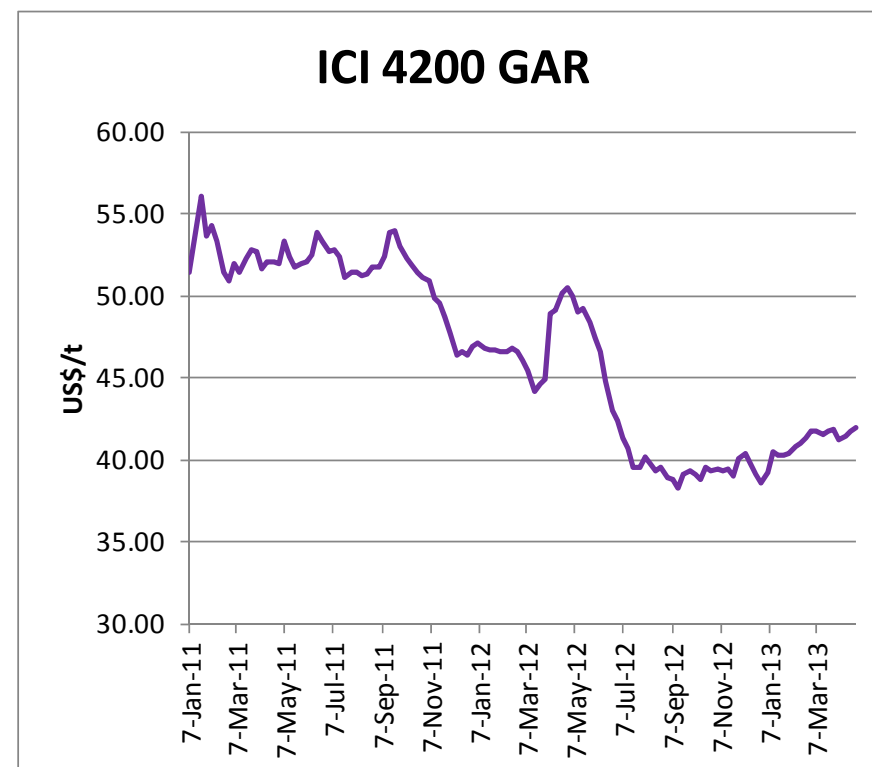
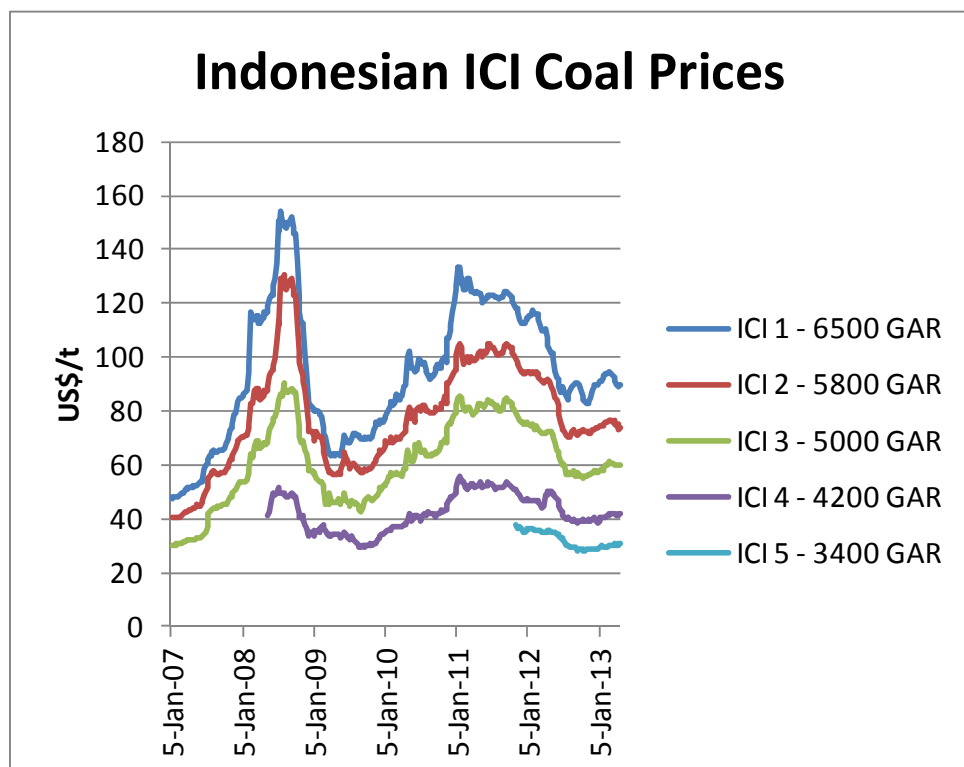
2013 YTD Export Growth (Mt, Year on Year)



