

14 March 2018

The Manager  
Company Announcements Office  
Australian Securities Exchange  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

**Electronic lodgement**

Dear Sir/Madam

**T2 Resources Fund Pty Limited – takeover bid for the entire issued share capital of Realm Resources Limited (“Takeover”)**

In accordance with sections 633A(2)(c) and 647(3)(a)(ii) of the *Corporations Act 2001* (Cth) (as modified by ASIC Class Order [CO 13/528]), please find attached:

1. a copy of T2 Resources Fund Pty Limited’s supplementary bidder’s statement, attaching the replacement bidder’s statement dated 14 March 2018 (“**Replacement Bidder’s Statement**”) (marked up to show all changes from the original bidder’s statement dated 23 February 2018), in relation to the Takeover (“**Supplementary Bidder’s Statement**”); and
2. a copy of the Replacement Bidder’s Statement.

The Supplementary Bidder’s Statement and the Replacement Bidder’s Statement were lodged with the Australian Securities & Investments Commission and sent to Realm Resources Limited earlier today. Despatch of the Replacement Bidder’s Statement to shareholders commences today.

Yours faithfully



**David Eliakim | Partner**  
**King & Wood Mallesons**

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## FIRST SUPPLEMENTARY BIDDER'S STATEMENT

If you are in any doubt as to how to act,  
you should consult your professional adviser as soon as possible.

**in respect of the Offer by:**

T2 RESOURCES FUND PTY LIMITED

to purchase all of your shares in:

**Realm Resources Limited**

ACN 008 124 025

For each Realm Share you will receive \$0.90 cash

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Legal Advisor

KING&WOOD  
MALLESONS

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This document is the first supplementary bidder's statement ("**First Supplement**") to the Bidder's Statement dated 23 February 2018 ("**Original Bidder's Statement**") issued by T2 Resources Fund Pty Limited (ACN 624 330 696) and lodged with the Australian Securities and Investments Commission ("**ASIC**") on 23 February 2018, in relation to the off-market takeover bid by T2 Resources Fund Pty Limited ("**Offer**") for all the ordinary shares in Realm Resources Limited (ACN 008 124 025).

This First Supplement is to be read together with the Original Bidder's Statement. Unless the context requires otherwise, defined terms in the Original Bidder's Statement have the same meaning in this First Supplement. This First Supplement prevails to the extent of any inconsistency with the Original Bidder's Statement.

This First Supplement is dated 14 March 2018 and a copy of this First Supplement was lodged with ASIC on that date. Neither ASIC nor any of its officers takes any responsibility for the contents of this First Supplement.

## **1 Replacement Bidder's Statement**

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A replacement bidder's statement was issued by T2 Resources Fund Pty Limited on 14 March 2018 ("**Replacement Bidder's Statement**") and replaced the Original Bidder's Statement.

Attached to this document is a marked up copy of the Original Bidder's Statement showing the changes that have been made as reflected in the Replacement Bidder's Statement.

A final clean version of the Replacement Bidder's Statement will be released under a separate announcement and will be sent to the Realm Shareholders along with the Offer on 14 March 2018.

## **2 Authorisation**

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This First Supplement has been approved by a resolution passed by all of the directors of T2 Resources Fund Pty Limited.

**Signed** by Rohan Menon of the Bidder in accordance with section 351 of the Corporations Act on behalf of T2 Resources Fund Pty Limited.



**Rohan Menon**  
Director

# BIDDER'S STATEMENT



## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to how to act, you should consult your professional adviser as soon as possible.

**Offer by:**  
**T2 Resources Fund Pty Limited**  
**to purchase all of your shares in:**  
**Realm Resources Limited**  
**ACN 008 124 025**

For each Realm Share you will receive \$0.90 cash

The Offer is dated ~~14 March~~ 2018 and will close at 7.00pm (Sydney time) on ~~16 April~~ 2018, unless extended. This Bidder's Statement was lodged with ASIC on ~~23 February~~ ~~14 March~~ 2018.

Legal Adviser:



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# IMPORTANT INFORMATION

The Offer described within this Bidder's Statement is given by T2 Resources Fund Pty Limited (ACN 624 330 696) (the "**Bidder**") (a subsidiary of Taurus Resources No. 2 Trust) to Realm Resources Limited (ACN 008 124 025) ("**Realm**") under Part 6.5 of the Corporations Act and sets out certain disclosures required by the Corporations Act together with the terms of the Offer to acquire your Realm Shares.

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## THE BIDDER'S STATEMENT

**YOU SHOULD READ THIS BIDDER'S STATEMENT IN ITS ENTIRETY.**

This is a replacement bidder's statement and issued by the Bidder under Part 6.5 of the Corporations Act (as amended by ASIC Class Order [CO 13/528]).

This Bidder's Statement is dated 23 14 February March 2018 and replaces the Bidder's Statement dated 23 February 2018 issued by the Bidder and lodged with ASIC on that date ("**Original Bidder's Statement**"). and This Bidder's Statement includes the Offer dated 14 March 2018 on the terms set out in Appendices 1 and 2 of this Bidder's Statement. The Offer made under this Bidder's Statement is on the same terms as the offer set out in the Original Bidder's Statement.

### Australian Securities and Investments Commission

A copy of this Bidder's Statement was lodged with ASIC on 14 March 2018. Neither ASIC nor any of its officers takes any responsibility for the content of this Bidder's Statement. All references to "this Bidder's Statement" in this document are to this replacement bidder's statement.

### Defined terms

Capitalised terms used in this Bidder's Statement are defined in the glossary in section 9 along with certain rules of interpretation which apply to this Bidder's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in section 9, words and phrases in this Bidder's Statement have the same meaning and interpretation as in the Corporations Act.

Unless otherwise indicated, all references to sections are references to sections of this Bidder's Statement, and all references to paragraphs are references to paragraphs of the relevant Appendix to this Bidder's Statement.

### Investment advice

The information in this Bidder's Statement is general information only, and does not take into account your individual investment objectives, financial situation or needs. You should consider whether the information in this Bidder's Statement is appropriate for you in light of your objectives, financial situation and needs. Accordingly, before making a decision as to whether or not to accept the Offer, please consult your professional adviser.

## Information on Realm

The information on Realm and the Realm Shares contained in this Bidder's Statement has been prepared based on a review of publicly available information and should not be considered comprehensive. Information in this Bidder's Statement concerning Realm and the Realm Shares has not been independently verified by the Bidder. Subject to the Corporations Act, none of the Bidder, the Bidder Directors, nor any member of the Bidder Group or their respective officers or employees make any representation or warranty (express or implied) as to the accuracy or completeness of this information.

Further information relating to Realm may be included in the Target's Statement which Realm must provide to Realm Shareholders in response to this Bidder's Statement.

## Privacy

The Bidder has collected your information from the register of Realm Shareholders for the purposes of making the Offer and, if accepted, administering your holding of Realm Shares. The type of information the Bidder has collected about you includes your name, address, contact details and information on your shareholding in Realm. Without this information, the Bidder will be hindered in its ability to carry out the Offer.

The Corporations Act requires the names and addresses of Realm Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to the Bidder Group and their Related Bodies Corporate and external service providers, and may be required to be disclosed to regulators, such as ASIC. If you would like details of information held about you by the Bidder, please contact the Bidder directly at the addresses set out in the corporate directory.

## Updated information

Information contained in this Bidder's Statement is subject to change from time to time. Please refer to any ASX announcements of Realm regarding the Offer.

## Enquiries

If you are in any doubt as to how to deal with this Bidder's Statement, you should consult your professional adviser.

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## IMPORTANT DATES

Announcement of the Offer	9 February 2018
<u>Date of the Original Bidder's Statement</u>	<u>23 February 2018</u>
Date of this Bidder's Statement 2018	<u>23</u> <u>14 February</u> <u>March</u>
Date of the Offer	<u>[●]</u> <u>14 March</u> 2018
Closing Date (unless extended or withdrawn) 7pm (Sydney time)	<u>[●]</u> <u>16 April</u> 2018

**Note:** the Closing Date for the Offer may change as permitted by the Corporations Act.

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## HOW TO ACCEPT THE OFFER

The Offer may only be accepted for all of your Realm Shares. You may accept the Offer during the Offer Period in the manner specified below. How you accept the Offer depends on whether your Realm Shares are in a CHESS Holding or an Issuer Sponsored Holding. Your personalised Acceptance Form outlines which type of holding you have.

- **If you hold your Realm Shares in an Issuer Sponsored Holding** (your SRN starts with an “I”), to accept the Offer you must complete, sign and return the enclosed personalised Acceptance Form in accordance with the instructions on it and lodge it by returning it (together with all other documents required by the instructions on your personalised Acceptance Form) in the reply paid envelope provided or to the address indicated on the form (and set out below) so that your acceptance is received before the end of the Offer Period.
- **If you hold your Realm Shares in a CHESS Holding** (your HIN starts with an “X”), to accept the Offer you must comply with the ASX Settlement Operating Rules by doing one of the following:
  - (a) instruct your Controlling Participant (usually your Broker) to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules in sufficient time for the Offer to be accepted before the end of the Offer Period. Acceptances must be received by 7pm (Sydney time) on the last day of the Offer Period, unless the Offer Period is extended; or
  - (b) complete and sign the accompanying personalised Acceptance Form and send it (together with all other documents required by the instructions on the form) directly to your Controlling Participant (usually your Broker) in sufficient time for the Offer to be accepted before the end of the Offer Period with instructions to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period. Acceptances must be received by 7pm (Sydney time) on the last day of the Offer Period, unless the Offer Period is extended; or
  - (c) complete, sign and return your personalised Acceptance Form in accordance with the instructions on it and lodge it by returning it to the address indicated on the Application Form (and set out below) in sufficient time so that your acceptance is received before 7pm (Sydney time) on the second last day of the Offer Period, unless the Offer Period is extended. This will authorise the Bidder to instruct your Broker or other Controlling Participant to initiate acceptance of the Offer on your behalf.
- **If you are a Broker or an ASX Settlement Participant**, to accept the Offer you must initiate acceptance in accordance with the requirements of the ASX Settlement Operating Rules before the end of the Offer Period. Acceptances must be received by 7pm (Sydney time) on the Closing Date, unless the Offer Period is extended.
- **If some of your Realm Shares are held in an Issuer Sponsored Holding and some in a CHESS Holding**, if you wish to accept the Offer you will need to accept the Offer separately for each holding. Paragraphs 4.3(a) and 4.3(c) of the Offer Terms in Appendix 1 contains further information on how to accept the Offer.

The postal and delivery addresses for your completed personalised Acceptance Form are as follows.

### **BY POST**

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 3001  
Australia

A reply paid envelope (for use by Realm Shareholders within Australia) is enclosed for your convenience.

The transmission of your personalised Acceptance Form and other documents is at your own risk.

For full details see section 4 of the Offer Terms in Appendix 1.



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# BIDDER'S LETTER

Dear Realm Shareholder,

The Bidder (a special purpose vehicle owned by T2 Trust) is pleased to present you with this Offer to acquire all of your shares in Realm for \$0.90 per Realm Share.

## Premium to last traded price

The \$0.90 per Realm Share price represents a:

- 5.9% premium to the last traded price of Realm Shares immediately prior to the last suspension of Realm Shares on the ASX on 13 July 2017;<sup>1</sup> and
- 9.8% premium to the 21 day VWAP of Realm Shares between 15 June 2017 and 13 July 2017.<sup>2</sup>

## Liquidity option

As you are aware, the ordinary shares in Realm continue to be suspended from trading on the ASX having been suspended since 13 September 2016 with the exception of a short trading window in June to July 2017. During this time Realm has been unable to re-comply with ASX Listing Rules. Realm Shares currently remain suspended with no certainty as to when a relisting may occur.

The Offer is intended to provide Realm Shareholders with the certainty of immediate cash consideration in contrast to the uncertain value of Realm Shares whilst the Company remains suspended from trading on the ASX.

