

Dear Shareholder,

On Friday 9 February 2018, Realm Resources' majority shareholder Taurus\*, which controls 85.71% of your Company's shares, announced its intention to make an unsolicited takeover bid at 90 cents per share for all Realm shares that it does not currently control.

In light of the fact that two members of the Realm Board are associated with Taurus, the Board had resolved to appoint an independent sub-committee of non-executive directors, that the Board has authorised to review, consider and evaluate the terms of this bid. I have been appointed chair of this independent sub-committee, which also includes Staffan Ever, a non-executive director of Realm. The sub-committee has:

- appointed Treadstone Resource Partners to provide financial and strategic advice; and
- commissioned Deloitte Corporate Finance to complete an Independent Expert's Report to evaluate whether Taurus' bid is fair and/or reasonable.

Shortly, you will receive a formal Bidder's Statement, including an acceptance form, on behalf of Taurus. You will also be sent a Target's Statement which will include the Independent Expert's opinion on the fairness and/or reasonableness of the takeover bid.

**The sub-committee recommends that you:**

**TAKE NO ACTION UNTIL YOU HAVE RECEIVED THE TARGET'S STATEMENT AND THE INDEPENDENT EXPERT'S REPORT.**

Early acceptance of the bid will not expedite payment for your shares, as no payment will be made any earlier than at least three weeks after all the bid's conditions have been satisfied. That outcome is not certain to occur, and if it does, may take several months.

We appreciate that the suspension of trading in Realm shares has been disappointing. As we announced as recently as 31 January 2018, the Company has been preparing a prospectus for a capital raising to satisfy the ASX's 20% free float condition and allow the conditions for re-listing the company's shares to be met. However, in addition to an ASX restriction on the Company issuing shares for a 3 month period following an announcement to make a bid, one of the bidder's conditions prevents the issuance of new shares. Accordingly, in the absence of any ASX relief, the Taurus bid has the effect of restricting Realm from achieving a re-listing until the bid either fails or lapses. Notwithstanding this, the sub-committee is continuing with the preparations for the capital raising and re-listing in parallel with responding to the bid.

We will continue to keep you advised of developments. If you have any questions, please contact our shareholder information line +61 2 8264 1005.

Yours sincerely,



James Beecher  
Chairman, Sub-committee of Independent Directors  
12 March 2018

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\* The proposed bid was announced by T2 Resources Fund Pty Limited on behalf of Taurus Resources No. 2 L.P. and Taurus Resources No. 2 Trust, Realm's majority shareholder.