

REALM RESOURCES LIMITED

ASX/Media Release

31 July 2013

Quarterly Report to 30 June 2013

Key Points:

- Completion of Katingan Ria Coal Project Feasibility Study
 - Near horizontal, multi-seam coal deposit with JORC compliant Resource of 89Mt, including JORC reserves of 29Mt assuming a long term coal price of US\$52/tonne for the expected Katingan Ria coal quality;
 - Indicative product specifications are consistent with Indonesian 4,200kcal/kg (GAR) low sulphur (0.2%) coal which is readily accepted in rapidly growing markets in India, China, Korea and Thailand;
 - Low project start-up estimate of US\$24m (including 30% contingency and US\$6m working capital), implying a capital intensity of less than USD 10/annual tonne, thereby minimising investment risk;
 - Life of mine FOB cash costs of ~US\$41/tonne (Base case) to ~US\$39/tonne (Upside case) excluding royalties with the first five years averaging ~US\$38/tonne due to lower strip ratios and haulage distances;
 - NPV(100%) of US\$78m (Base case) to US\$111m (Upside case) at a 10% discount rate is most sensitive to coal price and operating costs and least sensitive to capital expenditure;
- Realm continues as 51% owner and manager of the PT Katingan Ria thermal coal project
- Engagement with potential strategic and off take partners accelerating;
- Recent recovery in the coal price for expected Katingan Ria coal quality;
- Coal well suited for modern Indian and Chinese power generation.

KATINGAN RIA

Feasibility Study

On 30th April 2013, **Realm Resources Ltd (ASX: RRP)** (“**Realm**” or “**the Company**”) announced the successful completion of the Feasibility Study for its 51% owned Katingan Ria thermal coal project (“**Katingan Ria**” or “**the Project**”) in Central Kalimantan, Indonesia.

The study, independently reviewed by Xenith Consulting Pty. Limited ("**Xenith**"), supports the development of a 2.5 million tonnes per annum ("**Mtpa**") (Base case) to 3.0Mtpa (Upside case) open cut.

The study was based on coal being hauled 40 - 45km to a stockpiling and barge loading facility on the Katingan River, then barged 435km to the river mouth for transshipment into ships for delivery to market. The coal is expected to be predominantly sold as a low ash and low sulphur coal ideally suited for modern Indian and Chinese power generation.

1. OVERVIEW

During the quarter, Realm Resources Limited and its consultants completed the study of the feasibility of operating an open-cut thermal coal mine of up to 3Mtpa annual production capacity in the Regency of Katingan in Central Kalimantan, Indonesia. The majority of the investigations were within the concession area held by PT Katingan Ria ("**PTKR**"), a 51% subsidiary of Realm, the proposed haul road, and stockpile and barge loading areas and the Katingan River.

The Project mining concession covers an area of some 4,258 ha within an area that has already been subject to commercial forestry operations. The report concluded that the quality (4,200 Kcal/kg GAR low sulphur coal) and quantity (89Mt JORC resource and 29Mt JORC reserve) of the resource could, when considered in conjunction with the proposed mining and logistics solution and status of the relevant licences and permits held by PTKR, support the development of a potential 2.5Mtpa (Base case) to 3.0Mtpa (Upside case) mine for around fifteen years. Katingan Ria's coal is ideally suited for the new generation of power plants being built in India and China and is the fastest growing Indonesian export coal type in recent years.

The Project is not capital intensive, with a total of US\$18.5M required to establish a 2.5Mtpa to 3.0Mtpa contractor driven operation. An additional US\$6M will be required for working capital. Base case FOB cash costs are forecast to be US\$37.62/t in the first five years with an average US\$41.23/t over the life of mine (excluding royalties). Including royalties, FOB cash cost forecasts are US\$39.37/t and US\$42.68/t respectively. The average life of mine FOB cash cost in the Upside case is around US\$2.00/t lower due to economies of scale. Permitting is in the final stages, and subject to licensing and funding production could begin H1 2014.

The Project has an ungeared net present value ("**NPV**") of US\$78M (Base case with dozer push) to US\$111M (Upside case) based on a long term coal price for Katingan Ria coal of US\$52/t. It is most sensitive to changes in operating costs and coal price and least sensitive to changes in capital expenditure.

The Project is well advanced and is supported by the local government. The balance of 49% of PTKR is held by professional Indonesian partners.

The following strengths have been identified for the Project:

- The deposit (89.9Mt JORC resource, 29Mt JORC reserve) 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 (0.2%) and most likely to be marketed to the rapidly growing demand centres in India, China, Korea and Thailand.
- Low start-up capital.
- 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:

- 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.