In addition, the Bidder Group currently holds an 85.1671% interest in Realm Shares. The Bidder's intentions with respect to Realm if it does not acquire sufficient shares to enable it to compulsorily acquire the remaining Realm Shares are set out in section 5 of this Bidder's Statement. Notably, the Bidder is not supportive of Realm's continued listing on the ASX (or the capital raising necessary to lift the current suspension of Realm Shares). Accordingly, While the decision to apply for a removal of Realm from the official list of the ASX lies with the Board of Realm, the Bidder intends to ~~cause actively encourage the Board of~~ Realm to apply for the removal of Realm from the official list to the extent it is able to do so consistently with ASX guidance.

If you do not accept the Offer and the Bidder does not compulsorily acquire the Realm Shares which have not been accepted into the Offer, you will remain a minority shareholder in Realm. In that circumstance, given Realm's likely ongoing suspension from trading on the ASX and the Bidder's intention to ~~cause actively encourage~~ Realm to apply for removal of Realm from the official list, you may not be able to readily sell your shareholding.

## Limited Conditionality

The Offer is conditional only on a customary prescribed occurrences condition and certain conditions regarding the Employee Securities (namely, by the end of the Offer Period, cancellation of the entitlement to shares under the Employee Options and vesting of all Employee Shares) – conditions which are generally within the control of Realm. Importantly the Offer is not subject to a minimum acceptance condition or regulatory approvals. Accordingly, subject to there being no prescribed occurrences before the end of the Offer Period and the conditions regarding the Employee Securities being satisfied, accepting Realm Shareholders will receive \$0.90 cash for every Realm Share they hold. Once the Offer is declared unconditional, Realm Shareholders who accept the Offer will be paid within 1 month after the Offer is declared free from all Conditions.

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1. Realm Shareholders should note that approximately 8.9 months have lapsed since Realm Shares were again suspended. Accordingly, the historical price of Realm Shares may not represent the value at which shares may trade on the ASX today.

2. Realm Shareholders should note that approximately 8.9 months have lapsed since Realm Shares were again suspended. Accordingly, the historical price of Realm Shares may not represent the value at which shares may trade on the ASX today.

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## BIDDER'S LETTER CONTINUED

The Bidder had hoped that the Offer would not be subject to the Conditions relating to the Employee Securities. However, the Bidder requires further information from Realm in order to dispense of those Conditions, namely the terms and conditions governing the Employee Securities, the number of outstanding invitations for Employee Options and the vesting terms for the Employee Shares. A request for that information was submitted on 6 February 2018. As of ~~the date this Bidder's Statement~~ 9 March 2018, the Company has not provided the Bidder with the information requested and therefore the Offer remains subject to the Conditions relating to the Employee Securities.

We encourage you to read the Bidder's Statement for more details about the Offer, its terms and importantly the reasons for accepting the Offer. The Offer is currently open until ~~4~~ 7 pm (Sydney time) on 16 April 2018 unless extended or withdrawn. If you wish to accept the Offer, please follow the instructions set out in the Acceptance Form.

Yours sincerely,



**Martin Boland**  
T2 Resources Fund Pty Limited

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# REASONS TO ACCEPT THE OFFER

## **1 THE CASH CONSIDERATION PROVIDES AN IMMEDIATE LIQUIDITY EVENT AT AN ATTRACTIVE AND CERTAIN PRICE**

Realm Shares have been suspended since 13 September 2016, with the exception of a short trading window in June to July 2017. Realm Shares remain suspended with no certainty regarding a re-instatement of trading. The Offer provides Realm Shareholders with the certainty of immediate Cash Consideration at an attractive price.

## **2 THE OFFER PROVIDES A PREMIUM TO HISTORIC TRADING LEVELS FOR YOUR REALM SHARES**

The Offer represents:

- 5.9% premium on Realm Share price as at close of business on 13 July 2017, before quotation was re-suspended; and
- 9.8% premium on the volume weighted average price of Realm Shares on the period from 15 June 2017 to 13 July 2017.

## **3 REALM SHAREHOLDERS WILL NOT INCUR STAMP DUTY OR BROKERAGE CHARGES**

Realm Shareholders who accept the Offer will not incur stamp duty or brokerage charges.

Realm Shareholders should refer to section 7 of this Bidder's Statement which provides a brief guide to the Australian taxation implications for certain Realm Shareholders who accept the Offer in return for the Cash Consideration. The information applies only to individuals who hold their Realm Shares on capital account. Note that the information is general only and does not take into account your personal circumstances. In addition, the Bidder recommends you seek independent professional advice in relation to your own particular circumstances, situation or needs.

## **4 IF THE OFFER IS NOT SUCCESSFUL, AND NO ALTERNATIVE PROPOSAL EMERGES, YOU MAY NOT BE ABLE TO SELL YOUR REALM SHARES**

If the Offer is not successful, and in the absence of competing offers, there is a real risk that the value of your Realm Shares may decrease, therefore reducing the value of your investment and your exit opportunities.

Notably, the Bidder is not supportive of maintaining Realm's listing even if the Bidder is unable to acquire 100% of Realm Shares not held by Taurus.

If you do not accept the Offer and the Bidder does not compulsorily acquire the Realm Shares which have not been accepted into the Offer, you will remain a minority shareholder in Realm. In that circumstance, given Realm's likely ongoing suspension from trading on the ASX, you may not be able to readily sell your shareholding.

If you do not accept the Offer, and the outstanding Realm Shares are subject to compulsory acquisition by the Bidder, you may face a delay in receiving the consideration for your Realm Shares compared with Realm Shareholders who accepted the Offer during the Offer Period.

# 1

## FREQUENTLY ASKED QUESTIONS

You may have questions in relation to the Offer. The following set of questions and answers is intended to assist in your understanding of the Offer. They are qualified by, and should be read in conjunction with, the detailed information contained in this Bidder's Statement. You should read this Bidder's Statement in full before deciding whether or not to accept the Offer.

#	Question	Answer	Section
1	<b>What is the Offer?</b>	<p>The Bidder is offering to buy all of your Realm Shares by way of an off-market takeover bid.</p> <p>If you accept the Offer and the Offer is declared or becomes unconditional, you will be entitled to the Cash Consideration of \$0.90 for each Realm Share you hold on the Register Date.</p>	Refer to section 1 and Appendix 1 for further details.
2	<b>Who is making the Offer?</b>	<p>T2 Resources Fund Pty Limited is the Bidder and is offering to acquire all of your Realm Shares.</p> <p>The Bidder is making the Offer on behalf of T2 Trust and T2 LP who together own 85.716% of the issued share capital of Realm.</p> <p>T2 Trust wholly owns the Bidder as at the date of this Bidder's Statement.</p>	Refer to section 3 for further details.
3	<b>Who is T2 Trust and T2 LP?</b>	<p>T2 Trust and T2 LP together comprise what is known as the T2 Fund. The T2 Fund is a closed-end investment vehicle whose strategy is to invest in emerging mining and metals companies with projects primarily in the appraisal and development stages.</p> <p>T2 LP is a limited partnership investment fund established in the Cayman Islands. T2 Trust is an unregistered trust established in Australia. The general partner of T2 LP is Taurus Resources Limited GP No. 2 LLC, a Delaware limited liability company.</p> <p>The T2 Fund is managed by Taurus Funds Management Pty Limited which is part of the Taurus group, an independent, global funds management group whose clients include institutional and high net worth individuals. The Taurus group specialises in investments in the mined commodities industry.</p> <p>The T2 Trust is an unlisted investment trust established under the laws of Australia. Taurus Funds Management Pty Limited is the trustee of the T2 Trust.</p>	Refer to section 3 for further details.

## REASONS TO ACCEPT THE OFFER CONTINUED

#	Question	Answer	Section
4	What are the governance arrangements between T2 Trust and T2 LP in respect of the Bidder?	<p>T2 Trust, T2 LP and the Bidder are party to the Bid Funding Agreement which governs the operation and funding of the Bidder in respect of the Offer.</p> <p>Any decisions and actions in relation to the Offer made by the Bidder must be approved by the T2 Trust and T2 LP. Accordingly, T2 Trust and T2 LP have joint control of the Bidder.</p> <p>In order to fund the Cash Consideration, T2 Trust and T2 LP will subscribe for additional shares in the Bidder.</p>	Refer to section 3 for further details.
5	What relevant interest does the Bidder have in Realm and what voting power does the Bidder and its associates have in Realm?	<p>As at the date of this Bidder's Statement:</p> <ul style="list-style-type: none"> <li>the Bidder has a relevant interest in 1.868% of Realm Shares; and</li> <li>the Bidder and its associates have voting power of 85.4671% in Realm Shares.</li> </ul>	Refer to section 4.7 and section 4.8 for further details.
6	How will the Bidder fund the Cash Consideration?	<p>The T2 Trust and the T2 LP will subscribe for new shares in the Bidder in the following proportions:</p> <ul style="list-style-type: none"> <li>97.7995% by T2 LP; and</li> <li>2.2005% by T2 Trust.</li> </ul> <p>The proceeds of those share subscriptions will be used by the Bidder to satisfy the Cash Consideration.</p> <p>The T2 Trust and the T2 LP have access to readily available cash reserves and unconditional undrawn capital commitments in order to subscribe for shares in the Bidder equal to the full amount of the Cash Consideration required in connection with the Offer.</p>	Refer to section 6 for further information.
7	What happens if I accept the Offer and then the Bidder increases the Cash Consideration?	<p>The Bidder does not have any current intention to increase the Cash Consideration (although it reserves the right to do so).</p> <p>If the Bidder improves the Cash Consideration, all Realm Shareholders who accept the Offer (whether they have accepted the Offer before or after improvement of the Cash Consideration) will be entitled to receive the benefit of the improved Cash Consideration, should the Offer become or be declared unconditional.</p>	
8	Is there a minimum acceptance condition?	<p>No, the Offer does not have a minimum acceptance condition. You can accept the Offer knowing that, subject to fulfilment or waiver of the limited Conditions to the Offer (which are largely within the control of Realm), you will receive the Cash Consideration within the relevant period mandated by the Offer.</p>	

## REASONS TO ACCEPT THE OFFER CONTINUED

#	Question	Answer	Section
9	What choices do I have as a Realm Shareholder?	<p>You have the following choices in respect of your Realm Shares:</p> <ul style="list-style-type: none"> <li>• accept the Offer in return for the Cash Consideration;</li> <li>• do nothing; or</li> <li>• attempt to sell your shares off-market.</li> </ul>	
10	Why I should accept the Offer?	<p>The Offer is designed to deliver significant benefits to Realm Shareholders, as follows:</p> <ul style="list-style-type: none"> <li>• the Offer provides an immediate liquidity event at an attractive and certain price;</li> <li>• the Offer provides a premium to historic trading levels for your Realm Shares;</li> <li>• Realm Shareholders will not incur stamp duty or brokerage charges; and</li> <li>• if the Offer is not successful, and no alternative proposal emerges, you may not be able to sell your Realm Shares.</li> </ul>	Refer to section entitled 'Reasons to accept the Offer' for further details.
11	When does the Offer open and close?	<p>The Offer will open on <b>14 March</b> 2018 and is scheduled to close at 7pm (Sydney time) on <b>16 April</b> 2018.</p> <p>The Offer Period can be extended as permitted by the Corporations Act.</p>	Refer to paragraph 3 of Appendix 1 for further details.
12	How do I accept the Offer?	Please refer to section 2.2 and the instructions on the accompanying Acceptance Form.	Refer to section 2.2 and paragraph 5 of Appendix 1 for further details.
13	What are the Conditions of the Offer?	<p>The Offer is subject only to customary prescribed occurrences conditions, all existing Employee Options being cancelled prior to close of the Offer Period and no Employee Shares remaining unvested at the end of the Offer Period.</p> <p>Further information on all the Offer Conditions can be found in Appendix 2.</p>	Refer to paragraph 6 of Appendix 1 and Appendix 2 for further details.
14	When will I receive the Cash Consideration?	<p>If you accept the Offer, the Bidder will pay you the Cash Consideration on or before the earlier of:</p> <ul style="list-style-type: none"> <li>• one month after the later of the Offer being validly accepted by you and the Offer (or the contract resulting from acceptance of the Offer) becoming unconditional; and</li> <li>• 21 days after the end of the Offer Period, provided that the Offer has become unconditional.</li> </ul>	Refer to paragraph 5 of Appendix 1 for further details.

