



**REALM RESOURCES LIMITED**  
ABN 98 008 124 025

**INTERIM REPORT**  
FOR THE HALF-YEAR ENDED  
30 JUNE 2015

The information in this interim report should be read in conjunction with the annual financial report for the year ended 31 December 2014.

# **REALM RESOURCES LIMITED**

ABN 98 008 124 025

## **Contents of financial report:**

<b>Corporate Information .....</b>	<b>1</b>
<b>Directors' Report .....</b>	<b>2</b>
<b>Auditor's Independence Declaration .....</b>	<b>5</b>
<b>Consolidated Statement of Profit or Loss and Other Comprehensive Income .....</b>	<b>6</b>
<b>Consolidated Statement of Financial Position .....</b>	<b>7</b>
<b>Consolidated Statement of Cash Flows .....</b>	<b>8</b>
<b>Consolidated Statement of Changes In Equity .....</b>	<b>9</b>
<b>Notes to the Consolidated Financial Statements .....</b>	<b>10</b>
<b>Directors' Declaration .....</b>	<b>15</b>
<b>Independent Auditor's Review Report .....</b>	<b>16</b>

# **REALM RESOURCES LIMITED**

ABN 98 008 124 025

## **Corporate information**

**ABN 98 008 124 025**

### **Directors**

Richard Rossiter – Chair and Executive Director

Theo Renard – Executive Director

Michael Davies – Non-Executive Director

### **Company Secretary**

Theo Renard

### **Registered and Principal Office**

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Sydney NSW 2000 AUSTRALIA

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Email: [info@realmresources.com.au](mailto:info@realmresources.com.au)

### **Share Registry**

Computershare Investor Services Pty Limited

Level 11

172 St Georges Terrace

Perth WA 6000 AUSTRALIA

### **Auditors**

HLB Mann Judd

Chartered Accountants

Level 19

207 Kent Street

Sydney, NSW 2000 AUSTRALIA

### **Solicitors**

Allen & Overy

Level 27

Exchange Plaza

2 The Esplanade

Perth WA 6000 AUSTRALIA

### **Stock Exchange Listing**

Realm Resources Limited shares are listed on the Australian Securities Exchange (ASX code: RRP).

### **Country and Date of Incorporation**

Australia, 30 January 1987

# REALM RESOURCES LIMITED

## Directors' report

Your directors present their report on the consolidated entity consisting of Realm Resources Limited and the entities it controlled (referred hereafter as "the Group") at the end of, or during, the half-year ended 30 June 2015.

### DIRECTORS AND COMPANY SECRETARY

The following persons were directors of Realm Resources Limited during the whole of the half-year and up to the date of this report:

Richard Rossiter (Executive Director)  
Theo Renard (Executive Director and Company Secretary)  
Michael Davies (Non-Executive Director)

### REVIEW OF OPERATIONS

Realm Resources Ltd (ASX: RRP) ("Realm" or the "Company") is pleased to provide an update on activities during the half-year ended 30 June 2015.

In summary:

- Continuing focus for Katingan Ria's domestic coal supply strategy;
- Coal market remains oversupplied with export prices for expected Katingan Ria coal quality at around US\$27.50/t;
- Alumicor – discussions underway with potential investors/buyers; and
- Business development activities aimed at enhancing and/or realising the value of Realm's assets as well as seeking new resource sector investment opportunities, particularly those with near term cash generation potential.

### Katingan Ria Coal Project – Focussed on Domestic Power Station Supply

The Company continued to engage with PLN (Indonesian State owned Electricity Corporation) and other potential partners/buyers in order to progress its power station strategy. Realm is focussing on establishing a consortium to prepare for the Kalselteng No.3 (2x100MW) process later this year, and possibly Kalselteng No.1 (2x100MW) as well, should that become available (Figure 1).

In addition, Realm continues to keep its 51% holding in good standing and progress permitting as required.

The thermal coal price for expected Katingan Ria coal (i.e. 4,200 kcal/kg GAR) has declined further to US\$27.50/t at the time of writing. This together with the slow pace of Government action is limiting interest in the project and the coal sector as a whole.

### South African Projects

In South Africa, good progress has been made on the search for potential investors/buyers seeking exposure to the aluminium re-cycling sector as well as improving the financial and operational performance of Alumicor. In platinum, the Rooderand transaction with Chrometco Limited was advanced following the receipt of the Nkwe prospecting right renewal paving the way for the final 35m JSE:CMO shares to be issued to Realm on completion.

