

Company Announcements
ASX Limited
20 Bridge Street
Sydney
NSW 2000



By Electronic Lodgement

17 March 2014

Dear Sir/Madam

KATINGAN RIA COAL PROJECT – COOPERATION AGREEMENT WITH NEIGHBOUR JATENERGY

- **Cooperation agreement with Jatenergy to jointly maximise the value of the company's adjoining coal resources in Central Kalimantan**
- **Jatenergy's coal project contains southern extensions of the JORC coal resources estimated by Realm and could, if combined, extend the size and/or life of a potential operation**

Realm Resources Limited (ASX: RRP) ("Realm" or the "Company") is pleased to announce a Cooperation Agreement with Jatenergy Limited ("Jatenergy") (ASX:JAT). The agreement is specifically focused on Realm's Katingan Ria ("KR") coal project and Jatenergy's adjoining Coal Soil Brik ("CSB") project, collectively called the "Katingan Project".

Realm and Jatenergy have identified potential mutual benefits that may arise from closer cooperation between them in regards to the commercialisation of the coal resource in the region and the potential to supply a proposed power station development, and/or export markets.

Jatenergy's CSB project contains southern extensions of the JORC coal resources defined by Realm and could, if combined, extend the size and/or life of a potential operation.

The agreement is non-binding and encompasses:

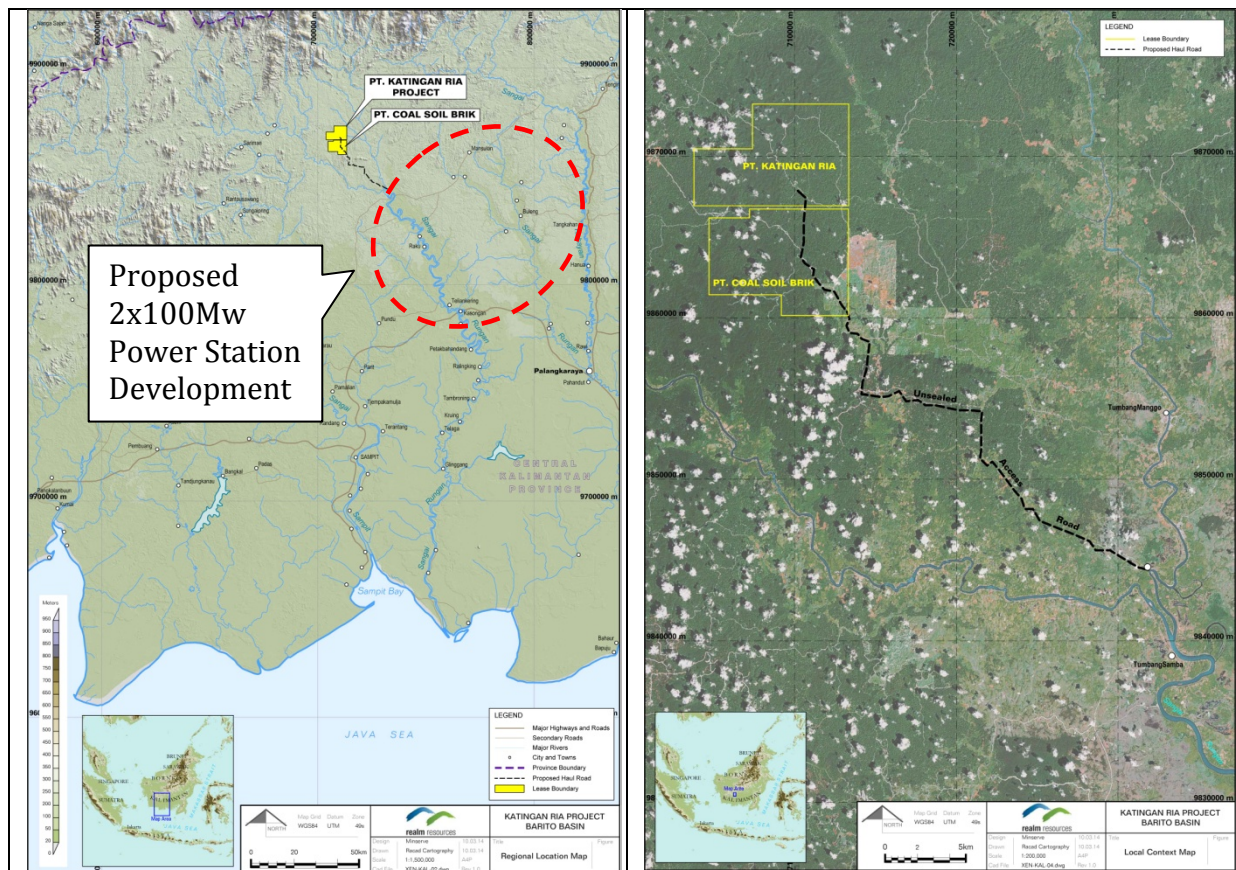
- Sharing of information relating to corporate, technical, marketing, contacts and opportunities in regards to Katingan to enhance its commercialization;
- Marketing, promotion, development and operation of Katingan project;
- Establishing a basis to execute and attract investment into the Katingan project, and terms for a possible future combination.

The Collective Katingan Ria Thermal Coal Project

Katingan Ria (RRP 51%), which is located in Central Kalimantan Indonesia, is shaping up as a simple, open-cut operation that will supply low ash and low sulphur coal ideally suited for modern coal power generation, both domestically and for export. Indicative product specifications are consistent with Indonesian 4,200kcal/kg (GAR) low sulphur (0.2%) coal.

The coal project is located near the town of Tumbang Samba in Central Kalimantan, Indonesia. CSB is situated immediately to the south of KR and contains extensions of the coal resource defined in the KR Feasibility Study (Refer ASX:RRP announcement 30 April 2013; and Figure 1).

Figure 1 – Location of Katingan Ria and Coal Soil Brick Tenements and the Proposed Power Station Development



The KR project was planned as a 2.5Mt pa open cut mine with coal hauled approximately 40km - 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.

Proposed Power Station Development

Recent discussions, however, have focussed on the potential to supply a 200Mw power station development near the town of Kasongan in Central Kalimantan (exact location yet to be finalised). This has the potential to see the mine being developed largely as a domestic coal supplier; thereby eliminating a significant proportion of the logistics costs and issues associated with river seasonality. Coal supply, which is required by 2016/17 for the power stations, could therefore be developed for both domestic and export markets (assuming export prices recover for coal from current lows of around US\$38/t for KR specifications).

PT PLN (PERSERO), the Indonesian State owned Electricity Corporation ("PLN"), issued a Request For Proposal (RFP) in 2013 for construction and operation of two 100 Mw power stations near Kasongan in 2016/17. Katingan Ria is the most developed and best defined coal project in the region and this together with the coal having the ideal specifications (as per the original RFP), places the project in good stead to be the preferred supplier of the proposed power station development. RRP is continuing to engage with several of the Power Station Consortia bidders and PLN as the process is still underway.

In addition, RRP and is continuing with discussions with other potential strategic partners and off takers to commercialise the asset. The Cooperation Agreement with Jatenergy will only add to this process as networks and efforts are combined for mutual benefit.

Geology and Resources

The Katingan Ria deposit 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. 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 KR tenement.

Overall, the KR project is estimated to contain a JORC compliant resource of 89Mt with 63.3Mt in the Main Seam. 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. Coal reserves of 29Mt have been estimated after applying realistic mining, metallurgical, economic, marketing, legal, environmental, and government factors to the coal resources (Figure 2).



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.

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.