2. PROJECT LOCATION AND SUMMARY

The Katingan Ria coal project is located near the town of Tumbang Samba in Central Kalimantan, Indonesia (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 (IUP Exploitation No. IUP OP No. 545/222/KPTS/VIII/2011). The Project aims to be a 2.5Mtpa – 3.0Mtpa open cut mine. Coal is transported from the pit by 60 t road trucks approximately 40km - 45km to a stockpiling and barge loading facility on the Katingan River. Barges will then transport coal 435km to the river mouth for transshipment into coal ships for delivery to market.

Coal will 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.



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Figure 1 Katingan Ria project location

3. GEOLOGY, RESOURCES AND RESERVES

The Katingan Ria deposit, 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 is horizontal to shallow dipping and displays some gentle folding, a 15m – 40m fault down-throws the sequence in the north of the tenement. The most laterally extensive seam is the Main Seam, which remains the predominant target seam for the Project. The Main Seam typically ranges in thickness from 4.5m to 5.5m in areas to the southeast of the fault, and has an average total thickness of 3.80m across the total JORC Resource area (Figure 2 and 3).

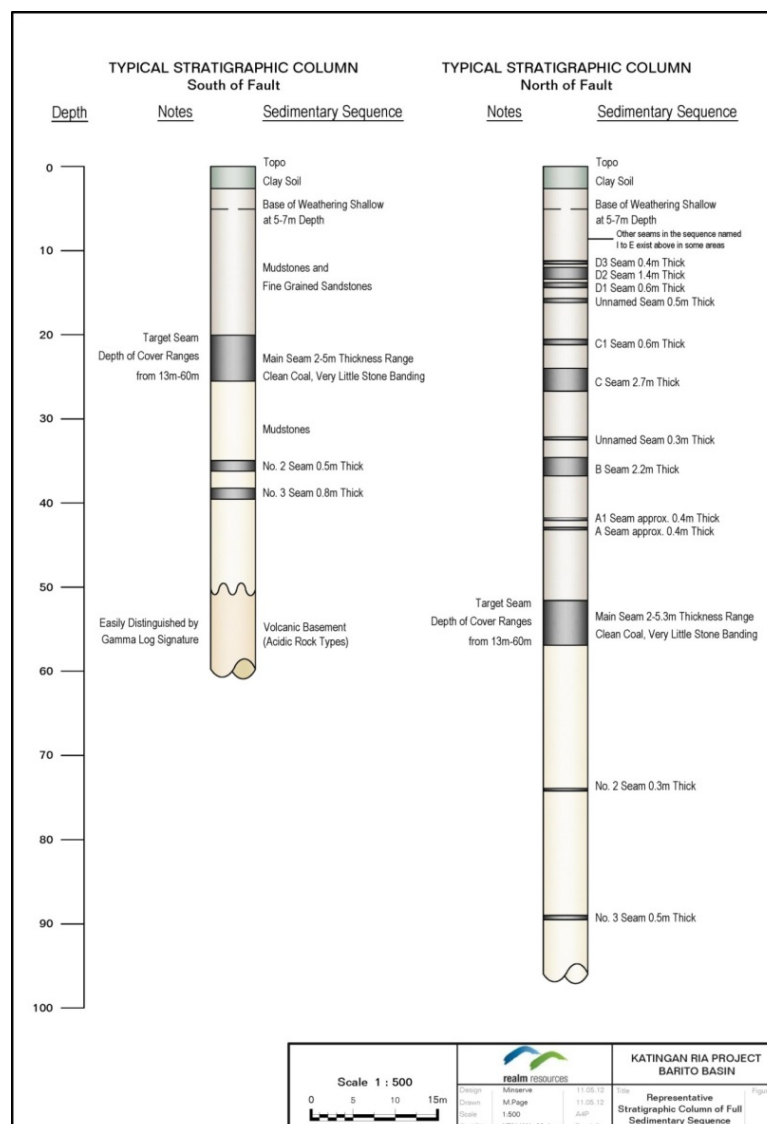


Figure 2 Katingan Ria - Typical Stratigraphic Column

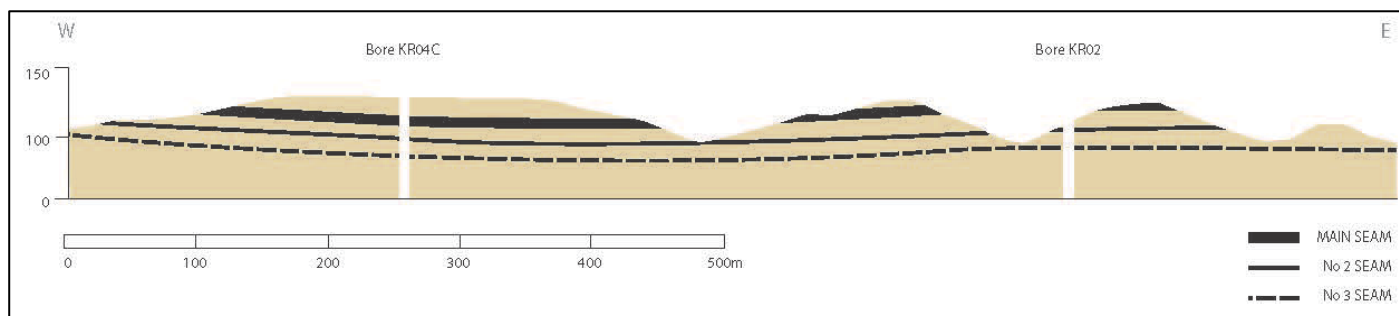


Figure 3 Geological Cross Section – Southern Resource Proposed Mining Area

Overall, the Project is estimated to contain a JORC compliant Resource of 89Mt. Resources total 63.3Mt in the Main Seam, 20.8Mt in the upper Seams and the remaining 4.7Mt in the lower Seams. The Resource has a total of 5.7Mt in the Measured category, 44.1Mt in the Indicated category and the remaining 39.0Mt in the Inferred category (Table 1).

Table 1 – Coal Resource Summary

Seam	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Total
Upper Seams		7.0	13.8	20.8
Main Seam	5.7	37.1	20.5	63.3
Lower Seams			4.7	4.7
Total	5.7	44.1	39.0	88.8

Coal reserves have been estimated by applying realistic mining, metallurgical, economic, marketing, legal, environmental, and government factors to the coal resources. No metallurgical factors have been applied as the ROM coal is sold as a raw coal without processing. The coal reserves are based on a long - term coal price of \$52/t for Katingan Ria coal (note: based on an internal Market Study by Salva Resources in November 2012, this equates to a long term Hunter Valley coal price of around \$104/t). At Katingan Ria, all coal reserves have been classified as probable due to the coal price and bargaining risks (Table 2 and 3).