# REALM RESOURCES LIMITED

## Directors' report (continued)

Figure 1: - Central Kalimantan Power Station Plan



Source: PLN RUPTL 2015-2024. Note: PTKR = PT Katingan Ria coal project; K1 = Kalselteng 1 200Mw power station proposal; K3 = Kalselteng 3 200Mw power station proposal

## Aluminium Waste Toll Treating Business

### Health and Safety

There were no disabling injuries during the reporting period. The focus on safety training and monitoring continues. The disabling injury frequency rate ("DIFR") for the June quarter was 0.0% (0.0% in the prior quarter).

### Smelting and recovery performance comparison

Alumicor	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	% change Q1 2015
Tonnes smelted	4,150	4,649	4,401	4,279	4,537	4,835	4,984	3%
Average recovery	65%	65%	64%	66%	67%	64%	61%	(5%)

Alumicor continues to operate profitably and deliver cash flow with management's attention focussed on sourcing additional metal units (with Hulamin's assistance) to be processed at the facility. In addition, management continues to assess a number of growth projects in the rapidly expanding aluminium recycling space, and has embarked on a process to seek funders and/or partners seeking exposure to or who are interested in developing the business.

In July 2015, Alumicor was awarded a one year contract to process an additional 150 to 160 tonnes of aluminium dross per month.

# REALM RESOURCES LIMITED

## Directors' report (continued)

### Business Development

On the business development front, numerous resource sector opportunities continue to be reviewed, with the focus directed at projects or mines with near term cash generation capacity, largely in the coal, base and precious metals sector.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307 of the *Corporations Act 2001* is set out on page 5.

Signed in accordance with a resolution of the directors.

A handwritten signature in dark ink, appearing to read 'R Rossiter', is positioned above the printed name and title.

**Richard Rossiter**  
**Executive Chairman**

**Sydney**  
**11 September 2015**

**REALM RESOURCES LIMITED****ABN 98 008 124 025****AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the consolidated financial report of Realm Resources Limited for the half-year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

This declaration is in relation to Realm Resources Limited and the entities it controlled during the period.



**Sydney, NSW**  
**11 September 2015**

**D K Swindells**  
**Partner**

# REALM RESOURCES LIMITED

## Consolidated Statement of Profit or Loss and Other Comprehensive Income For the half-year ended 30 June 2015

	Half-year ended 30 June 2015 \$	Half-year ended 30 June 2014 \$
<b>Continuing Operations</b>		
Sales and rendering of services	2,309,968	1,997,406
Interest income	85,202	146,702
Other revenue	12,864	13,656
<b>Revenue</b>	<b>2,408,034</b>	<b>2,157,764</b>
Cost of sales	(1,249,373)	(950,621)
<b>Gross profit</b>	<b>1,158,661</b>	<b>1,207,143</b>
<b>Other income</b>	<b>172,071</b>	<b>51,100</b>
Impairment loss – exploration assets	(1,276,320)	-
Technical expenses	(12,928)	-
ASIC, ASX and share registry expenses	(14,301)	(33,488)
Occupancy expenses	(65,792)	(60,308)
Consultancy fees	(209,403)	(302,284)
Audit fees	(43,535)	(136,624)
Directors' fees	(183,601)	(187,786)
Administrative expenses	(802,710)	(706,325)
Other expenses	(27,942)	(197,549)
Finance costs	(98)	(22,306)
<b>Loss from continuing operations before income tax</b>	<b>(1,305,898)</b>	<b>(388,427)</b>
Income tax expense	(118,961)	(103,254)
<b>Net loss for the period</b>	<b>(1,424,859)</b>	<b>(491,681)</b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translation of foreign operations	92,256	(87,156)
<b>Total comprehensive loss for the period</b>	<b>(1,332,603)</b>	<b>(578,837)</b>
<b>Total loss for the period attributable to:</b>		
<b>Non-controlling interest</b>	<b>41,154</b>	<b>(4,194)</b>
<b>Members of the parent</b>	<b>(1,466,013)</b>	<b>(487,487)</b>
	<b>(1,424,859)</b>	<b>(491,681)</b>
Total comprehensive loss for the period is attributable to:		
Non-controlling interest	41,154	(4,194)
Members of the parent	(1,373,757)	(574,643)
	<b>(1,332,603)</b>	<b>(578,837)</b>
	<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the Company:</b>		
Basic loss per share	(0.06)	(0.03)
Diluted loss per share	(0.06)	(0.02)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*