## REASONS TO ACCEPT THE OFFER CONTINUED

#	Question	Answer	Section
15	What happens if Realm declares a dividend (or if any Rights arise) during the Offer Period?	<p>If you continue to hold Realm Shares on the record date for any Realm dividend, you will be entitled to receive that dividend.</p> <p>However, the value of the Cash Consideration will be reduced by the amount of any Realm dividend which arises or accrues after the Announcement Date.</p>	Refer to paragraph 5.4 of Appendix 1 for further details.
16	Can I accept the Offer for part of my holding?	No – you may only accept the Offer for all of your Realm Shares.	Refer to paragraph 1 of Appendix 1 for further details.
17	Can I withdraw my acceptance?	Under the Offer Terms, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act. Such a withdrawal right will arise if, after you have accepted the Offer, the Bidder varies the Offer in a way that postpones, for more than one month, the time when the Bidder has to meet its obligations under the Offer (for example, if the Bidder extends the Offer for more than one month while the Offer remains conditional).	Refer to paragraph 8 of Appendix 1 for further details.
18	What happens if I do not accept the Offer?	<p><del>If you do not accept the Offer, the Bidder Group acquires a relevant interest in at least 90% of Realm Shares and the Conditions are satisfied or waived, the Bidder intends to proceed to compulsory acquisition. If this occurs, you will receive the Cash Consideration for each of your Realm Shares at the conclusion of the compulsory acquisition process. You may receive the Cash Consideration sooner if you accept the Offer, rather than being compulsorily acquired. If you do not accept the Offer, the Bidder may become entitled to compulsorily acquire your Realm Shares. There are two possible avenues under which the Bidder may compulsorily acquire your Realm Shares. Those are described further in section 5.2(a).</del></p> <p>If the Offer becomes or is declared unconditional but the Bidder does not become entitled to compulsorily acquire your Realm Shares, you will remain a shareholder in Realm.</p> <p><del>The Bidder will seek to have Realm delisted from the ASX if it is able to do so consistently with ASX's guidance. For the Bidder's intentions in relation to the ongoing listing of Realm, please refer to sections 5.2(b) and 5.3(c).</del></p>	Refer to sections 5.2, and 5.3, 5.4 and 5.5 for further information.
19	Does a cooling off period apply to acceptances of the Offer?	No, cooling off rights do not apply to acceptances made under the Offer.	Refer to paragraph 8 of Appendix 1 for further details.

## REASONS TO ACCEPT THE OFFER CONTINUED

#	Question	Answer	Section
20	Can the Bidder extend the Offer Period?	Yes, the Offer Period can be extended at the Bidder's election or otherwise in accordance with the Corporations Act. The Bidder will give written notice of any extension of the Offer Period in accordance with the Corporations Act.	Refer to paragraph 3 of Appendix 1 for further details.
21	Can I sell my Realm Shares on the ASX?	<p>As you are aware, Realm shares are currently suspended from trading and have been suspended since 13 September 2016 with the exception of a short trading window earlier this year in June to July 2017. Therefore, your Realm Shares cannot be sold on the ASX until the suspension is lifted.</p> <p>You may sell your Realm Shares off market if you can find a relevant buyer. If you have already accepted the Offer, you will be unable to settle any subsequent sale of your Realm Shares, unless you are entitled to withdraw your acceptance in accordance with the terms of the Offer.</p>	Refer to paragraph 8 of Appendix 1 for further details.
22	What if the Offer Conditions are not satisfied or waived?	<p>In the event that the Conditions are not satisfied or waived by the end of the Offer Period, then the Offer will lapse and your acceptance will be void.</p> <p>You will continue to hold your Realm Shares and be free to deal with your Realm Shares as if the Offer had not been made, unless you have already sold your Realm Shares to someone else.</p>	Refer to paragraph 6 of Appendix 1 for further details.
23	What are the tax implications of accepting this Offer?	<p>Section 7 provides a brief guide to the Australian tax implications for certain Realm Shareholders who accept the Offer.</p> <p>The information only applies to individuals who hold their Realm Shares on capital account. Note that this information is general only and does not take into account your personal circumstances, situation or needs. In addition, the Bidder recommends you seek independent professional advice in relation to your own particular circumstances.</p>	Refer to section 7 for further details.
24	Will I need to pay brokerage or stamp duty if I accept the Offer?	You will not pay brokerage or stamp duty on the disposal of your Realm Shares if you accept the Offer. If your Realm Shares are in a CHESS Holding or you hold your Realm Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually, your Broker or the bank, custodian or other nominee) whether it will charge any transaction fees or services charges.	Refer to section 7 for further details.



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# 2 OVERVIEW OF THE OFFER

The following is a summary only of the Offer and is qualified by the detailed information contained in the rest of this Bidder's Statement. You should read this Bidder's Statement in full before deciding how to deal with your Realm Shares.

The terms and Conditions of the Offer are contained in Appendices 1 and 2.

## 2.1 SUMMARY OF THE OFFER TERMS AND CONDITIONS


### The Offer

The Bidder offers to acquire all of your Realm Shares on the Offer Terms set out in Appendix 1 and subject to the Conditions in Appendix 2. You will be entitled to receive \$0.90 cash for every Realm Share acquired from you.

The Offer relates to Realm Shares that exist or will exist as at the Register Date.

The Offer also extends to all Realm Shares that are issued between the Register Date and the end of the Offer Period as a result of the conversion of, or exercise of all rights attached to, other securities that are convertible into Realm Shares (including the Employee Options) or the vesting of the Employee Shares.

### Offer Period

The Offer is scheduled to close at 7pm (Sydney time) on  16 April 2018 (but it may be extended).

### Payment Date

If you accept the Offer and the Offer is declared or becomes unconditional, in the usual case you will be provided with the Cash Consideration on or before the earlier of:

- 1 month after the later of the Offer being validly accepted by you and the Offer (or the contract resulting from the acceptance of the Offer) becoming unconditional; and
- 21 days after the end of the Offer Period, provided that the Offer has become unconditional,

in each case, provided that all relevant documents have been received and correctly completed.

### Conditions

The Offer is subject to a number of Conditions as set out in Appendix 2 to this Bidder's Statement as follows:

- (a) no "prescribed occurrences" occurring;
- (b) all existing Employee Options are cancelled prior to the end of the Offer Period; and
- (c) no Employee Shares remain unvested at the end of the Offer Period.

This is only a summary of the Conditions. The Conditions are set out in full in Appendix 2 to this Bidder's Statement.

If the Conditions are not satisfied or waived by the Bidder then the Offer will not proceed.

## 2.2 HOW TO ACCEPT THE OFFER?

Acceptances for the Offer must be received in sufficient time to be acted upon before the close of the Offer Period. To accept the Offer you should follow the instructions set out in paragraph 4 of the Offer Terms and the relevant Acceptance Form.

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## **2 OVERVIEW OF THE OFFER CONTINUED**

### **2.3 DISTRIBUTIONS**

Realm Shareholders will be entitled to retain the right to receive distribution on Realm Shares up to the date the sale of your Realm Shares is completed.

However, the value of the Cash Consideration will be reduced by the amount of any Realm dividend which arises or accrues after the Announcement Date.

### **2.4 FURTHER INFORMATION**

If you have any questions in relation to the Offer or how to accept it, or if you have lost your personalised Acceptance Form and require a replacement, please call the Bidder information line on 1800 810 147 (callers in Australia) or +61 3 9415 4278 (callers outside Australia) between 8.30am and 5.30pm (Sydney time) on Business Days.

# 3 INFORMATION REGARDING THE BIDDER

## 3.1 STRUCTURE OF THE BIDDER GROUP

The Bidder is a proprietary company incorporated in New South Wales. The Bidder is a special purpose vehicle which was incorporated for the sole purpose of making this Offer and holding Realm Shares.

Other than its nominal share capital and Realm Shares recently acquired from the T2 Trust, the Bidder has no other assets or liabilities. The Bidder's funding arrangements in relation to the Offer are set out in section 6.

The directors of the Bidder are set out below:

<b>Martin Boland</b>	Martin is an <u>an director officer of at</u> Taurus Funds <u>Management Pty Limited</u> and is based in Melbourne. He holds a Bachelor of Business (Economics & Finance) and a Masters of Mining Engineering. Prior to joining Taurus Funds in 2014, Martin worked in investment banking including with Barclays Capital and ABN Amro Bank.
<b>Rohan Menon</b>	Rohan is a director <u>at of</u> Taurus Funds <u>Management Pty Limited</u> and is based in Sydney. He has <u>1820</u> years' experience in project financing, corporate advisory, investment analysis and funds management in the mining sector. Rohan has worked at ABN AMRO, ANZ, Rothschild, West LB and Mercer. Rohan has a First Class Honours degree in Physics, a Masters degree in Mathematics, is a CFA Charterholder and a Graduate Member of the Australian Institute of Company Directors.

## 3.2 THE BIDDER GROUP OVERVIEW

As at the date of this Bidder's Statement, the Bidder is wholly owned by the T2 Trust. Prior to the date of this Bidder's Statement, T2 Trust has agreed to transfer transferred the legal and beneficial interest in the 1.868% of Realm Shares which it owns to the Bidder.

T2 Trust and T2 LP will subscribe for additional shares in the Bidder in order to fund the Cash Consideration in the following proportions:

- 97.7995% by T2 LP; and
- 2.2005% by T2 Trust.

T2 Trust and T2 LP together comprise the T2 Fund. T2 LP is a limited partnership investment vehicle established in the Cayman Islands. T2 LP is a closed-end investment vehicle whose strategy is to invest in emerging mining and metals companies with projects primarily in the appraisal and development stages. The general partner of T2 LP is Taurus GP No.2 LLC, a Delaware limited liability company and a Cayman Island registered foreign company. T2 Trust is an unlisted investment trust established under the laws of Australia.

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### 3 INFORMATION REGARDING THE BIDDER CONTINUED

Taurus Funds Management Pty Limited is the trustee of the T2 Trust.

The T2 Fund is managed by Taurus Funds Management Pty Limited, an independent, global funds management group whose clients include institutional and high net worth individuals. Taurus Funds Management Pty Limited is wholly owned by Taurus SM Holdings Pty Limited. The shareholders of Taurus SM Holdings Pty Limited are M.D. Sass Finstrat Taurus Holdings, LLC (a third party investor), Michael Davies Investments Pty Limited as trustee for The Michael Davies Family Trust (an associate of Michael Davies, an executive of Taurus Funds Management Pty Limited and a director of Realm), Gordon Thomas Galt as trustee for The Galt Superannuation Fund (Gordon Galt is an executive of Taurus Funds Management Pty Limited and a director of Realm) and RK Menon Holdings Pty Ltd as trustee for the RK Menon Family Trust (an associate of Rohan Menon, an executive of Taurus Funds Management Pty Limited and a director of the Bidder).

T2 LP ~~and the T2 Trust are~~ is an existing Realm Shareholder ~~while T2 Trust was a Realm Shareholder prior to transferring its Realm Shares to the Bidder~~. The Bidder (through its holding and associations with T2 LP and T2 Trust) has voting power of 85.716% in Realm.

#### 3.3 TAURUS FUNDS OVERVIEW

Established in 2006, Taurus Funds is an independent, global fund manager which provides investment services to institutional and high net worth clients. Taurus Funds specialises in investment products based on the mined commodities industries and employs a team of experienced geologists, mining engineers, mining financiers, metallurgists and portfolio managers. Taurus Funds focusses on funding the evaluation, development and operation of mining projects in public and private small cap mining companies.

# 4 INFORMATION ON REALM

## 4.1 DISCLAIMER

The following information on Realm has been prepared by the Bidder using publicly available information and other information available to the Bidder, and has not been independently verified.