Table 2: Total Open Cut Coal Reserve Quantities (February 2013) (Mt) (gar @ 30% moisture)

Area	B Seam Probable (Mt)	Main Seam Probable (Mt)	Total Reserves Probable (Mt)
North of Fault	1.7	6.8	8.5
South of Fault - Permit Zone*	0.8	18.0	18.8
South of Fault - Other	0.2	1.6	1.8
Total	2.7	26.4	29.1

* Note: Permit zone = current phase 1 permit for the initial mining area in the southern part of the lease



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Table 3: Total Open Cut Coal Reserve Qualities (February 2013) (Mt) (gar @ 30% moisture)

Area	B Seam Ash	B Seam CV	Main Seam Ash	Main Seam CV	Avg. Ash	Avg. CV
North of Fault	12.61	4,059	10.47	4,324	10.91	4,270
South of Fault - Permit Zone	15.27	4,245	8.27	4,248	8.58	4,248
South of Fault - Other	9.98	4,249	9.91	4,275	9.92	4,272
Total	13.25	4,127	8.94	4,269	9.34	4,256

Indicative coal quality specifications in the initial mining area are shown in Table 4.

Table 4: Indicative specification for Katingan Ria coal

Raw Coal Quality					
Katingan Main Seam Data - Insitu					
Permit Area 1					
In situ					
Mar-13					
		AS RECEIVED	AIR DRIED	DRY	DRY ASH FREE
Moisture (%):	Total	30.0			
Proximate Analysis (%):	Inherent Moisture		18.9		
	Ash	7.9	9.1	11.3	
	Volatile Matter	32.9	38.1	47.0	53.0
	Fixed Carbon	29.2	33.8	41.7	
Fuel Ratio			0.9		
Total Sulphur (%):		0.18	0.20	0.25	0.28
Phosphorus (%):		0.004	0.005	0.006	0.01
Chlorine (%):		0.009	0.010	0.012	0.014
Calorific Value :	Gross (kcal/kg)	4266	4940	6094	6865
	Net (kcal/kg)	3951	4600	5600	6400
	Gross-Net (kcal/kg)	315			
Ultimate Analysis (%):	Carbon	44.8	51.9	64.0	72.1
	Hydrogen	3.2	3.7	4.5	5.1
	Nitrogen	0.5	0.6	0.7	0.8
	Oxygen by difference	13.4	15.5	19.1	21.54
	Sulphur	0.19	0.22	0.27	0.30
Ash Analysis	SiO ₂	48.3	K ₂ O	0.2	
(% in dry ash)	Al ₂ O ₃	29.5	TiO ₂	1.6	
	Fe ₂ O ₃	8.2	Mn ₃ O ₄	0.10	
	CaO	5.7	SO ₃	3.6	
	MgO	1.57	P ₂ O ₅	0.13	
	Na ₂ O	0.06	Total	99	
HGI:	62				

(Source: Xenith Consulting Pty Ltd and M Resources Pty Ltd 4 April 2013)

4. MINING

The mining strategy is to commence mining near the south-eastern limit of the concession for the following reasons:

- Minimising coal haulage distance to the barge transfer station on the Katingan River;
- Located close to readily available waste dump locations;
- Targeting a start-up area where current geological modelling indicates attractive coal quality; and
- Lowest available strip ratio.