# REALM RESOURCES LIMITED

## Consolidated Statement of Financial Position As at 30 June 2015

		30 June 2015	31 December 2014
	Note	\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		642,203	772,437
Trade and other receivables		560,454	448,410
Inventories		35,436	18,006
Current tax assets		261,589	216,319
Other assets		18,106	14,448
<b>Total current assets</b>		<b>1,517,788</b>	<b>1,469,620</b>
<b>Non-current assets</b>			
Trade and other receivables		25,316	25,245
Available for sale financial assets		159,300	84,720
Property, plant and equipment		1,591,370	1,644,078
Deferred tax assets		59,876	73,607
Exploration and evaluation assets	6	13,839,203	15,115,523
<b>Total non-current assets</b>		<b>15,675,065</b>	<b>16,943,173</b>
<b>TOTAL ASSETS</b>		<b>17,192,853</b>	<b>18,412,793</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		879,585	773,935
Current tax liabilities		6,010	184
Borrowings	5	1,305,218	1,304,031
<b>Total current liabilities</b>		<b>2,190,813</b>	<b>2,078,150</b>
<b>TOTAL LIABILITIES</b>		<b>2,190,813</b>	<b>2,078,150</b>
<b>NET ASSETS</b>		<b>15,002,040</b>	<b>16,334,643</b>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Contributed equity	4	46,314,806	46,314,806
Retained earnings (accumulated losses)		(30,190,900)	(28,724,887)
Reserves		(1,426,080)	(1,518,336)
<b>Attributable to owners of Realm Resources Limited</b>		<b>14,697,826</b>	<b>16,071,583</b>
<b>Non-controlling interests</b>		<b>304,214</b>	<b>263,060</b>
<b>TOTAL EQUITY</b>		<b>15,002,040</b>	<b>16,334,643</b>

*The above statement of financial position should be read in conjunction with the accompanying notes.*

# REALM RESOURCES LIMITED

## Consolidated Statement of Cash Flows For the half-year ended 30 June 2015

	Consolidated Half-year ended 30 June 2015 \$	Consolidated Half-year ended 30 June 2014 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	2,356,845	1,944,819
Payments to suppliers and employees	(2,254,449)	(1,958,119)
Interest received	2,676	2,858
Income tax payments	(130,773)	(56,148)
<b>Net cash flows (used in) operating activities</b>	<b>(25,701)</b>	<b>(66,590)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(105,459)	(206,749)
<b>Net cash flows (used in) investing activities</b>	<b>(105,459)</b>	<b>(206,749)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	-
<b>Net cash flows (used in) financing activities</b>	<b>-</b>	<b>-</b>
Net (decrease) in cash and cash equivalents held	(131,160)	(273,339)
Net foreign exchange differences	926	(41,988)
Cash and cash equivalents at beginning of period	772,437	842,612
<b>Cash and cash equivalents at end of period</b>	<b>642,203</b>	<b>527,285</b>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

# REALM RESOURCES LIMITED

## Consolidated Statement of Changes in Equity For the half-year ended 30 June 2015

	Attributable to members of Realm Resources Limited					Attributable to non-controlling interest	Total equity
	Ordinary shares \$	Other Reserves \$	Employee equity benefits reserve \$	Foreign currency translation reserve \$	Retained earnings \$	Total Equity attributable to members \$	\$
<b>Balance as at 1 January 2014</b>	46,398,433	365,650	41,330	(1,841,922)	(28,866,028)	16,097,463	267,211
Loss for the period	-	-	-	-	(487,487)	(487,487)	(4,194)
Other comprehensive income	-	-	-	(87,156)	-	(87,156)	-
<b>Total comprehensive income for the period</b>	-	-	-	(87,156)	(487,487)	(574,643)	(4,194)
<b>Transactions with owners in their capacity as owners:</b>							
Employee Share Plan Shares Cancelled during the year	(935,968)	-	-	-	935,968	-	-
Employee Share Plan Options Cancelled during the year	-	-	(41,330)	-	41,330	-	-
<b>Balance as at 30 June 2014</b>	45,462,465	365,650	-	(1,929,078)	(28,376,217)	15,522,820	263,017
<b>Balance as at 1 January 2015</b>	46,314,806	365,650	-	(1,883,986)	(28,724,887)	16,071,583	263,060
(Loss) for the period	-	-	-	-	(1,466,013)	(1,466,013)	41,154
Other comprehensive income	-	-	-	92,256	-	92,256	-
<b>Total comprehensive income for the period</b>	-	-	-	92,256	(1,466,013)	(1,373,757)	41,154
<b>Balance as at 30 June 2015</b>	46,314,806	365,650	-	(1,791,730)	(30,190,900)	14,697,826	304,214

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

# REALM RESOURCES LIMITED

## Notes to the Consolidated Financial Statements for the half-year ended 30 June 2015

### Note 1: Basis of preparation

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB").