Source: Salva Report May 2013

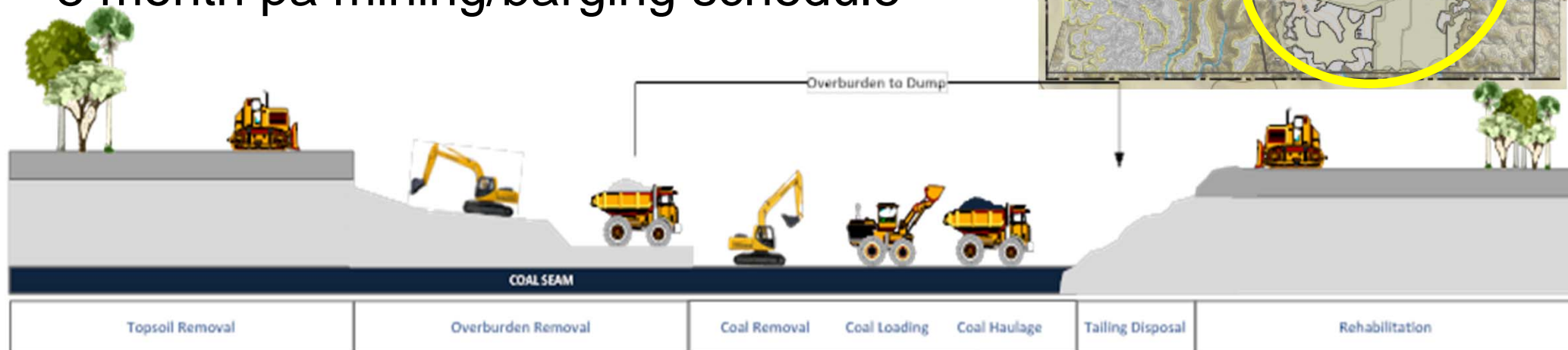
# Thermal Coal Prices

- Stabilised and rising from recent lows
- 4200 kcal/kg GAR trading at US\$43/t



# Low cost open cut mining

- Base case 2.5Mtpa
- 3 year ramp-up from H1 2014
- Truck/shovel and dozer push
- Initial mining area minimises strip ratio and haulage distances
- 8 month pa mining/barging schedule