In the Base Case, coal production aims to ramp up from 1.15 Mt in Year 1 and 2.0 Mt in Year 2 up to the aimed maximum production rate of 2.5 Mtpa from Year 3 onwards. The mining schedule for the Base Case involves mining waste year round (dry periods inclusive), while ceasing coal mining operations in the dry months from July to October. The roof of the coal will not be exposed during the dry periods. A small cover of waste will be maintained over the coal to minimise the potential of spontaneous combustion of the in-situ coal.

In the Upside Case coal and barging rate achieves 3 Mtpa because coal production and barging does not cease between July and October (dry season) but is reduced (see Table 5).

Table 5: Annual Coal and Waste Mining Schedule

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total
Upside Case																	
Waste (Mbcm)	2.9	4.2	8.9	11.2	11.2	11.2	11.2	11.2	11.2	11.2	10.7	10.2	10.2	2.5			128.0
ROM Coal Mined (Mt)	1.2	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	0.8			36.9
Base Case																	
Waste (Mbcm)	3.8	4.0	4.2	6.3	8.0	11.2	11.2	11.2	10.8	9.6	9.6	9.6	9.6	9.6	6.9	2.5	128.0
ROM Coal Mined (Mt)	1.0	1.7	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	1.5	36.9

The mining schedule achieves peak production of 2.5 – 3.0Mtpa ROM from year three (Figure 4). This yields a 14 to 16 year mine life with 37 Mt ROM coal and 128 Mbcm of waste. The Main Seam contains the bulk of coal with 34.4 Mt ROM at average energy, ash and thickness of 4,255 kcal/kg (ar), 9.0% (ar), and 3.20 m respectively. Qualities and quantities are reported to a 30% as received moisture basis.