Accordingly, subject to the Corporations Act, none of the Bidder, the Bidder Directors or any member of the Bidder Group or their respective officers or employees makes any representation or warranty (express or implied) as to the accuracy or completeness of this information.

The information on Realm in this Bidder's Statement should not be considered comprehensive. You should refer to Realm's website and Realm's Target Statement which will be sent to you by Realm soon in response to this Bidder's Statement.

## 4.2 OVERVIEW OF REALM AND ITS PRINCIPAL ACTIVITIES

### (a) Overview of Realm business

Realm is an Australian based company that holds a portfolio of interests in various mining and resources related assets:

- 70% interest in Foxleigh;
- 51% interest in the Katingan Ria Thermal Coal Project located in Central Kalimantan, Indonesia;
- 74% interest in Alumicor, an aluminium dross and scrap re-smelting operation located in KwaZulu-Natal Province, South Africa; and
- 45 million shares in Chrometco.

It is noted that Realm has announced its intentions to undertake a divestment of its Alumicor and Chrometco interests.<sup>3</sup>

### (b) Overview of Realm management and directors

#### Directors<sup>4</sup>

Mr Gordon Galt (Non-Executive Chairman)  
Mr Michael Davies (Non-Executive Director)  
Mr Staffan Ever (Non-Executive Director)  
Mr James Beecher (Non-Executive Director)  
Mr Michael Rosengren (Managing Director)

#### Management & Other

Richard Rossiter (Executive General Manager – Business Development)  
Theo Renard (Chief Financial Officer and Company Secretary)  
Eva Armila (General Manager Legal – Indonesia)

<sup>3</sup> See ASX announcement dated 14 July 2017 entitled 'Update Presentation'.

<sup>4</sup> Mr Galt and Mr Davies are nominees of the Bidder Group.

## 4 INFORMATION ON REALM CONTINUED

(c) Overview of Realm assets and operations

Realm's flagship asset is a 70% interest in Foxleigh. Foxleigh is owned and operated as a joint venture as follows:

Joint venturer	Interest in Foxleigh
Foxleigh Coal Pty Limited	70%
POSCO	20%
Nippon	10%

POSCO and Nippon are longstanding customers of Foxleigh.

The mine was established in 1999 as an open cut operation producing benchmark quality, low-volatile pulverised coal injection metallurgical coal for the export market. Low-volatile pulverised coal injection coal is used in steel production, principally by customers in Japan and Korea. Saleable production in CY2016<sup>5</sup> was approximately 3,12,963 million thousand tonnes (100% basis).

Foxleigh is comprised of seven mining leases and three exploration permits for coal. Mining is undertaken using conventional truck and shovel operations, with raw coal delivered to Foxleigh's coal handling and preparation plant. Product coal is hauled 27km to a dedicated train loading facility before being railed 280km to the Dalrymple Bay Coal Terminal near Mackay, Queensland.

Realm acquired its 70% interest in Foxleigh on 29 August 2016 from Anglo with the transaction undertaken by Realm's 99.9% owned subsidiary Middlemount South Pty Ltd. Under the transaction, Middlemount South Pty Ltd acquired 100% of the shares in Foxleigh Coal Pty Limited and 100% of EPC 1669 tenement from Anglo. Foxleigh Coal Pty Limited owns 70% of the Foxleigh joint venture and 100% of EPC 855.

As part of the Foxleigh transaction, bank guarantees totalling A\$85.3m were put in place as follows:

- in favour of the State of Queensland in respect of the mining licences of the Foxleigh joint venture; and
- in favour of various counterparties to Foxleigh joint venture contracts.

As part of the terms of the Foxleigh transaction, Foxleigh Coal Pty Limited is obliged to pay Anglo a semi-annual royalty on its 70% share of coal extracted and sold from the assets acquired for a period of 12.5 years. The royalty payments are made based on the Average Coal Price Achieved ("ACPA") in each six-month royalty period based on the following scale:

- if ACPA is greater than A\$105 per tonne then a payment of A\$1.00 per tonne; or
- if ACPA is greater than A\$115 per tonne then a payment of A\$2.00 per tonne; or
- if ACPA is greater than A\$130 per tonne then a payment of A\$3.00 per tonne.

Royalty payments are capped at A\$75.0m in aggregate.

(d) Overview of Realm debt facilities

Realm has in place a US\$98.5m secured loan facility provided by Taurus Mining Finance Fund. The secured loan facility comprises a performance guarantee facility for US\$78.5m and a working capital facility for US\$20m and has a current maturity date of 31 January 2019. Drawn amounts of the secured loan facility attract a 9.0% per annum interest rate.<sup>5</sup>

The Taurus Mining Finance Fund is separate and distinct to the T2 Fund.

<sup>5</sup> See Realm ASX announcements 8 December 2017 and 29 August 2017.

## 4 INFORMATION ON REALM CONTINUED

### 4.3 PUBLICLY AVAILABLE INFORMATION

Realm is a company listed on the ASX and is therefore subject to the periodic and continuous disclosure requirements of the Corporations Act and ASX Listing Rules. As such, Realm is required to lodge various documents with the ASX and ASIC. For information concerning the financial position and affairs of Realm, you should refer to documents lodged with the ASX and ASIC by Realm which may be obtained from the ASIC office.

Realm's annual report for the year ended 31 December 2016 was given to the ASX on 3 April 2017. Since 31 December 2016, Realm has made a number of announcements to the ASX that may be relevant to its financial position. A copy of each of these announcements, including Realm's financial report, may be obtained from the ASX.

In addition, the Corporations Act requires the Realm Directors to provide a Target's Statement to Realm Shareholders, setting out certain material information regarding Realm.

### 4.4 REALM CAPITAL STRUCTURE

According to documents lodged by Realm with the ASX and ASIC, as at the dateBusiness Day immediately before the date of this Bidder's Statement, Realm has the following securities on issue:

Class of security	Total number on issue
Ordinary shares <sup>6</sup>	<del>254,876,161</del> 253,259,495
Options <sup>37</sup>	200,000
Total	<del>255,076,161</del> 253,459,495

Realm Shares are quoted on the ASX but are currently subject to a trading suspension.

### 4.5 SUBSTANTIAL SHAREHOLDERS

<del>Shareholder</del> <u>Substantial holder</u>	<del>Last notice</del>	Number of Realm Shares	Voting power (%)
<u>Bidder</u>		<u>217,064,841</u>	<u>85.71%</u>
Taurus Funds Management Pty Ltd as trustee of T2 Trust	<del>16 June 2017</del>	<del>4,750,561</del> <u>217,064,841</u>	<del>1.86</del> <u>85.71</u> %
Taurus Resources Ltd No 2 GP LLC as general partner of T2 LP	<del>16 June 2017</del>	<del>212,314,280</del> <u>217,064,841</u>	<del>83.30</del> <u>85.71</u> %
<u>Taurus SM Holdings Pty Limited</u>		<u>217,064,841</u>	<u>85.71%</u>
<u>M.D. Sass Finstrat Taurus Holdings, LLC</u>		<u>217,064,841</u>	<u>85.71%</u>

6. On 27 February 2018, Realm lodged an Appendix 3C and announced the buy-back and cancellation of 2,116,666 employee plan shares in Realm. On the same date, Realm also lodged an Appendix 3B and disclosed the issue of 500,000 new ordinary shares in Realm. As a result, the total number of Realm shares on issue has changed since the date of the Original Bidder's Statement.

7. Exercisable on or before 21 March 2020 at an exercise price of \$0.615.

## 4 INFORMATION ON REALM CONTINUED

### 4.6 RECENT SHARE PERFORMANCE OF REALM

The last recorded price of Realm Shares on the ASX (prior to suspension) on 13 July 2017 was \$0.085 (on a pre-consolidation basis).

### 4.7 DETAILS OF RELEVANT INTERESTS IN REALM SECURITIES

Details of the Bidder's relevant interests in the securities of Realm are set out in the table below:

Class of securities	Total number in class	Relevant interest of the Bidder immediately before the Bidder's Statement lodged with ASIC	Relevant interest of the Bidder immediately before the first Offer is sent
Ordinary shares	<del>254,876,161</del> 253,259,495	4,750,561 (1.868%)	<del>4,750,561</del> (1.88%)

### 4.8 DETAILS OF VOTING POWER IN REALM

As at the date of this Bidder's Statement, the Bidder's voting power in Realm is 85.716%.

The Bidder's voting power in Realm as at the date immediately before the first Offer is sent is 85.71%.

### 4.9 DIVIDENDS

Realm has not paid a dividend to Realm Shareholders since 1999.<sup>8</sup>

### 4.10 CONSIDERATION PROVIDED FOR REALM SECURITIES DURING PREVIOUS FOUR MONTHS

The Bidder and its associates have not acquired or disposed of Realm Shares during the period of four months including on the day immediately before the date of the Offer.<sup>9</sup>

On 12 February 2013, T2 LP and T2 Trust entered into options deeds with the Company pursuant to which they were issued with 100,000,000 options (in aggregate) with an exercise price of \$0.05.<sup>10</sup> In accordance with those option deeds, T2 Trust and T2 LP exercised those options on 30 January 2018 and were issued the shares on 12 February 2018.

### 4.11 NO COLLATERAL BENEFITS

Neither the Bidder nor any of its associates has in the four months before the date of this Bidder's Statement or in the period between the date of this Bidder's Statement and the date of the Offer, given, offered or agreed to give a benefit which is not being offered to all Realm Shareholders under the Offer to another person which was likely to induce the other person (or an associate) to accept the Offer or dispose of Realm Shares.

<sup>8</sup> See ASX announcement dated 10 March 1999.

<sup>9</sup> Note there was a transfer of Realm Shares within the Bidder Group from the T2 Trust to the Bidder as noted in section 3.2.

<sup>10</sup> On a post consolidation basis, the number of options were consolidated to 10,000,000 at an issue price of \$0.50.



# 5 THE BIDDER'S INTENTIONS

## 5.1 GENERAL

This section 5 sets out the Bidder's intentions in relation to:

- (a) the continuation of Realm's business and assets;
- (b) any major changes to be made to the business of Realm, including any redeployment of the assets of Realm; and
- (c) the future employment of the present employees of Realm and the future appointment of the Realm Directors.

These intentions are based on the information concerning Realm, its business and the general business environment which is known to the Bidder at the time of preparation of this Bidder's Statement.

The Bidder does not currently have full knowledge of all material information, facts and circumstances that are necessary to assess the operational, commercial, tax and financial implications of its current intentions. Final decisions regarding these matters will only be made by the Bidder in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section 5 are statements of current intent only, which may change as new information becomes available to the Bidder or as circumstances change.

## 5.2 INTENTIONS UPON BECOMING THE HOLDER OF ACQUISITION OF A RELEVANT INTEREST IN GREATER THAN 90% OF REALM SHARES

This section sets out the Bidder's current intentions if ~~it acquires~~ the Bidder Group becomes the holder of 90% or more of the Realm Shares, and is entitled to proceed to compulsory acquisition of the outstanding Realm Shares.

### (a) Compulsory acquisition

~~If it becomes entitled to do so under the Corporations Act, the Bidder intends to give notices to compulsorily acquire any outstanding Realm Shares.~~ If the Bidder Group becomes the holder of at least 90% of Realm Shares and acquires at least 75% of the Realm Shares that the Bidder offered to acquire under the Offer, and the Conditions are satisfied or waived, the Bidder intends to give notices to compulsorily acquire any outstanding Realm Shares in accordance with Part 6A.1 (compulsory acquisition following a takeover bid) of the Corporations Act. If the Bidder compulsorily acquires your Realm Shares under this avenue, you will receive the Cash Consideration.

If the Bidder Group becomes the holder of at least 90% of Realm Shares but does not acquire at least 75% of the Realm Shares that the Bidder offered to acquire under the Offer, and the Conditions are satisfied or waived, the Bidder intends to give notices to compulsorily acquire any outstanding Realm Shares in accordance with Part 6A.2 (general compulsory acquisition) of the Corporations Act.