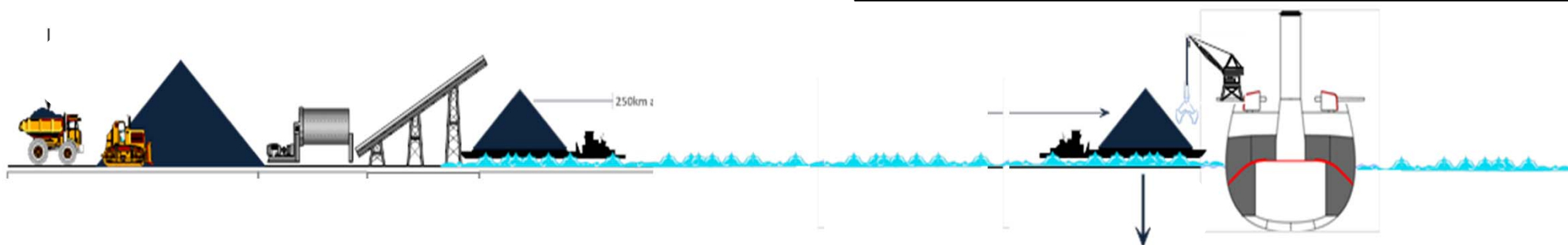
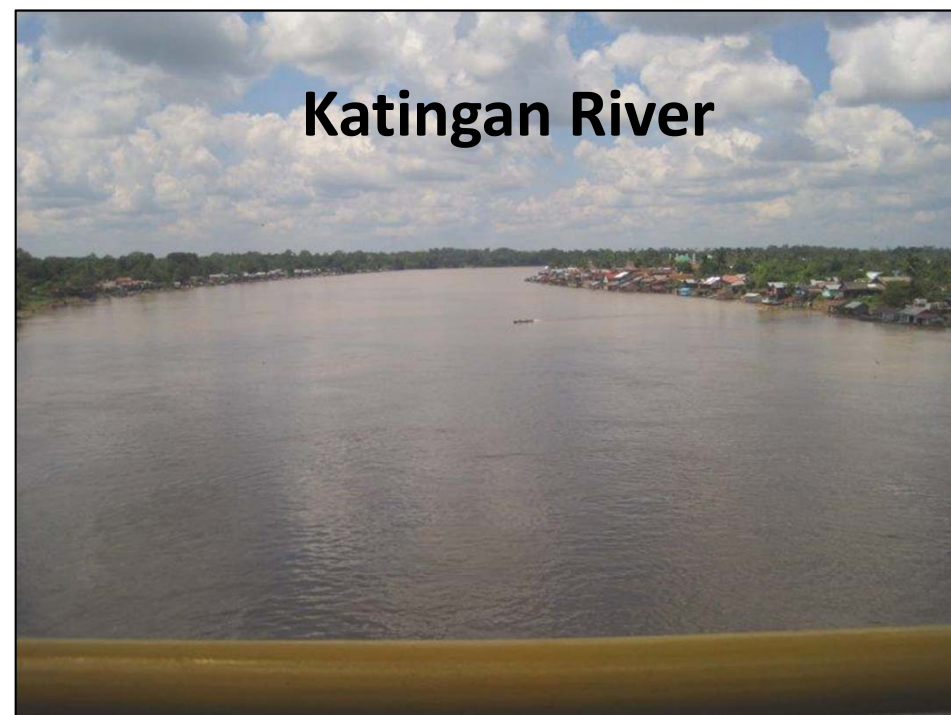
Initial mining area – year 5 pit plan





## Logistics – Truck, Barge and Tranship

- ~40km haulage – existing logging road
- Crush, stock pile and conveyor loading
- ~435km barge to mother vessel (8 month pa schedule with 250' jumbo & tug combination)
- Transshipping to bulk carrier



# Project Economics - Feasibility Study\*

## Capital (100%) – low capital intensity of <US\$10/annual t

- Development capital 2.5Mtpa case
- Working capital
  - Note: Contract operation & Partners fund their share

**US\$19m**

**US\$6m**

## Cash costs (FOB) over life of mine (excl. royalty)

**US\$41/t**

- US\$23.5/t mine, haul; US\$16/t barge & trans-ship
- **US\$38/t in first 5 years**

## Revenue assumption

- FOB Basis (at mother vessel): 4,200kcal/kg GAR






**US\$52/t**

## NPV (10%) – Base case/Upside case

**US\$78m – US\$111m**

# Advanced Permitting

- Final Forestry operations permit in final statutory phase

PT Katingan Ria – Permitting Status	2011		2012		2013		2014	
Activity	H1	H2	H1	H2	H1	H2	H1	H2
IUP Exploration								
Forestry (Pinjam Pakai) Exploration- south								
Forestry (Pinjam Pakai) Exploration – north								
IUP Operations and Production								
Inprinciple Forestry permit (Pinjam Pakai) Operations								
Final Forestry permit (Pinjam Pakai) Operations - in progress								
Ancillary permits - eg Jetty, anchorage etc - in progress								

# Progress and Path to Development

Q1/2 '13

- Resource upgrade to reserves and Feasibility Study
- Commercial terms clarified – going forward RRP 51%, Partners 49% & Cooperation Agreement