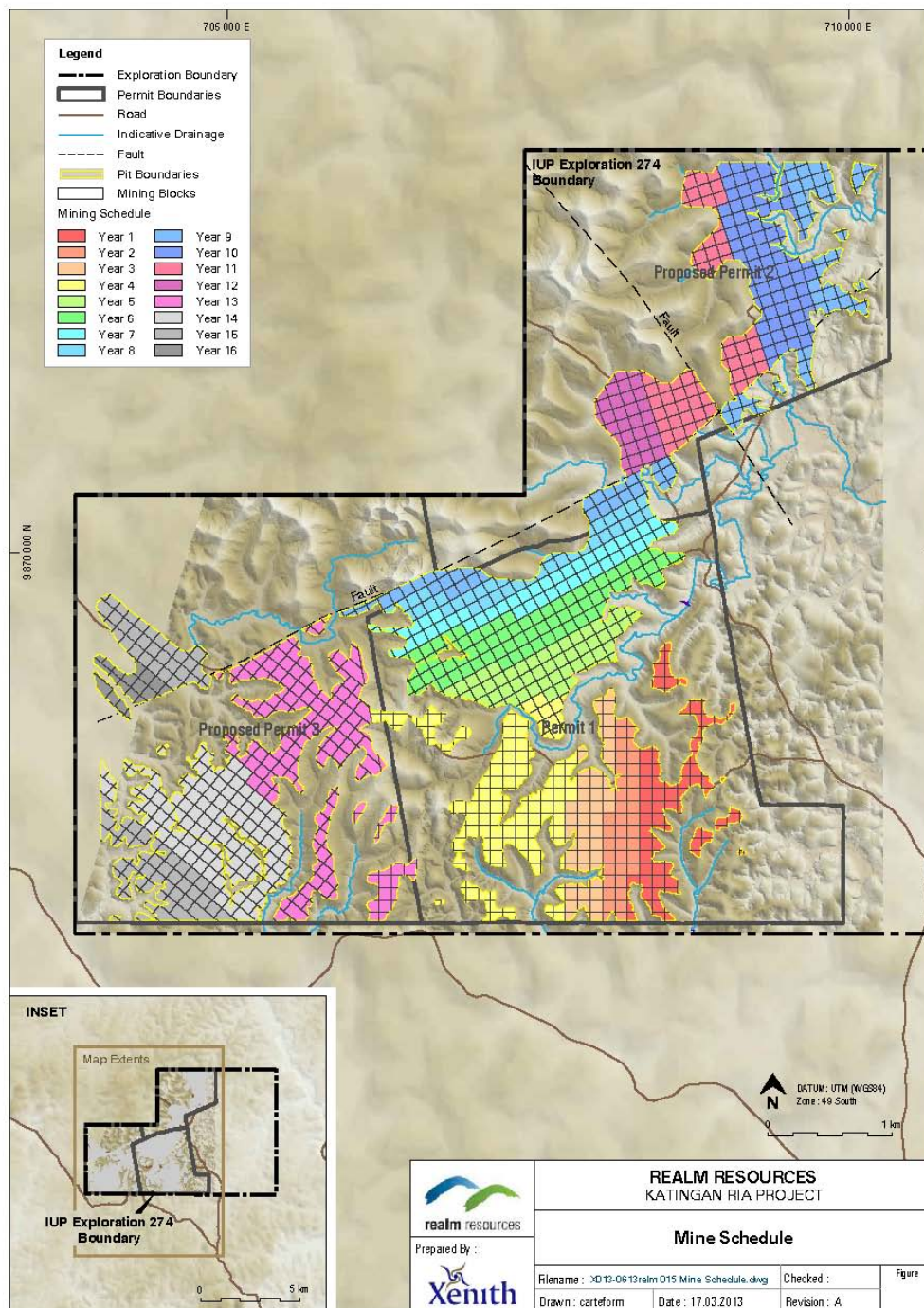


Figure 4: Base Case mine schedule

5. LOGISTICS

Coal will be hauled approximately 40km - 45km by road from the mine to the Upper Stockpile (“**USP**”). After crushing and sizing of coal to 50mm, the coal will be loaded onto barges and transported approximately 435km on the Katingan River to the coast, where coal ships will be loaded for delivery to market (Figure 5).

Logistics for transport of the coal would consist of the following:

- Mining and road haulage of ROM coal direct from the mine pit to the USP barge port location;
- Crushing and sizing of coal to 50mm at the USP;
- Loading of coal to barges and transport down the Katingan River to a Staging Post immediately south of the Kasongan Bridge (“**KSP**”), a distance of approximately 130km;
- Barge to barge transfer of coal at the KSP to “top up” any barges that, due to low water levels, were unable to travel fully loaded on the upper section of the river ; and
- Barge transport from the KSP to Loading to mother vessels (“**MV**”) at Pegatan Anchorage, a distance of approximately 304km;

In addition, an option exists to add, at a later stage, an Intermediate Stockpile at Jahan Jiang, some 125km south of the KSP, if it is deemed necessary to stockpile coal closer to the MV for continuous loading.

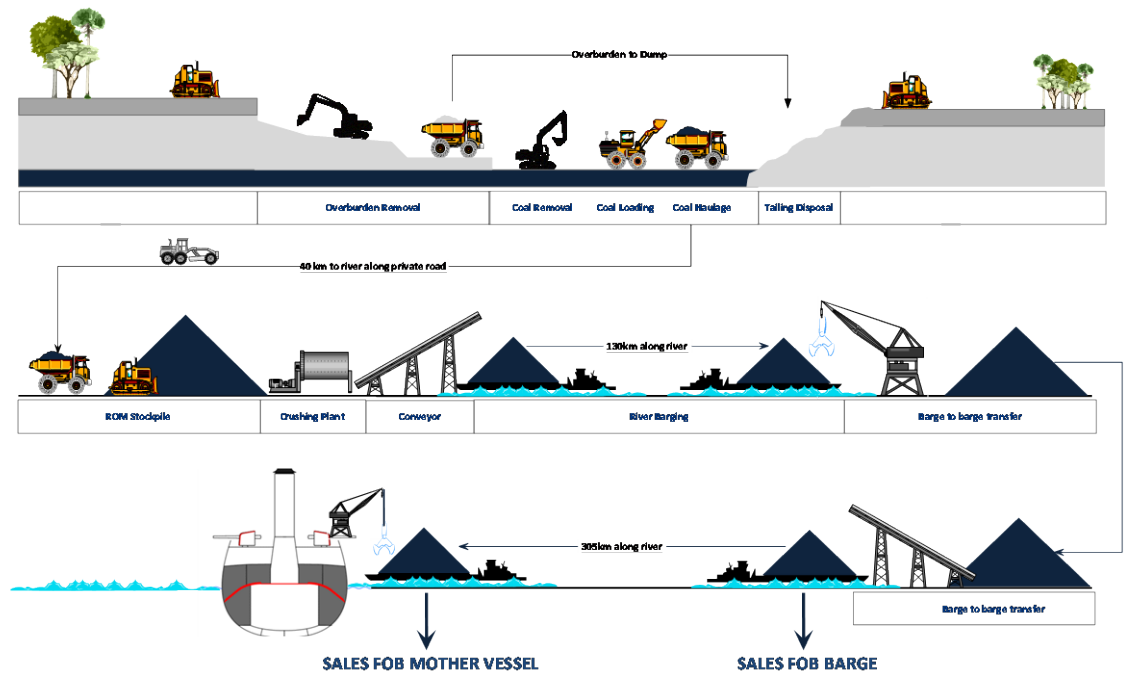


Figure 5: Schematic of the Coal Transportation Chain

Barging is considered one of the most critical processes for the Project due to the variability of water levels in the Katingan River, and particularly in the upper reaches during the dry season between July and October. A 250ft jumbo barge will be used for coal transport from the Upper Stockpile to the Mother Vessel. This type of barge has proven coal transport abilities and provides effective barging in rivers with varying water levels.