This half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of Realm Resources Limited and its controlled entities ("the Group" or "the consolidated entity") as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 December 2014 and any public announcements made by Realm Resources Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The half-year report has been prepared on a historical cost basis, as modified by the revaluation of assets and liabilities acquired as part of a business combination, and the revaluation of available for sale financial assets, to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies are consistent with those of the previous financial year and corresponding interim reporting period.

### Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 31 December 2014.

### Adoption of new and revised Accounting Standards

During the half-year ended 30 June 2015 the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2015.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business, and therefore no change is necessary to Group accounting policies.

Certain new accounting standards and interpretations have been published that are not mandatory for the half-year reporting period. The Group's assessment of the impact of these standards and interpretations is that they will result in no significant changes to the amounts recognised or matters disclosed in future financial reports.

# REALM RESOURCES LIMITED

## Notes to the Consolidated Financial Statements for the half-year ended 30 June 2015 (continued)

### Note 1: Basis of preparation (continued)

#### Going concern basis of preparation

The financial statements are prepared on a going concern basis. For the period ended 30 June 2015, the consolidated entity incurred a loss after tax of \$1,424,859.

At the reporting date, the consolidated entity had an excess of current liabilities over current assets of \$673,025, and total equity of \$15,002,040.

Management have prepared cash flow forecasts covering the period to 31 December 2016. Based on these cash flow forecasts, the ability of the consolidated entity to continue as a going concern depends upon the generation of future cash inflows, through one or more of the following avenues:

- (i) Positive cash flows from the operating subsidiary;
- (ii) The receipt of additional debt or equity funds;
- (iii) The sale of one or more of the consolidated entity's assets.

The directors consider that they will be successful in generating sufficient future cash inflows through one or more of the above avenues.

However, should the consolidated entity not be successful in generating future cash inflows, the consolidated entity may not be able to continue as a going concern.

Accordingly, there is a material uncertainty that may cast doubt on the consolidated entity's ability to continue as a going concern.

No adjustments have been made in relation to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

### Note 2: Segment Information

#### Description of Segments

Management has determined the operating segments based on the reports reviewed by the executive directors that are used to make strategic decisions.

The executive directors consider the business from both a product and a geographic perspective and have identified four reportable segments. PT Katingan Ria in Indonesia, Alumicor in South Africa, which toll treats aluminium dross; Masedi Platinum (Proprietary) Limited and Nkwe Platinum (Scarlet) (Proprietary) Limited in South Africa, which hold platinum resource tenements; and head office and administration.

# REALM RESOURCES LIMITED

## Notes to the Consolidated Financial Statements for the half-year ended 30 June 2015 (continued)

### Note 2: Segment Information (continued)

#### Segment information provided to the Executive Directors

The segment information provided to the executive directors was as follows:

	Alumicor SA Holdings (Pty) Ltd \$	Head office \$	Masedi Platinum (Proprietary) Limited and Nkwe Platinum (Scarlet) (Proprietary) Limited \$	Pt Katingan Ria \$	Elimination \$	Total \$
<b>6 month period ended 30 June 2015</b>						
<b>Revenue</b>						
Rendering of services to external customers	2,309,968	-	-	-	-	2,309,968
Other revenue	368	97,680	-	18	-	98,066
Total consolidated segment revenue	2,310,336	97,680	-	18	-	2,408,034
<b>Result</b>						
Segment results, excluding finance costs	152,540	(1,558,230)	-	(19,071)	-	(1,424,761)
Finance costs	(98)	-	-	-	-	(98)
Net loss for period	152,442	(1,558,230)	-	(19,071)	-	(1,424,859)
Depreciation	(160,739)	(444)	-	(1,472)	-	(162,655)
<b>Assets and liabilities at 30 June 2015</b>						
Segment assets	3,189,204	19,996,776	5,764,720	8,086,659	(19,844,506)	17,192,853
Segment liabilities	1,986,889	19,581,998	91,792	373,855	(19,843,721)	2,190,813
<b>6 month period ended 30 June 2014</b>						
<b>Revenue</b>						
Rendering of services to external customers	1,997,406	-	-	-	-	1,997,406
Other revenue	1,008	159,330	-	20	-	160,358
Total consolidated segment revenue	1,998,414	159,330	-	20	-	2,157,764
<b>Result</b>						
Segment results, excluding finance costs	23,938	(456,550)	-	(36,763)	-	(469,375)
Finance costs	(309)	(21,993)	-	(4)	-	(22,306)
Net loss for period	23,629	(478,543)	-	(36,767)	-	(491,681)
Depreciation	(167,455)	(940)	-	(1,394)	-	(169,789)
<b>Assets and liabilities at 31 December 2014</b>						
Segment assets	2,939,595	19,333,947	5,764,720	9,374,492	(18,999,961)	18,412,793
Segment liabilities	1,891,281	18,749,304	91,533	370,462	(19,024,430)	2,078,150

# REALM RESOURCES LIMITED

## Notes to the Consolidated Financial Statements for the half-year ended 30 June 2015 (continued)

### Note 3: Share-based payment plans

The share-based payment plans are described in Note 23 to the financial statements for the year ended 31 December 2014. All share based payment plan shares and options were cancelled during the half-year ended 30 June 2014, by agreement.