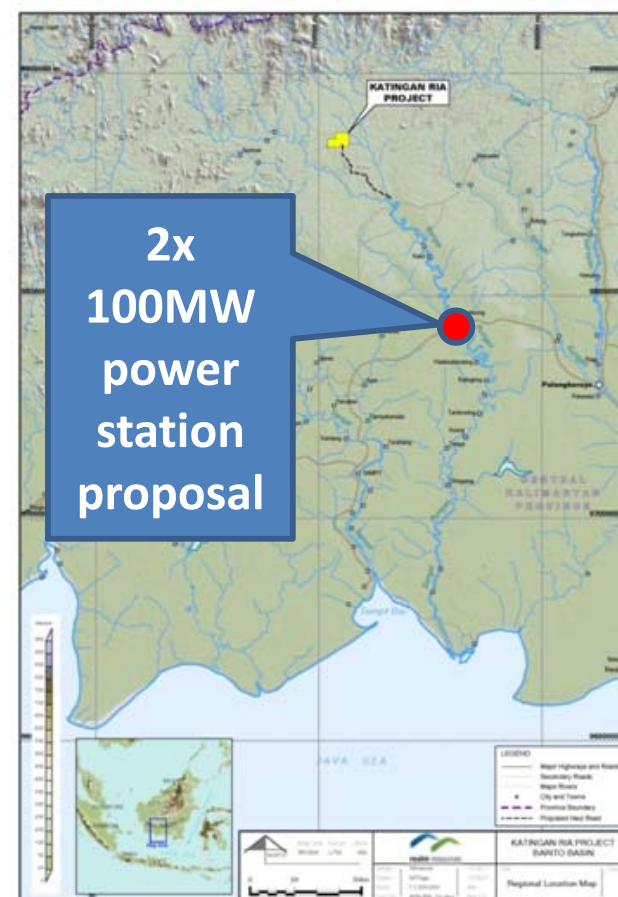
Next

- Q2/3 '13 – Funding and Off take
- 2014 - Trial mining and ramp-up

PT Katingan Ria - progressive derisking and targets		2011		2012		2013		2014	
Activity		H1	H2	H1	H2	H1	H2	H1	H2
Agreement to acquire PTKR (75% in 3 tranches) for \$29.6m & 15m shares		✓							
Due Diligence drilling - 40Mt JORC resource			✓						
Positive scoping study - 3Mtpa at \$40/t FOB			✓						
Mining permit (IUP Operations)			✓						
\$15m funding package secured & Taurus cornerstone investment			✓						
Acquire PT Katingan Ria (51%)			✓						
Resource upgrade to 102Mt (92Mt inferred, 10Mt indicated)				✓					
Project study - confirms 3Mtpa base case operation					✓				
Resource upgrade 89Mt & 29Mt reserves						✓			
Commercial terms clarified with Partners - go forward RRP 51%, Partners 49% & Cooperation Agreement						✓			
Feasibility Study - 2.5Mt - 3.0Mt operation						✓			
Funding & Off take partners									
Final Forestry (Pinjam Paki) exploitation permit									
Trial mining and ramp up									

# Strategic partner, off take and financing

- Engagement with potential strategic partners and investors has accelerated. For example:-
- PLN (Indonesian State owned Electricity Corporation) RFP for construction and operation of two 100 Mw power stations 135km downstream from the Project's proposed Upper Stockpile
- Katingan Ria coal specifications ideally suited
- Bids due in Q3 2013, and coal supply by 2016/7
- Bidders are required to secure coal for the power stations and PLN will be part of the supplier selection process and be the off-taker for the power produced