If the Bidder proceeds to compulsory acquisition under Part 6A.2 of the Corporations Act, an independent expert's report will be prepared which will state whether, in the expert's opinion, the terms proposed in the compulsory acquisition notice give a fair value for the securities concerned. Provided that the Bidder meets the requirements of the Corporations Act (including a favourable expert's report), the Bidder will be entitled to compulsorily acquire the remaining Realm Shares not accepted under the Offer if:

- (i) no Realm Shareholder objects to the compulsory acquisition or the number of objecting Realm Shareholders represents less than 10% of the value of those remaining securities at the end of the objection period; or
- (ii) the court approves the acquisition.

## 5 THE BIDDER'S INTENTIONS CONTINUED

### (b) ASX Listing

At the conclusion of the compulsory acquisition process, the Bidder intends to ~~arrange for Realm to be removed~~ actively encourage the Board of Realm to apply for the removal of Realm from the official list of the ASX.

### (c) Head office

After the end of the compulsory acquisition process, the Bidder intends to undertake an orderly transfer of Realm's corporate functions from Sydney to Brisbane. This will involve the closure of Realm's Sydney office with all corporate roles to be located in Brisbane.

### (d) Operations and assets

The Bidder's intention is to continue the operation of Realm's existing business and in particular to focus on the successful operation of Foxleigh. The Bidder's primary focus will be on ensuring that the activities at Foxleigh are undertaken in accordance with all operating permits, licences and regulations and in-line with industry best practice environmental, social and governance standards.

The Bidder intends to undertake a divestment of Realm's Alumicor and Chrometco interests.

### (e) Directors and Employees

Following the end of the Offer Period and consistent with the above intentions, it is intended that the Bidder will conduct a broad based review of the employment and roles of all of Realm's employees and the ongoing appointment of the Realm Directors.

As a result of its review, the Bidder may identify employee positions which will not be required by the Combined Group, including positions related to operations that the Bidder divests. It is possible that job losses will result from this review. If redundancies do occur, the relevant employees will receive those contractual or other legal entitlements they are entitled to receive.

## 5.3 INTENTIONS UPON ~~ACQUISITION OF A RELEVANT INTEREST IN~~ BECOMING THE HOLDER OF LESS THAN 90% OF REALM SHARES

~~If the Bidder acquires a relevant interest in Realm Shares of less than 90% then the Bidder will not be able to compulsorily acquire the Realm Shares which have not been accepted into the Offer. In this circumstance:~~ If the Bidder Group becomes the holder of less than 90% of the Realm Shares then the Bidder will not be able to compulsorily acquire the Realm Shares which have not been accepted into the Offer. In this circumstance:

- (a) the Bidder will seek to implement the intentions in Section 5.2 to the extent possible;
- (b) the Bidder will seek to replace all current Realm Directors (other than those which it determines to retain following a review) with nominees of the Bidder;
- (c) the Bidder is not supportive of Realm's continued listing on the ASX (or the capital raising necessary to lift the current suspension of Realm Shares from trading on the ASX). ~~Accordingly, the Bidder will cause. While the decision to apply for a removal of Realm from the official list of the ASX lies with the Board of Realm, the Bidder will actively encourage~~ Realm to apply for removal of Realm from the official list of the ASX to the extent it is able to do so consistently with ASX guidance. ~~and ASX's guidance in relation to the removal of entities from the official list of the ASX is set out in ASX Guidance Note 33.~~

If, following a takeover, the number of Realm Shareholders (excluding the Bidder and its Related Bodies Corporate) having holdings with a value of at least \$500 is not fewer than 150, it is uncertain what conditions would be imposed by ASX in circumstances where, in the Bidder's opinion, there is currently no reasonable prospect of the suspension of Realm Shares being lifted. In the context of a company which is not suspended,

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## 5 THE BIDDER'S INTENTIONS CONTINUED

ASX generally imposes the condition that shareholder approval is required for the removal (and for 12 months after a takeover bid, any votes cast by the bidder and its associates will be excluded). ASX guidance on this issue also notes that an unacceptable reason for requesting removal from the official list is if the company is doing so solely or primarily to deny minority shareholders a market for their securities in order to coerce them into accepting an offer from a controlling shareholder to buy their securities (noting however that, in this case, Realm is suspended so there is no market at present). Even if shareholder approval is not obtained or ASX otherwise does not wholly agree to the request for removal from the official list, Realm Shareholders should note that ASX's policy is to remove from the official list any entity whose securities have been suspended from trading for a continuous period of 3 years.

If, following a takeover, the number of Realm Shareholders (excluding the Bidder and its Related Bodies Corporate) having holdings with a value of at least \$500 is fewer than 150, then ASX would be expected to delist Realm without conditions.

In considering the Bidder's prospects of succeeding with these intentions, Realm Shareholders should note the intention regarding the ongoing appointment of the Realm Directors set out in section 5.3(b). Any nominee directors that the Bidder appoints may be supportive of an application for Realm's removal from the official list, subject to their fiduciary duties to act in the best interests of Realm; and

- (d) the Bidder will continue to deal with its stake in Realm with a view to maximising its returns.

### 5.4 INTENTIONS GENERALLY

Except for the changes and intentions set out in this section 5, the Bidder intends, based on the information presently known to it:

- (a) to continue the business of Realm;
- (b) not to make any major changes to the business of Realm or the deployment of Realm's assets; and
- (c) to continue the employment of Realm's employees.

### 5.5 LIMITATIONS ON INTENTIONS

The intentions and statements of future conduct set out in this section 5 must be read as being subject to:

- (a) the law (including the Corporations Act) and the ASX Listing Rules, including in particular the requirements of the Corporations Act and the ASX Listing Rules in relation to conflicts of interest and "related party" transactions given the Bidder is or will be a related party of Realm for these purposes; and
- (b) the legal obligations of the Realm Directors at the time, including any nominees of the Bidder, to act in good faith in the best interests of Realm Shareholders and for proper purposes and to have regard to the interests of all Realm Shareholders.

Accordingly, this section 5 must be read and understood on this basis.

# 6 BIDDER FUNDING

## 6.1 CONSIDERATION UNDER THE OFFER

The Cash Consideration for the acquisition of Realm Shares will be satisfied in cash (in Australian dollars).

## 6.2 CASH CONSIDERATION

Based on the number of Realm Shares on issue as at the date of this Bidder's Statement, the maximum amount of cash that would be payable by the Bidder under the Offer if acceptances were received for all Realm Shares in return for the Cash Consideration is approximately ~~\$34,030,189.80~~ \$32,575,188.60.

On 16 February 2018, the Bidder, T2 Trust and T2 LP entered into the Bid Funding Agreement. Pursuant to the Bid Funding Agreement, T2 LP and T2 Trust are obliged to subscribe for shares in the Bidder for a subscription price which provides sufficient cash to allow the Bidder to meet its obligations under the Offer.

## 6.3 SOURCES OF CASH CONSIDERATION

### (a) Cash amounts held by the Bidder

The Bidder has no cash reserves other than its initial share capital of \$1,000.

### (b) Cash available from T2 Trust and T2 LP

T2 Trust and T2 LP will fund ~~its~~ its ~~their unconditional~~ financial obligations under the Bid Funding Agreement using existing cash resources which have been allocated to satisfy its commitment under the Bid Funding Agreement. As at the date of this Bidder's Statement, the T2 Trust and T2 LP have (in aggregate) cash reserves in excess of US\$16,600,000 (approximately AS\$21,200,000<sup>10</sup>), \$13,400,000. The remainder will be funded using unconditional undrawn capital commitments from investors in T2 Trust and T2 LP, the vast majority by value of which are third party passive institutional investors. The undrawn capital commitments can be utilised by T2 Trust and T2 LP by issuing drawdown notices to their investors when the need to deploy funds arises, and the investors of T2 Trust and T2 LP will be required to provide the funds requested within 14 days. For the purposes of this transaction, T2 Trust and T2 LP have sought and been granted consent and funding approval from their investors to proceed with the Offer. In addition, Realm Shareholders should note that, other than cash reserves, T2 Trust and T2 LP hold a portfolio of shares listed and readily tradeable on the ASX and the London Stock Exchange currently valued at over \$90 million. Neither the cash nor the shares have been encumbered or otherwise allocated in favour of or to any third party.

T2 Trust and T2 LP have confirmed that they will maintain cash reserves and undrawn capital commitments of at least ~~\$34,030,189.80~~ \$32,575,188.60 during the Offer Period and compulsory acquisition process (except to the extent such amount is no longer needed to satisfy the Bidder's obligations under the Offer Terms or the compulsory acquisition process).

## 6.4 PROVISION OF CONSIDERATION

On the basis of the arrangements described in this section, the Bidder is of the opinion that it has a reasonable basis for holding the view, and holds the view, that the Bidder will be able to provide 100% of the Cash Consideration offered under the Offer.

<sup>10.</sup> Based on the USD/AUD spot rate as at 9 March 2018.

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# 7 TAXATION CONSIDERATIONS

## 7.1 INTRODUCTION

The following is a general description of the Australian income and capital gains tax (CGT) consequences to Realm Shareholders on disposing of their Realm Shares (through acceptance of the Offer) in return for the Cash Consideration. The Australian taxation consequences for Realm Shareholders will depend on their individual circumstances. Realm Shareholders should make their own enquiries and seek independent professional advice on their circumstances. The comments set out below are relevant only to those Realm Shareholders who hold their Realm Shares as capital assets for the purpose of investment and who do not (or would not) hold those shares in connection with the conduct of a business or other employee share scheme.

These comments relate to Realm Shares only, and not to options or other rights held over Realm Shares. Certain Realm Shareholders, such as those engaged in a business of trading or investment, those who acquired their Realm Shares for the purpose of resale at a profit or those which are banks, insurance companies, tax exempt organisations, superannuation funds, or persons who acquired their Realm Shares in respect of their employment with Realm will or may be subject to special or different tax consequences peculiar to their circumstances.

Realm Shareholders who are not resident in Australia for tax purposes should also take into account the tax consequences under the laws of their country of residence, as well as under Australian law, of the disposal of Realm Shares under the Offer.

The following description is based upon Australian taxation law and practice in effect as at the date of [this Original Bidder's Statement](#). It is not intended to be an authoritative or complete statement or analysis of the taxation laws applicable to the particular circumstances of every Realm Shareholder. Realm Shareholders should seek independent professional advice regarding the taxation consequences of disposing of Realm Shares in the light of their own particular circumstances.

## 7.2 AUSTRALIAN RESIDENT REALM SHAREHOLDERS

Acceptance of the Offer will involve the disposal by Realm Shareholders of their Realm Shares, by way of transfer to the Bidder. In relation to Realm Shares held on capital account and acquired, or deemed to have been acquired, by the relevant Realm Shareholders before 20 September 1985, such disposal should not give rise to any CGT implications.

Conversely, the disposal of Realm Shares acquired, or deemed to have been acquired, on or after 20 September 1985 and which are held on capital account will generally have CGT implications. Such disposal will constitute a CGT event for CGT purposes.

Australian resident Realm Shareholders may make a capital gain or capital loss on the disposal of their Realm Shares under the Offer.

Capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether there is a net capital gain. If so, that net capital gain is included in assessable income and is subject to income tax. However, a 'CGT Discount' may be available to reduce the taxable gain for certain Realm Shareholders (see further below).

Capital losses may not be deducted against other income for income tax purposes, but may be offset against capital gains realised in the same income year or be carried forward to be offset against future capital gains.

In general, the capital gain or loss arising on the disposal of a Realm Share under the Offer will be calculated on the basis of the difference between the value of the capital proceeds (i.e. the cash consideration received from Bidder) and the cost base of the share.

The cost base of Realm Shares is generally their cost of acquisition or deemed cost of acquisition. Certain other amounts associated with acquisition and disposal, such as brokerage or stamp duty, may be added to the cost base. The capital loss will be calculated on the basis of the difference between the capital proceeds and the reduced cost base of the share.