### Note 4: Contributed equity

#### (a) Ordinary shares

	30 June 2015	31 December 2014
	\$	\$
Ordinary shares	46,314,806	46,314,806
	No.	No.
Issued and fully paid	2,357,260,417	2,357,260,417

Fully paid ordinary shares carry one vote per share and carry the rights to dividends.

#### (b) Summaries of options and shares issued during the period:

The following table illustrates the number ("No.") and weighted average exercise price ("WAEP") of, and movements in, share options during the half-year:

	30 June 2015	2015	31 December 2014	2014
	No.	WAEP	No.	WAEP
		\$		\$
Outstanding at the beginning of the year	100,000,000	0.05	101,000,000	0.05
Granted during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Cancelled during the period	-	-	(1,000,000)	0.15
Outstanding at the end of the period	100,000,000	0.05	100,000,000	0.05
Exercisable at the end of the period	100,000,000		100,000,000	

### Note 5: Borrowings

	30 June 2015	31 December 2014
	\$	\$
<b>Current</b>		
Other borrowings	1,305,218	1,304,031

Included in other borrowings are amounts due to Tiespro 176 (Proprietary) Limited, a company incorporated in South Africa. The loan is unsecured and is interest free.

# REALM RESOURCES LIMITED

## Notes to the Consolidated Financial Statements for the half-year ended 30 June 2015 (continued)

### Note 6: Non-current assets – exploration and evaluation assets

	30 June 2015	31 December 2014
	\$	\$
Cost on acquisition	19,232,733	19,232,733
Foreign exchange movement	(1,128,810)	(1,128,810)
Impairment loss	(4,264,720)	(2,988,400)
Carrying amount at period end	13,839,203	15,115,523
Movements:		
Carrying amount at beginning of period	15,115,523	15,115,523
Less: Impairment of assets related to PT Katingan Ria	(1,276,320)	-
Carrying amount at end of period	13,839,203	15,115,523

Exploration and evaluation assets consist of the exploration and evaluation assets acquired as part of the purchase of: 51% of the shares in PT Katingan Ria, 74% of the shares in Nkwe Platinum (Scarlet) Proprietary Limited and 70.3% of the shares in Masedi Platinum (Proprietary) Limited.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the areas of interest.



# REALM RESOURCES LIMITED

## Directors' declaration

In the director's opinion:

- (a) The interim financial statements and notes set out on pages 6 to 14 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standard AASB134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Realm Resources Limited will be able to pay its debts as and when they become due and payable, as outlined in Note 1 to the interim financial report.

This declaration is made in accordance with a resolution of the directors.



**Richard Rossiter**  
**Executive Chairman**

**Sydney**  
**11 September 2015**

**REALM RESOURCES LIMITED****ABN 98 008 124 025****INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Realm Resources Limited:

We have reviewed the accompanying half-year financial report of Realm Resources Limited ("the company") which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

**Directors' Responsibility for the Half-Year Financial Report**

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**HLB Mann Judd (NSW Partnership) ABN 34 482 821 289**

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**REALM RESOURCES LIMITED****ABN 98 008 124 025****INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)****Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

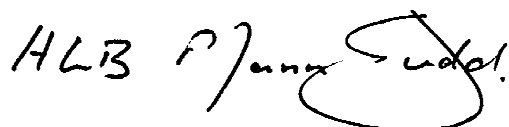
**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Realm Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.


**Emphasis of Matter**

Without modifying our opinion, we draw attention to Note 1 to the financial report, which indicates that the consolidated entity incurred a loss after income tax of \$1,424,859 for the period ended 30 June 2015 and, as at that date, the consolidated entity had an excess of current liabilities over current assets of \$673,025 and total equity of \$15,002,040. These conditions, along with other matters as set out in Note 1 to the financial report, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.



**HLB Mann Judd**  
**Chartered Accountants**

**Sydney, NSW**  
**11 September 2015**



**D K Swindells**  
**Partner**