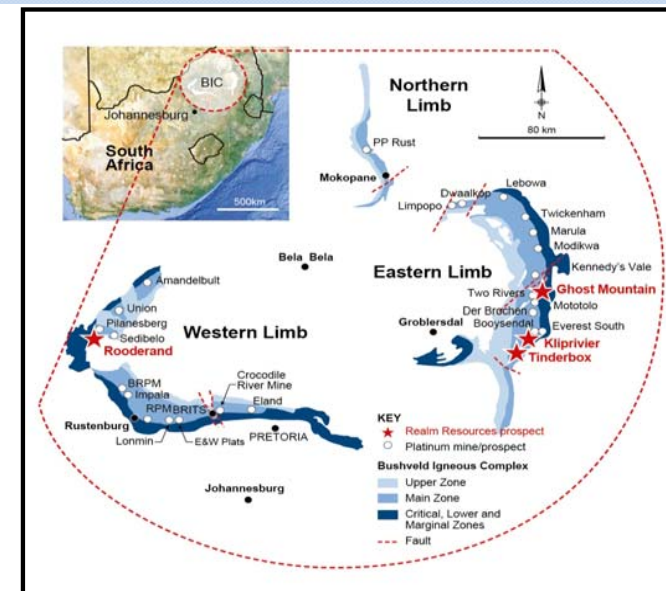




# Realm – PGM and Aluminium

- **PGM West ~ 4Moz advanced exploration**
  - Dealt to Chrometco for equity and board seat
  - Resource upgrade and permitting for advanced mining underway
  - Outcropping resource
- **PGM East ~ 7Moz advanced exploration project**
  - Outcropping resource
  - Corporate alternatives under review
- **Alumicor: ~ AU\$0.5m positive cash flow\***
  - Aluminium waste toll treating business
- Strategic initiatives under way to maximise cash flow and grow the business

\* Source: - Director's estimate



## Investment Case

- Expanding into high growth thermal coal market – price recovery underway
- Indonesian thermal coal feasibility study completed (89Mt JORC resource and 29Mt probable reserve, NPV<sub>(10%)</sub> of US\$78m – US\$111m, at \$52/t)
- Near term production forecast in H1 2014
- Experienced team with supportive funding and project partners
- Attractive valuation
- Underpinned by South African PGM and Aluminium assets

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Katingan River at Tumbang Samba


# Appendix- Resource and Coal Quality

BLOCK NAME	SEAM	TOTAL VOLUME	PLAN AREA	MASS	TRUE VERT THK	RD (adb)	PRD	TM (%)	IM (%adb)	ASH (%adb)	VM (%adb)	FC (%adb)	TS (%adb)	CV (kcal/kg adb)
<b>SOUTH</b>														
Measured	MAIN	4,432,798	97	5,704,925	4.58	1.38	1.29	32	17	9.0	37.7	36.4	0.20	5105
Indicated	B	1,187,782	103	1,553,286	1.15	1.41	1.31	32	17	15.2	39.9	34.7	0.25	5144
Indicated	MAIN	14,582,725	339	18,632,573	4.30	1.37	1.28	32	17	9.7	40.6	33.0	0.21	5056
Inferred	C	1,304,474	72	1,739,533	1.82	1.45	1.33	32	17	24.6	33.1	30.3	0.21	4091
Inferred	B	112,619	17	147,492	0.67	1.41	1.31	32	17	16.2	39.4	33.6	0.24	5041
Inferred	MAIN	6,208,389	223	8,096,233	2.78	1.40	1.30	32	17	10.2	38.8	35.2	0.19	5038
Inferred	2	1,838,380	395	2,357,366	0.46	1.38	1.28	32	17	13.6	44.4	24.9	0.21	4993
Inferred	3	1,793,146	496	2,311,673	0.36	1.40	1.29	32	17	10.5	36.9	35.6	0.29	5054
<b>NORTH</b>														
Indicated	B	4,191,124	298	5,415,794	1.40	1.40	1.29	32	17	14.3	37.2	33.0	0.23	4837
Indicated	MAIN	14,446,981	379	18,443,029	3.82	1.37	1.28	32	17	11.9	40.2	33.6	0.21	5120
Inferred	C	5,093,573	305	6,870,969	1.67	1.48	1.35	32	17	22.6	33.1	30.3	0.21	4091
Inferred	B	2,730,083	218	3,534,324	1.25	1.40	1.29	32	17	14.5	37.7	33.1	0.24	4899
Inferred	A2	870,063	202	1,120,158	0.43	1.38	1.29	32	17	16.6	41.7	29.6	0.37	4985
Inferred	A1	347,258	144	433,338	0.24	1.32	1.25	32	17	9.3	39.9	37.0	0.28	5422
Inferred	MAIN	9,667,136	261	12,394,227	3.70	1.38	1.28	32	17	11.2	40.3	33.4	0.21	5084
Grand Total		68,806,531		88,754,920										