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## 7 TAXATION CONSIDERATIONS CONTINUED

However, if a Realm Share was acquired (or deemed to be acquired) at or before 11.45 am on 21 September 1999, the cost base may be indexed for inflation, by reference to changes in the Consumer Price Index from the calendar quarter in which the Realm

Share was acquired (or deemed to be acquired) until the calendar quarter ended 30 September 1999. Realm Shareholders who are individuals, complying superannuation entities or trustees of a trust must make an election if they wish to rely on indexation. Companies will be entitled to include the indexation without making an election. Indexation adjustments are taken into account only for the purposes of calculating a capital gain, and not a capital loss.

On the other hand, if a Realm Share was acquired (or deemed to be acquired) after 11.45 am on 21 September 1999, the capital gain or loss is generally calculated on the difference between the capital proceeds and the cost base for the share, with no indexation.

A Realm Shareholder who is an individual, complying superannuation entity or trustee of a trust, and who does not or cannot elect to adjust their cost base for indexation (as described above), may choose to claim a 'CGT Discount' if they acquired (or are deemed to have acquired) their Realm Shares 12 months or more before the time they accept the Offer. This means that:

- in the case of an individual (and, generally speaking, a trustee of a trust), only one-half of their net capital gain on those shares (after deducting available capital losses) will be taxable; and
- in the case of a complying superannuation entity, only two-thirds of their net capital gain on those shares (after deducting available capital losses) will be taxable.

Realm Shareholders who are trustees should obtain specific advice in this regard, including in relation to the tax consequences of distributions attributable to discounted capital gains.

Realm Shareholders should note that any available capital losses will be deducted from the gross capital gain before the 'CGT Discount' is applied.

Whether it is better for any given Realm Shareholder to make the indexation election or not will depend upon the particular Realm Shareholder's individual circumstances, including the cost base of the Realm Shares and whether the Realm Shareholder has any available losses. Realm Shareholders should consult their own tax advisers in this regard.

The 'CGT Discount' is not available to companies, nor does it apply to Realm Shares owned (or deemed to be owned) for less than the relevant 12 month period.

### 7.3 NON-AUSTRALIAN RESIDENT REALM SHAREHOLDERS

A Realm Shareholder who is not a resident of Australia for taxation purposes ("**Foreign Resident**") will not make a taxable capital gain on the disposal of Realm Shares under the Offer unless their Realm Shares are taxable Australian property.

Realm Shares held by a Foreign Resident will not be taxable Australian property unless:

- both of the following requirements are satisfied:
  - the Foreign Resident (and any associates) hold, or have the option or right to acquire, 10% or more of the issued Realm Shares or the Foreign Resident (and any associates) previously held 10% or more of the issued Realm Shares for a continuous 12 month period during the two years prior to the disposal of the Realm Shares under the Offer; and

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## 7 TAXATION CONSIDERATIONS CONTINUED

- the total market value of Realm’s Australian real property assets (including any mining, quarrying or prospecting rights for minerals, petroleum or quarry minerals which are situated in Australia) is more than 50% of the total market value of Realm’s assets; or
- they were used at any time by the Foreign Resident in carrying on a business through a permanent establishment in Australia.

The Foreign Resident capital gains withholding regime may also apply to the disposal of Realm Shares by non-resident Realm Shareholders. Under this regime, a 12.5% non-final withholding tax may apply to the disposal of the Realm Shares by a foreign resident and the Bidder may be required to withhold and remit an amount (generally equal to 12.5% of the purchase price) to the ATO. However, if the Foreign Resident Realm Shareholder applies to vary the withholding rate or makes a declaration that the Realm Shares are not an indirect Australian real property interest, the disposal may be subject to a reduced rate of withholding or not be subject to any withholding. All non-resident Realm Shareholders should seek independent professional advice in light of their own circumstances.

If you are a non-Australian tax resident, it is recommended that you obtain your own independent professional advice as to the Australian tax consequences arising from the disposal of your Realm Shares.

### 7.4 STAMP DUTY AND GST

The Bidder will pay the stamp duty (if any) payable in Australia on the transfers of Realm Shares under the Offer. No GST will be payable on such transfers, except that GST will be payable on any fees or charges that a Controlling Participant (in respect of Realm Shares in a CHESS Holding) or a broker, bank, custodian or other nominee (in respect of Realm Shares held for a separate beneficial owner) may charge in connection with acceptance of the Offer.

# 8

## ADDITIONAL INFORMATION

### 8.1 ASIC RELIEF

ASIC has published various 'class orders' instruments providing for modifications and exemptions that apply generally to all persons, including the Bidder, in relation to the operation of Chapter 6 of the Corporations Act.

Among others, for the purpose of the Offer, the Bidder may rely on the provisions of Class Order [CO 13/521].

### 8.2 OTHER REGULATORY MATTERS

The Offer required notification to the Treasurer of Australia and the receipt of a no objections notification under the FATA as T2 LP and the Bidder each constitute a foreign government investor for the purposes of the FATA as one or more foreign government related entities from the same country have in aggregate a 20% or more ultimate interest in T2 LP.

On 12 February 2018, the Bidder obtained a no objections notification from the Treasurer of Australia in respect of the Offer under the FATA.

### 8.3 POTENTIAL FOR WAIVER OF CONDITIONS

The Offer is subject to limited and customary Conditions (set out in Appendix 2). Under the terms of the Offer and the Corporations Act, any or all of the Conditions may be waived by the Bidder.

If an event occurs which results (or would result) in the non-fulfilment of a Condition, the Bidder might not make a decision as to whether it will either rely on that occurrence, or instead waive the Condition in respect of that occurrence, until the date for giving notice as to the status of the Conditions of the Offer under section 630(3) of the Corporations Act. If the Bidder decides that it will waive a Condition, it will announce that decision on the ASX in accordance with section 650F of the Corporations Act.

If any of the Conditions are not fulfilled, and the Bidder decides to rely on that non-fulfilment, then any contract resulting from acceptance of the Offer will become void on (or, in some cases, shortly after) the end of the Offer Period, and the relevant Realm Shares will be returned to the holder.

### 8.4 STATUS OF CONDITIONS

The Offer is subject to limited and customary Conditions (set out in Appendix 2).

The Bidder notes that, on 27 February 2018, Realm lodged an Appendix 3C announcing the buy-back and cancellation of 2,116,666 employee plan shares in Realm and lodged an Appendix 3B announcing the issue of 500,000 new ordinary shares in Realm under its Directors and Employees Incentive Plan.

As a result, Condition (a)(iii) and Condition (a)(iv) set out in Appendix 2 have been triggered. However the Bidder has determined that it will not rely on such non-fulfilment in respect of the events described in the previous paragraph.

The Bidder will provide further updates on the status of the Conditions during the Offer Period, in accordance with section 630 of the Corporations Act.

Other than as disclosed in this section, as at the date of this Bidder's Statement, the Bidder is not aware of any events or circumstances which would result in the non-fulfilment of any of the Conditions. If the Conditions in Appendix 2 are not fulfilled or waived, then no contract will be capable of arising at all from the acceptance of the Offer.



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## **8 ADDITIONAL INFORMATION CONTINUED**

### **8.5 DUE DILIGENCE**

For the purpose of confirming its assessment whether or not to acquire all of the Realm Shares, the Bidder was given access by the Company to certain limited information concerning the Company which has not been disclosed generally to Realm Shareholders.

Except as disclosed in this Bidder's Statement, none of the information to which the Bidder was given access is, in the opinion of the Bidder, of such a nature and quality which, if the information were generally available, a reasonable person would expect to have a material effect on the price or value of Realm Shares. Further, in the opinion of the Bidder and except as disclosed in this Bidder's Statement, none of that information would otherwise be material to a decision by a Realm Shareholder whether or not to accept the Offer.

The Bidder's decision to make the Offer, however, was confirmed by its review of the information to which it had access, which may itself be regarded as information material to the decision of a Realm Shareholder whether or not to accept the Offer.

### **8.6 OTHER MATERIAL INFORMATION**

Except as disclosed in this Bidder's Statement, there is no other information that is:

- (a) material to the making of a decision by a Realm Shareholder whether or not to accept the Offer; and
- (b) known to the Bidder,

and has not previously been disclosed to Realm Shareholders.

# 9 GLOSSARY

## 9.1 DEFINITIONS

The following defined terms are used throughout this Bidder's Statement unless the contrary intention appears or the context requires otherwise:

Term	Definition
<b>Acceptance Form</b>	means your personalised form of acceptance and transfer accompanying the Offer or any replacement or substitute acceptance form provided by or on behalf of the Bidder.
<b>ACPA</b>	means average coal price achieved.
<b>Alumicor</b>	means Alumicor SA Holdings (Pty) Ltd.
<b>Anglo</b>	means Anglo American Metallurgical Coal Assets Pty Ltd, a proprietary company incorporated in Australia (ACN 081 022 246).
<b>Announcement Date</b>	means 9 February 2018, being the date of announcement of the intention to make the Offer.
<b>ASIC</b>	means Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited or Australian Securities Exchange, as appropriate.
<b>ASX Listing Rules</b>	means the Listing Rules of the ASX.
<b>ASX Settlement Operating Rules</b>	means the settlement rules of the ASX.
<b>ATO</b>	means the Australian Taxation Office.
<b>Bid Funding Agreement</b>	means an agreement between T2 Trust, T2 LP and the Bidder dated 16 February 2018.
<b>Bidder</b>	means T2 Resources Fund Pty Limited, a proprietary company incorporated in New South Wales, Australia whose company number is ACN 624 330 696 and whose registered office address is Suite 4101, Level 41, Gateway, 1 Macquarie Place, Sydney, NSW 2000.
<b>Bidder Directors</b>	means the directors of the Bidder who are Martin Boland and Rohan Menon as at the date of this Bidder's Statement.
<b>Bidder Group</b>	means the Bidder and its Related Bodies Corporate.
<b>Bidder's Statement</b>	means this <del>document</del> replacement bidder's statement dated 14 March 2018, being the statement of the Bidder under Part 6.5 Division 2 of the Corporations Act <u>(as amended by ASIC Class Order [CO 13/528])</u> relating to the Offer.
<b>Bidder's Takeover Transferee Holding</b>	means the holding of Realm Shares on the CHESS subregister of the Bidder established for the purposes of the Offer.
<b>Broker</b>	means a person who is a share broker and a participant in CHESS.
<b>Business Day</b>	means a day on which banks are open for general banking business in Sydney (not being a Saturday, Sunday or public holiday in that place).
<b>Cash Consideration</b>	means the cash amount (if any) that a Realm Shareholder is entitled to receive under the Offer determined in accordance with paragraph 2 of the Offer Terms.

## 9 GLOSSARY CONTINUED

Term	Definition
<b>CHESS</b>	means the Clearing House Electronic Subregister System, which provides for electronic share transfer in Australia.
<b>CHESS Holding</b>	means a holding of Realm Shares on the CHESS subregister of Realm.
<b>Chrometco</b>	means Chrometco Limited, a company listed on the Johannesburg Stock Exchange (AltX platform).
<b>Closing Date</b>	means the last day of the Offer Period.
<b>Combined Group</b>	means the Realm Group and the Bidder Group.
<b>Conditions</b>	means the conditions to the Offer as set out in Appendix 2.
<b>Controlling Participant</b>	means the Broker or Participant who is designated as the controlling participant for shares in a CHESS Holding in accordance with the ASX Settlement Operating Rules.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Employee Options</b>	means options over Realm Shares granted or agreed to be granted to employees of Realm or Realm Directors.
<b>Employee Securities</b>	means the Employee Shares and the Employee Options.
<b>Employee Shares</b>	means rights to Realm Shares granted or agreed to be granted to employees of Realm or Realm Directors under an employee share plan.
<b>Encumbrances</b>	<p>means any:</p> <ul style="list-style-type: none"> <li>(a) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, option, right of pre-emption, power, title retention, or flawed deposit arrangement; or</li> <li>(b) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; or</li> <li>(c) right that a person (other than the owner) has to remove something from land (known as a profit à prendre), easement, public right of way, restrictive or positive covenant, lease, or licence to use or occupy; or</li> <li>(d) third party right or interest or any right arising as a consequence of the enforcement of a judgment,</li> </ul> <p>or any agreement to create any of them or allow them to exist.</p>
<b>FATA</b>	means the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth).
<b>Foreign Resident</b>	has the meaning given in section 7.3.
<b>Foxleigh</b>	means the Foxleigh Coking Coal Mine located in Queensland, Australia.
<b>Foxleigh Exploration Permit</b>	means the exploration permit for coal in respect of the 1669 tenement.
<b>GST</b>	has the meaning given in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).