It is planned to half load (~2,500 t) the barges at the USP and send them in tandem to the staging post near the Kasongan Bridge during the periods of lower water levels. The barge will be fully loaded (~5,000 t) from the USP to the KSP at higher water levels. Some dredging will be needed in a handful of locations between the USP and KSP.

Given the seasonality in the river, the Base Case assumes that barging and coal mining would not be conducted for periods between July and October, and the coal and barging rate be set at 2.5 Mtpa to mitigate this risk. Between July and October, there is potential to catch up capacity that was lost in previous months or increase capacity to around 3.0mtpa (Upside Case), water level permitting. Analysis indicates that this type of barging can achieve the required throughput of 2.5 Mtpa at an average operating cost of US\$0.030/t/km for the Base Case and 3.0Mtpa at US\$0.027/t/km for the Upside Case. This will require a fleet of 40 barges.

6. ECONOMIC ANALYSIS

Capital and operating costs were established for the Base Case and Upside Case, together with several variations including:

- Owner-operator barging,
- Use of an Intermediate Stockpile near Kasongan instead of a staging post; and
- Use of dozer-push.

6.1 Capital costs

The Project is not capital intensive due to the use of local contractors through most project stages. The capital requirement for both the Base and Upside Case is US\$18.5m as the installed capacity of equipment needed is the same in both a 2.5 Mtpa and 3.0 Mtpa cases.

A conservative project contingency of 30% of capital has been assumed (US\$4.3m). Sustaining capital of US\$1.5m has been allocated to account for on-going items such as dredging and engineering studies (Table 6).

Table 6 Capital Cost Summary

Item	Cost (US\$ M)
Mine Development – Mine Site	2.0
Haul Road	3.4
River Dredging	3.0
Upper Stockpile (USP)	2.2
Kasongan Staging Post	1.5
Land Compensation / Acquisition	1.0
Engineering and Project Management	1.1
Project Contingency (30%)	4.3
Total Capital	18.5
Working Capital Requirement	5.9
Total Capital + Working Capital	24.4
Sustaining Capital Expenditure (per Annum)	1.5

6.2 Operating costs

Mining (including haulage) and barging and transshipment costs are the major components of total operating cost. The operating cost in the initial years is lower due to mining targeting the low strip ratio areas in the south of the mining Permit area. In the Base Case, the average operating cost over the first five

years is US\$37.62/t excluding royalties (US\$39.37/t including royalties), while the LOM average operating cost US\$41.23/t excluding royalties (US\$42.68/t including royalties) (Table 7).

Table 7 First Five Years Operating Cost Summary for Base Case, Excluding Royalty

Item	Y1 (\$/t)	Y2 (\$/t)	Y3 (\$/t)	Y4 (\$/t)	Y5 (\$/t)	Average
Mining Costs	17.26	17.67	15.42	16.31	18.11	16.85
ROM Stockpile and Crushing	3.50	3.50	3.50	3.50	3.50	3.50
Barging and Transhipment	13.34	14.96	15.35	16.04	16.04	15.51
Overheads	1.02	1.18	1.22	1.22	1.22	1.20
Other	0.87	0.81	0.53	0.48	0.48	0.57
Total	35.99	38.13	36.02	37.54	39.35	37.62

In the Upside Case LOM operating cost is around US\$2.00/t lower than the Base Case due to the economies of scale from output of 3.0 Mtpa (Table 8).

Table 8 First Five Years Operating Cost Summary for Upside Case, Excluding Royalty

Item	Y1 (\$/t)	Y2 (\$/t)	Y3 (\$/t)	Y4 (\$/t)	Y5 (\$/t)	Average
Mining Costs	15.84	15.93	16.05	19.57	20.03	18.07
ROM Stockpile and Crushing	3.50	3.50	3.50	3.50	3.50	3.50
Barging and Transhipment	13.35	14.16	14.24	14.51	14.51	14.32
Overheads	1.02	1.27	1.34	1.22	1.22	1.24
Other	0.87	0.72	0.46	0.40	0.40	0.49
Total	34.58	35.57	35.59	39.20	39.66	37.63

6.3 Valuation

The Project valuation was undertaken using the discounted cash flow method with ungeared, real cash flows. The model assumes 100% contract mining and barging, with the contractors supplying plant and equipment.