# Appendix – Indicative Product Quality

- GAR 4,234kcal/kg
- NAR 3,919kcal/kg
- ADB 5,020kcal/kg
- TM 30%
- Ash 8.4%
- Sulphur 0.17%
- HGI 57

		Raw Coal Quality			
		Katingan Main Seam Data - Insitu			
		PRELIMINARY			
		In situ			
		Jan-13			
		AS RECEIVED	AIR DRIED	DRY	DRY ASH FREE
Moisture (%):	Total	30.0			
Proximate Analysis (%) :	Inherent Moisture		17.0		
	Ash	8.4	10.0	12.0	
	Volatile Matter	33.3	39.5	47.5	54.0
	Fixed Carbon	28.3	33.6	40.4	
Fuel Ratio			0.9		
Total Sulphur (%):		0.17	0.20	0.24	0.27
Phosphorus (%):		0.005	0.006	0.007	0.01
Chlorine (%):		0.008	0.010	0.012	0.014
Calorific Value :	Gross (kcal/kg)	4234	5020	6048	6870
	Net (kcal/kg)	3919	4600	5600	6400
	Gross-Net (kcal/kg)	315			
Ash Analysis	SiO <sub>2</sub>	44.6	K <sub>2</sub> O	0.2	
(% in dry ash)	Al <sub>2</sub> O <sub>3</sub>	31.8	TiO <sub>2</sub>	1.6	
	Fe <sub>2</sub> O <sub>3</sub>	7.5	Mn <sub>3</sub> O <sub>4</sub>	0.09	
	CaO	7.3	SO <sub>3</sub>	3.3	
	MgO	2.12	P <sub>2</sub> O <sub>5</sub>	0.13	
	Na <sub>2</sub> O	0.10	Total	99	
HGI:	57				



## Macro/Indonesia

- ## Project/Regional

- 

## Logistics

- 
- Map of India showing the locations of various power plants. The map is color-coded by region: North (orange), South (green), East (yellow), and West (blue). Power plants are marked with colored dots and labeled with their names and capacities. Lines connect the labels to the corresponding dots on the map.
- | Power Plant Name                     | Capacity (MW) | Region |
|--------------------------------------|---------------|--------|
| Parvathi Thermal Power Station       | 1380          | North  |
| Indira Gandhi Power Plant, (higher)  | 1500          | North  |
| P.N.E Thermal Power Station          | 1800          | North  |
| Rihand Thermal Power Station         | 3000          | North  |
| NTPC Vinhyachal STPS                 | 1260          | North  |
| Amalgat TPP                          | 1300          | North  |
| Essar Paradip Power Plant            | 1200          | West   |
| Essar Salaya Power Plant             | 375           | West   |
| Tata Mundra UAPP                     | 4000          | West   |
| Patni Rajgad Plant                   | 1300          | West   |
| Vidicon Pipeline Power Plant         | 1500          | West   |
| Adani Mundra Power Plant             | 4620          | West   |
| NTPC Sholapur TPS                    | 1320          | West   |
| Surya chakra Kalasaba TPP            | 1200          | West   |
| GMR Kalasaba Power Plant             | 1320          | West   |
| NTPC Simhadri Power Plant            | 1300          | West   |
| Rayalseema Power Plant               | 1020          | West   |
| Krishna Pattanam UAPP                | 4000          | West   |
| Krishna Pattanam Mega Thermal Plant  | 2800          | West   |
| Meenakshi Energy Coastal Power Plant | 900           | West   |
| Leirao Uldge Power Plant             | 1200          | West   |
| 17W Ratnagiri Power Plant (Ph-I)     | 1200          | West   |
| 17W Ratnagiri Power Plant (Ph-II)    | 1200          | West   |