## 9 GLOSSARY CONTINUED

Term	Definition
<b>HIN</b>	means a Holder Identification Number, which is the number that starts with an “X”, allocated by your Controlling Participant, to identify a Realm Shareholder with a CHES Holding.
<b>Issuer Sponsored Holding</b>	means a holding of Realm Shares on Realm’s issuer sponsored subregister.
<b>Nippon</b>	means Nippon Steel & Sumitomo Metal Australia Pty Ltd, a proprietary company incorporated in Australia (ACN 001 445 049).
<b>Offer</b>	means the offer by the Bidder on the Offer Terms to acquire Realm Shares (and for the avoidance of doubt includes each such the offer made to an individual Realm Shareholder pursuant to that offer).
<b>Offer Period</b>	means the period commencing on <a href="#">14 March 2018</a> and ending <a href="#">at 7pm (Sydney time) on 16 April 2018</a> , or such later date to which the Offer has been extended.
<b>Offer Terms</b>	means the terms and conditions of the Offer set out in Appendices 1 and 2 to this Bidder’s Statement.
<b>Original Bidder’s Statement</b>	<a href="#">means the bidder’s statement dated 23 February 2018 issued by the Bidder and lodged with ASIC on that date.</a>
<b>Participant</b>	means a participant under the ASX Settlement Operating Rules.
<b>POSCO</b>	means POSCO Australia Pty Ltd, a proprietary company incorporated in Australia (ACN 002 062 160).
<b>Public Authority</b>	means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity.
<b>Realm</b>	means Realm Resources Limited, a company incorporated in Australia (ACN 008 124 025).
<b>Realm Directors</b>	means Michael David Rosengren, Michael Neill Macgregor Davies, Gordon Thomas Galt, Staffan Ever and James David Beecher.
<b>Realm Group</b>	means Realm and each of its subsidiaries.
<b>Realm Shares</b>	means fully paid ordinary shares in the capital of Realm.
<b>Realm Shareholders</b>	means holders of Realm Shares.
<b>Register</b>	means the Realm share register as provided to the Bidder’s share registrar, Computershare Investor Services.
<b>Register Date</b>	means the date set by the Bidder under section 633(2) of the Corporations Act.
<b>Related Body Corporate</b>	has the meaning set out in section 50 of the Corporations Act.
<b>Rights</b>	means all accretions, rights or benefits of whatever kind attaching to or arising from Realm Shares directly or indirectly after the Announcement Date, including, but not limited to, all dividends or other distributions and all rights to receive any dividends or other distributions, or to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared, paid or made by Realm or any of its Subsidiaries.

## 9 GLOSSARY CONTINUED

Term	Definition
SRN	means a Securityholder Reference Number, which is the number which starts with an "I", allocated by Realm to identify a Realm Shareholder with an Issuer Sponsored Holding.
Subsidiary	means a subsidiary as that term is defined in the Corporations Act.
Target's Statement	means the target's statement to be issued by Realm in response to this Bidder's Statement in accordance with the Corporations Act.
Taurus Mining Finance Fund	means Taurus Mining Finance Fund L.P. and Taurus Mining Finance Annex Fund L.P.
T2 Fund	means the T2 LP and T2 Trust together.
T2 LP	means Taurus Resources No. 2, L.P., acting through its general partner Taurus Resources Limited GP No. 2 LLC.
T2 Trust	means Taurus Resources No. 2 Trust, acting through its trustee Taurus Funds Management Pty Ltd.
US Securities Act	means the United States Securities Act of 1933 as amended.
VWAP	means the volume weighted average price.

### 9.2 GENERAL INTERPRETATION

The following rules of interpretation apply unless the contrary intention appears or the context requires otherwise:

- (a) A reference to time is a reference to Sydney time.
- (b) Headings are for convenience only and do not affect interpretation.
- (c) The singular includes the plural and conversely.
- (d) A reference to a section is to a section of this Bidder's Statement.
- (e) A reference to a paragraph is to a paragraph of an Appendix of the Bidders Statement
- (f) A gender includes all genders.
- (g) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (h) \$, or cents is a reference to the lawful currency in Australia, unless otherwise stated.
- (i) A reference to a person includes a body corporate, an unincorporated body or other entity and conversely.
- (j) A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns.
- (k) A reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it.
- (l) A reference to any instrument or document includes any variation or replacement of it.
- (m) A term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act or the ASX Settlement Operating Rules, as the case may be.
- (n) A reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually.
- (o) A reference to you is to a person to whom the Offer is made under Appendix 1 to this Bidder's Statement.


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# 10

## APPROVAL OF THE BIDDER'S STATEMENT

The copy of this Bidder's Statement that is to be lodged with ASIC has been approved by a resolution passed by the Bidder Directors on ~~20 February~~ 9 March 2018.

Signed by Rohan Menon of the Bidder in accordance with section 351 of the Corporations Act.



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**Rohan Menon**

Director

~~23 February~~ 14 March 2018

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# APPENDIX 1 – FORMAL TERMS OF THE OFFER

## 1 THE OFFER

The Bidder offers to acquire all of your Realm Shares, together with all Rights attaching to them, on the following terms and conditions. The Offer relates to Realm Shares that exist at the Register Date and extends to any Realm Shares that come into existence at any time between the Register Date and the end of the Offer Period as a result of the exercise of any Employee Options or the vesting of any Employee Shares.

You may only accept this Offer for all of your Realm Shares.

By accepting this Offer, you undertake to transfer to the Bidder not only the Realm Shares to which this Offer relates but also all Rights attached to those Realm Shares (see paragraph 5.4).

## 2 CONSIDERATION

Realm Shareholders will be offered \$0.90 cash (the “**Cash Consideration**”) for each Realm Share.

However, in accordance with paragraph 5.4, the amount of Cash Consideration you receive directly from the Bidder may be reduced by the amount or value of any Rights attaching to Realm Shares which you (or any previous holder of your Realm Shares) receive, including any dividend declared by Realm.

## 3 OFFER PERIOD

This Offer will, unless withdrawn, remain open for acceptance during the period commencing on the date of this Offer, being **14 March 2018** and ending at **7pm 2018** (Sydney time) on:

- (a) **16 April 2018**; or
- (b) any date to which the Offer Period is extended in accordance with the Corporations Act, whichever is the later.

## 4 HOW TO ACCEPT THIS OFFER

### 4.1 Acceptance Forms

Acceptances must be received in the manner specified below prior to the close of the Offer Period at 7pm (Sydney time) on **16 April 2018**, unless extended (and in the case of any acceptance in respect of a CHESS Holding lodged at or sent to the address as indicated under paragraph 4.3(f), before 7pm on the second last Business Day of the Offer Period in accordance with paragraph 4.3(a)(iii)).

### 4.2 All of your holding

This Offer is for all of your Realm Shares.

### 4.3 Acceptance procedure for Realm Shareholders

How you accept this Offer depends on whether your Realm Shares are held in a CHESS Holding or an Issuer Sponsored Holding (your personalised Acceptance Form outlines which type of holding you have):

- (a) **If you hold your Realm Shares in a CHESS Holding** (your HIN starts with an “X”) you must comply with the ASX Settlement Operating Rules. To accept this Offer you must either:
  - (i) instruct your Controlling Participant (usually your Broker) to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules in sufficient time for the Offer to be accepted before the end of the Offer Period; or

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## APPENDIX 1 – FORMAL TERMS OF THE OFFER CONTINUED

- (ii) complete and sign your personalised Acceptance Form and send it (together with all other documents required by the instructions on the form) directly to your Controlling Participant (usually your Broker) in sufficient time for the Offer to be accepted before the end of the Offer Period with instructions to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or
  - (iii) complete, sign and return your personalised Acceptance Form and lodge it by returning it to an address as indicated under paragraph 4.3(f) so that your acceptance is received before 7pm on the second last Business Day of the Offer Period. This will authorise the Bidder to instruct your Controlling Participant (usually your Broker) to initiate acceptance of the Offer on your behalf.
- (b) **If you are a Broker or a Participant**, to accept the Offer you must initiate acceptance in accordance with the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.
- (c) **If you hold your Realm Shares in an Issuer Sponsored Holding (your SRN starts with an “I”)**  
If your Realm Shares are in an Issuer Sponsored Holding, to accept the Offer you must **complete and sign** your personalised Acceptance Form in accordance with the instructions on it and lodge it by returning it (together with all other documents required by the instructions on your personalised Acceptance Form) to the address as indicated under paragraph 4.3(f) so that your acceptance is received before the end of the Offer Period.
- (d) **If some of your Realm Shares are held in a number of forms**  
If some of your Realm Shares are in different holdings, your acceptance of the Offer will require action under paragraphs 4.3(a) and 4.3(c) in relation to the separate portions of your Realm Shares.
- (e) **Beneficial owners**  
Beneficial owners whose Realm Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact that nominee for assistance in accepting the Offer.
- (f) **Postal and delivery addresses**  
The postal and delivery addresses for completed Acceptance Forms are as follows.  
  
Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 3001  
Australia  
  
If you hold your Realm Shares in an Issuer Sponsored Holding, a reply paid envelope (not able to be used by Realm Shareholders outside Australia) is enclosed for your convenience.  
  
If you are a Realm Shareholder within Australia a reply paid envelope is enclosed for your convenience.  
  
The transmission of your personalised Acceptance Form and other documents is at your own risk.
- (g) **Acceptance Form**  
Your personalised Acceptance Form which accompanies the Offer forms part of it. Subject to paragraph 4.5, the requirements on your personalised Acceptance Form must be observed in accepting the Offer in respect of your Realm Shares.

### 4.4 Power of attorney, deceased estate

When accepting the Offer, you should also forward for inspection:

- (a) if your personalised Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and



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## APPENDIX 1 – FORMAL TERMS OF THE OFFER CONTINUED

- (b) if your personalised Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Realm Shareholder, a certified copy of the relevant grant of probate or letters of administration.

### 4.5 When acceptance is complete

Acceptance of the Offer will not be complete until a completed Acceptance Form has been received at one of the addresses set out in paragraph 4.3(f) and the requirements of paragraph 4 have otherwise been met, provided that:

- (a) the Bidder may in its sole discretion and without notice to you waive any or all of those requirements at any time (including but not limited to requirements in relation to the manner or method of acceptance, or the deadline for receipt of acceptances specified under paragraph 4.3(a)(iii)); and
- (b) where such requirements have been complied with in respect of some but not all of your Realm Shares, the Bidder may, in its sole discretion, deem your acceptance of the Offer complete in respect of those Realm Shares for which the requirements have been complied with but not in respect of the remainder (unless the Bidder waives those requirements in accordance with paragraph 4.5(a)).

Where the Bidder elects to waive any requirement of this paragraph 4, your acceptance of the Offer will be complete regardless of any failure by you to comply with the waived requirement.

## 5 PAYMENT FOR YOUR REALM SHARES

### 5.1 How payment for your Realm Shares will be made

- (a) **Cash Consideration:** payment of the cash amount to which you are entitled under the Offer will be made by cheque (or otherwise as determined by the Bidder) in Australian currency.
- (b) **Address:** anything to be dispatched to you under this paragraph 5.1 will be sent to you at your own risk by pre-paid ordinary mail or, in the case of addresses outside Australia, by pre-paid airmail, to your address as shown on the Register (or such other address as you may notify in writing to the Bidder).
- (c) **Joint holdings:** if your Realm Shares are held in a joint name, the cheque will be issued in the name of the joint holders and forwarded to the address that appears first in the Register.