Key assumptions used in project evaluation are:

- A long term coal price of US\$52/t for Katingan Ria coal has been used in the valuation. This is based on the Salva Marketing Report dated November 2012. Based on past relationships, this equates to a long term Hunter Valley coal price of around \$104/t;
- All sunk costs to date have been excluded from the financial evaluation; and

- The Project would operate within the Indonesian tax environment and be taxed at 30%.

A valuation for the Base and Upside Cases was conducted, along with the dozer-push, Intermediate Stock Pile, and owner-operator barging scenarios. The addition of dozer-push yields an increase in value of approximately US\$4m, with the Base Case yielding an NPV of US\$78m and the Upside Case an NPV of US\$11m.

The Project valuation is most sensitive to changes in coal price and operating costs and is largely insensitive to capital expenditure. In the Base Case, a +10% decrease in the coal price reduces the valuation by US\$49m while a 10% increase in operating costs reduces the value by US\$45m. A 10% increase or decrease in capital expenditure only has a US\$2m impact on the NPV.

7. OWNERSHIP AND PROJECT APPROVALS

Realm, through its wholly owned subsidiary Kalres, has direct ownership of 51% of PT Katingan Ria, the Company which holds the coal asset (see Figure 6). The Shareholders Agreement executed by Kalres, SMAA and Pak Kenedy Pisy is the main document which governs the relationship between the shareholders. In addition, an area of exclusive cooperation between RRP and SMAA for the acquisition and development of further coal mines and necessary related infrastructure has been established.

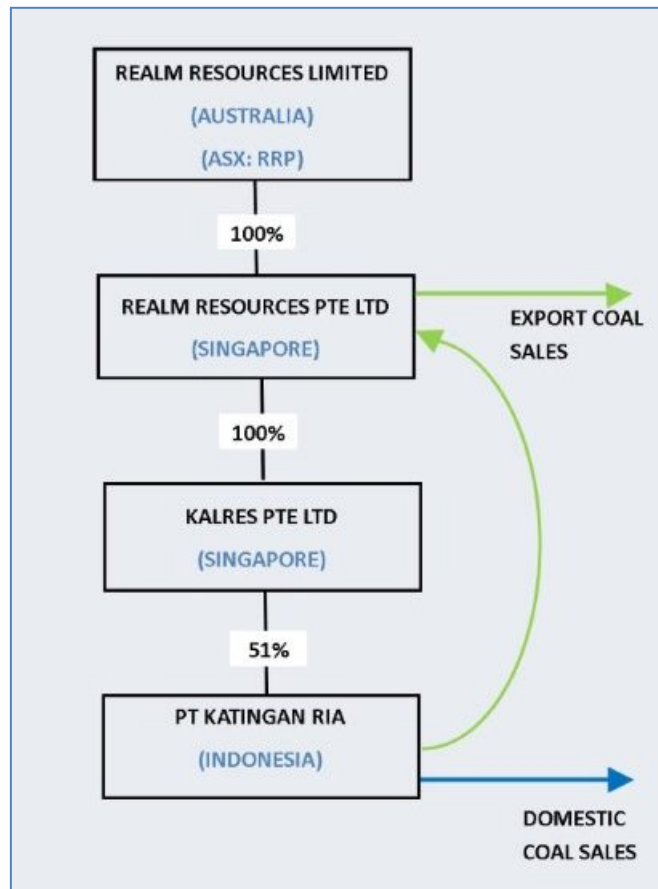


Figure 6: Realm's corporate structure



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Permitting is well advanced and the Company expects to complete all activities for the submission of the final Borrow to Use Permit, and is targeting H2 2013 for the granting of the final Borrow to Use (Izin Pinjam Pakai).

To date, the Project has received the following material licenses and permits:

Table 9 – Katingan Ria - status of licensing and compliance

Licence	Status	Maximum Area	Additional requirements
IUP Exploration	Granted on 23 December 2008	5,053 Ha	None
IUP Operation Production (<i>IUP Operasi Produksi</i>)	Upgraded on 9 August 2011	4,258 Ha	<i>Izin Pinjam Pakai</i> shall be obtained prior to commencement of the operation and production activities.
Environmental document (<i>AMDAL</i>)	Approved 6 May 2011		None
<i>Izin Pinjam Pakai</i> Exploration	Initially granted on 1 November, thereafter on 24 June 2011	2,681 Ha and 1,600 Ha	None
In principle approval of <i>Izin Pinjam Pakai</i> operation production	Granted on 7 November 2012	3,058.25 Ha	None
<i>Izin Pinjam Pakai</i> operation production	In process	1,000Ha 1,000 Ha 1,000 Ha	Will be granted in stages with the first stage to be given for 1,000 Ha. The boundary marking and timber inventory has been completed, finalisation of outstanding steps is underway.

8. Project Execution

Policies and procedures have been established for the execution phase, including human resources, operations, safety and health, community and environment, information and risk management.

PLATINUM GROUP METALS

Realm Resources (Pty) Ltd (RRP 74%)

During the quarter, the Company advanced 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 announced 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.

Nkwe and Realm (the "**Sellers**") 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.

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 transferred 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.

The first tranche of 20 million new ordinary Chrometco shares were allotted to the Sellers (i.e. 10 million to Realm). The Company expects to receive the balance (i.e. 35m Chrometco shares) in H2 2013 following the completion of granting of Section 102 Consent.

ALUMINIUM

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



Realm Resources' subsidiary, Alumicor SA ("**Alumicor**"), treats aluminium dross and returns aluminium to Hualamin Limited ("**Hualamin**") on a toll conversion fee basis.

Health and Safety

There were no disabling injuries during the quarter. The focus on safety training and monitoring continues. The disabling injury frequency rate (DIFR) for the March quarter was 1.8% (1.9% in the prior quarter).

Smelting and recovery performance comparison

Alumicor	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	% change Q4 2012
Tonnes smelted	4,562	3,739	4,527	5,172	4,505	4,411	(2%)
Average recovery	57%	56%	60%	63%	62%	64%	3%

Operations

During the quarter, there was a decline in dross volumes delivered by Hualamin. Discussions are underway with Hualamin to secure alternative sources of feedstock given that business performance is volume dependent. Further information on these initiatives will be released in due course.

Financial

Despite the decline in volumes, operating profitability was maintained. Management of operating costs continues together with continued efforts to improve processes efficiency.

CORPORATE

Referring to the attached 5B schedule, net operating cash outflows were AUD\$621,000 for the quarter (outflow of AUD\$822,000 in the prior quarter).

Group cash position as at 30 June 2013 was AUD\$994,000.

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 – 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.

For further information please contact:

Richard Rossiter (MD) or Theo Renard (FD) on +61 2 9252 2186

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

Appendix 5B

Mining exploration entity and oil and gas 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, 01/05/2013

Name of entity

Realm Resources Limited

ABN

98 008 124 025

Quarter ended ("current quarter")

30 June 2013

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors	887	1,835
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	- (493) (1,027)	(137) (1,022) (2,049)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	12	31
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid	-	(101)
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(621)	(1,443)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(91)	(91)
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	-	49
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	(91)	(42)
1.13	Total operating and investing cash flows (carried forward)	(712)	(1,485)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(712)	(1,485)	
	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	8	16	
1.17	Repayment of borrowings			
1.18	Dividends paid			
1.19	Other (provide details if material)			
	Net financing cash flows	8	16	
	Net increase (decrease) in cash held	(704)	(1,469)	
1.20	Cash at beginning of quarter/year to date	1,650	2,500	
1.21	Exchange rate adjustments to item 1.20	48	(37)	
1.22	Cash at end of quarter	994	994	

Payments to directors of the entity, associates of the directors, 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	818
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

N/A

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 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	-
4.2 Development	-
4.3 Production (<u>Note – production costs absorbed by operations</u>)	525
4.4 Administration (<u>Note – portion of Administration costs absorbed by operations</u>)	575
Total	1,100

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	4	139
5.2 Deposits at call	448	679
5.3 Bank overdraft		
5.4 Other (provide details)	542	832
Total: cash at end of quarter (item 1.22)	994	1,650

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	N/A		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A		

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	425,808,576	425,808,576	N/A
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	15,707,763	15,707,763	0.6
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		

+ See chapter 19 for defined terms.

Appendix 5B

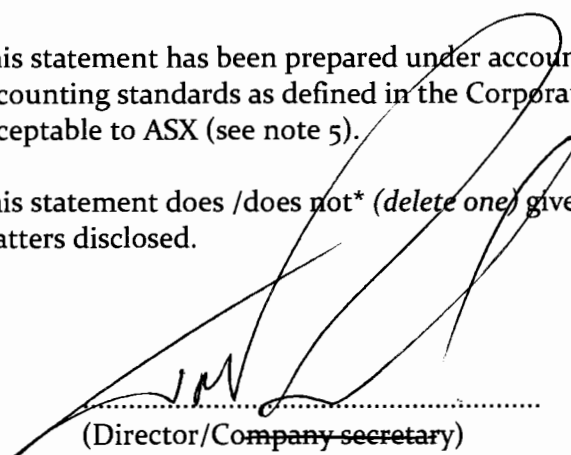
Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	1,000,000 100,000,000	Nil Nil	Exercise price \$0.15 \$0.05	Expiry date 30 January 2015 12 February 2018
7.8	Issued during quarter	100,000,000	Nil	\$0.05	12 February 2018
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
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:



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(Director/Company secretary)

Date: 31 July 2013

Print name: T N 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.

+ See chapter 19 for defined terms.

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum 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 or petroleum 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.

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