### 5.2 When consideration is paid

If the contract resulting from your acceptance of the Offer becomes unconditional, the Bidder will provide the Cash Consideration to which you are entitled on acceptance of the Offer on or before the earlier of:

- (a) 1 month after the date the Offer is validly accepted by you or, if the Offer is subject to a Condition when accepted, within 1 month after the Offer or the contract resulting from your acceptance of the Offer becomes unconditional; and
- (b) 21 days after the end of the Offer Period provided that the Offer has become unconditional.

### 5.3 Where additional documents are required

Where your personalised Acceptance Form or any subsequent request from the Bidder requires additional documents to be given with your acceptance (such as a certified copy of any power of attorney, grant of probate or letters of administration, or any other document requested by the Bidder to give better effect to your acceptance):

- (a) if the documents are given with your acceptance, the Bidder will provide the Cash Consideration in accordance with paragraphs 5.1 and 5.2;

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## APPENDIX 1 – FORMAL TERMS OF THE OFFER CONTINUED

- (b) if the documents are given after acceptance and before the end of the Offer Period and the Offer is subject to a Condition at the time that the Bidder is given the documents, the Bidder will provide the Cash Consideration by the end of whichever of the following periods ends earlier:
  - (i) 1 month after the contract resulting from your acceptance of the Offer becomes unconditional; and
  - (ii) 21 days after the end of the Offer Period; or
- (c) if the documents are given after acceptance and before the end of the Offer Period and the Offer is unconditional at the time that the Bidder is given the documents, the Bidder will provide the Cash Consideration by the end of whichever of the following periods ends earlier:
  - (i) 1 month after the Bidder is given the documents; and
  - (ii) 21 days after the end of the Offer Period; or
- (d) if the documents are given after the end of the Offer Period, the Bidder will provide the Cash Consideration within 21 days after the documents are given; but if at the time the Bidder is given the documents, the contract resulting from your acceptance of the Offer is still subject to one or more of the Conditions referred to in paragraph (a) (*Prescribed Occurrences*) of Appendix 2, the Bidder will provide the Cash Consideration within 21 days after that contract becomes unconditional.

If you do not provide the Bidder with the required additional documents within one month after the end of the Offer Period, the Bidder may, in its sole discretion, rescind the contract resulting from your acceptance of the Offer.

### 5.4 Rights generally

If:

- (a) you have (or any previous holder of your Realm Shares has) received the benefit of any Rights (whether in respect of non-cash benefits or otherwise); or
- (b) you are (or any previous holder of your Realm Shares is) entitled to receive the benefit of any Rights under the terms that provide for or otherwise apply to those Rights (for example, if the Right is to receive a dividend, if you are (or any previous holder of your Realm Shares is) the registered holder of the share at the specified time for determining those entitled to the dividend); or
- (c) your Realm Shares were issued (or otherwise came into existence) on or after the specified time for determining entitlements in respect of any Rights to Realm Shareholders,

then:

- (d) in the case of Rights to non-cash benefits, the Bidder may deduct the value (as reasonably assessed by the Bidder) of such Rights from any Cash Consideration otherwise payable to you; or
- (e) in the case of Rights to cash benefits, the Bidder may deduct the amount of such Rights from any Cash Consideration otherwise payable to you.

If the Bidder does not, or cannot, make such a deduction, you must pay such value or amount to the Bidder.

## 6 CONDITIONS OF THE OFFER

### 6.1 Conditions

The Offer and the contract that results from acceptance of the Offer are subject to fulfilment of the Conditions set out in Appendix 2.

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## APPENDIX 1 – FORMAL TERMS OF THE OFFER CONTINUED

### 6.2 Nature of Conditions

Each of the Conditions set out in each paragraph and subparagraph of Appendix 2:

- (a) constitutes and will be construed as a separate, several and distinct condition;
- (b) is a condition subsequent; and
- (c) until the expiration of the Offer Period (or in the case of the Conditions referred to in paragraph (a) (*Prescribed Occurrences*) of Appendix 2, until three Business Days after the end of the Offer Period) will be for the benefit of the Bidder alone and may be relied upon only by the Bidder.

### 6.3 Effect of breach or non-fulfilment

The breach or non-fulfilment of any of the Conditions set out in Appendix 2 does not, until the end of the Offer Period, prevent a contract arising to acquire your Realm Shares resulting from your acceptance of the Offer but, if at the end of the Offer Period (or, in the case of the Conditions in paragraph (a) (*Prescribed Occurrences*) of Appendix 2, at the end of three Business Days after the end of the Offer Period), in respect of any Condition in Appendix 2:

- (a) the Bidder has not declared the Offer (and it has not become) free from that Condition; and
- (b) that Condition has not been fulfilled,

all contracts resulting from the acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In such a case, the Bidder will notify the ASX of the lapse of the Offer in accordance with Rule 14.19 of the ASX Settlement Operating Rules.

### 6.4 The Bidder may decide the Offer is free from all or any of the Conditions

The Bidder may at any time at its sole discretion, but in compliance with the Corporations Act, declare the Offer free from all or any of the Conditions set out in each paragraph and subparagraph of Appendix 2 by notice in writing to Realm:

- (a) in the case of the Conditions referred to in paragraph (a) (*Prescribed Occurrences*) of Appendix 2 – not later than three Business Days after the end of the Offer Period; or
- (b) in any other case – not later than seven days before the end of the Offer Period.

### 6.5 Date for giving notice on status of Conditions

The date for giving a notice on the status of the Conditions as required by section 630(1) of the Corporations Act is 6 April 2018, subject to variation in accordance with section 630(2) of the Corporations Act in the event that the Offer Period is extended.

## 7 EFFECT OF ACCEPTANCE

### 7.1 Revocation of acceptance

Once you have accepted the Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you. In addition, you will be unable to withdraw your acceptance of the Offer or otherwise dispose of your Realm Shares, except as follows:

- (a) if, by the times specified in paragraph 7.2, the Conditions in Appendix 2 have not all been fulfilled or waived, then this Offer will automatically terminate and your Realm Shares will be returned to you; or
- (b) if the Offer Period is varied in a way that postpones for more than one month the time when the Bidder has to meet its obligations under the Offer and, at that time, this Offer is subject to one or more of the Conditions in Appendix 2, then you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act.

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## APPENDIX 1 – FORMAL TERMS OF THE OFFER CONTINUED

### 7.2 Times

The relevant times for the purposes of paragraph 7.1(a) are:

- (a) in the case of the Conditions referred to in paragraph (a) (*Prescribed Occurrences*) of Appendix 2 – three Business Days after the end of the Offer Period; and
- (b) in the case of all other Conditions in Appendix 2 – the end of the Offer Period.

### 7.3 Your agreement

By signing and returning your personalised Acceptance Form, or otherwise accepting this Offer, you will be deemed to have:

- (a) irrevocably authorised the Bidder to alter your personalised Acceptance Form on your behalf by:
  - (i) inserting correct details of your Realm Shares (including details of a parcel of Realm Shares required by paragraph 10.4(b));
  - (ii) filling in any blanks remaining on your personalised Acceptance Form; and
  - (iii) rectifying any errors in, and omissions from, your personalised Acceptance Form,as may be necessary to make your personalised Acceptance Form a valid acceptance of this Offer and to enable registration of the transfer of your Realm Shares to the Bidder, and agreed to provide any document reasonably requested by the Bidder to make your personalised Acceptance Form a valid acceptance of this Offer or to otherwise give better effect to your acceptance; and
- (b) if any of your Realm Shares are in a CHESS Holding, irrevocably authorised the Bidder to:
  - (i) instruct your Controlling Participant to initiate acceptance of this Offer in respect of all such Realm Shares in accordance with the ASX Settlement Operating Rules; and
  - (ii) give any other instructions in relation to those Realm Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant; and
- (c) agreed to indemnify the Bidder in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your HIN or SRN or in consequence of the transfer of your Realm Shares to the Bidder being registered by Realm without production of your HIN or SRN; and
- (d) irrevocably accepted this Offer in respect of all your Realm Shares despite any difference between that number and the number of Realm Shares shown on your personalised Acceptance Form; and
- (e) agreed to the terms and conditions of this Offer and, subject to the Conditions contained in Appendix 2 being fulfilled or waived, agreed to transfer (or consented to the transfer in accordance with the ASX Settlement Operating Rules) to the Bidder of your Realm Shares; and
- (f) represented and warranted to the Bidder, as a fundamental condition which goes to the root of the contract resulting from your acceptance of this Offer, that at the time of acceptance and at the time of transfer of your Realm Shares to the Bidder:
  - (i) you have paid to Realm all amounts which are due for payment in respect of your Realm Shares; and
  - (ii) all of your Realm Shares are fully paid and free from all Encumbrances and restrictions on transfer of any nature; and
  - (iii) you have full power and capacity to sell and transfer those Realm Shares; and

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## APPENDIX 1 – FORMAL TERMS OF THE OFFER CONTINUED

- (g) on this Offer or any takeover contract becoming unconditional:
- (i) irrevocably appointed the Bidder and each of the Bidder Directors from time to time individually as your agent and attorney on your behalf to:
    - (A) attend and vote in respect of your Realm Shares at all general meetings of Realm;
    - (B) receive from Realm or any other party, and retain, any share certificates which were held by Realm, or any other party, whether pursuant to the terms of any employee incentive scheme (including, without limitation, any employee share scheme) or otherwise; and
    - (C) sign all documents (including an instrument appointing one of the Bidder's directors as a proxy in respect of any or all of your Realm Shares and any application to Realm for a replacement certificate in respect of any share certificate which has been lost or destroyed) and resolutions relating to your Realm Shares, and generally to exercise all powers and rights which you may have as a Realm Shareholder and perform such actions as may be appropriate in order to vest good title in your Realm Shares in the Bidder, and to have agreed that, in exercising such powers, any such Bidder Director is entitled to act in the Bidder's interests as the beneficial owner and intended registered holder of your Realm Shares; and
  - (ii) agreed not to vote in person at any general meeting of Realm or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on a Bidder Director by paragraph 7.3(g)(i); and
  - (iii) in accordance with paragraph 5.4, irrevocably authorised the Bidder to adjust the Cash Consideration payable to you by the amount (or value, as reasonably assessed by the Bidder) of all Rights in respect of your Realm Shares; and
  - (iv) irrevocably authorised the Bidder to notify Realm on your behalf that your place of address for the purposes of serving notices upon you in respect of your Realm Shares is the address specified by the Bidder in the notification; and
  - (v) where, at that time, you have a right to be registered as a holder of the Realm Shares the subject of your acceptance as the result of an on-market purchase (but are not a Realm Shareholder):
    - (A) agreed to use best endeavours to procure the delivery of the Realm Shares the subject of your acceptance to the Bidder in accordance with your acceptance (including giving the Bidder all documents necessary to vest those Realm Shares in the Bidder or otherwise to give the Bidder the benefit or value of those Realm Shares);
    - (B) agreed not to do or omit to do anything which may frustrate your acceptance of this Offer, or otherwise obstruct registration of the transfer of the Realm Shares the subject of your acceptance to the Bidder;
    - (C) irrevocably assigned to the Bidder all contractual rights and recourse against the vendor in respect of your on-market purchase which contractual rights and recourse may arise by reason of that person's failure to complete that trade;
    - (D) agreed to assign to the Bidder (without any further action being required) all rights in respect of your on-market purchase immediately on any failure by you to complete that trade, including irrevocably assigning to the Bidder the right to (at the Bidder's ultimate discretion) complete that trade on your behalf, and agreed that the Bidder may deduct from the consideration otherwise payable to you (pursuant to a valid acceptance of this Offer and the delivery of the Realm Shares the subject of that acceptance) any amount paid by the Bidder in order to settle that on-market purchase on your behalf. If the Bidder does not, or cannot, make such a deduction, you must pay such amount to the Bidder; and

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## APPENDIX 1 – FORMAL TERMS OF THE OFFER CONTINUED

- (E) agreed that if you are unable to assign to the Bidder any of the rights and recourse specified under paragraphs 7.3(g)(v)(C) and 7.3(g)(v)(D), you will assign such rights and recourse as soon as you are legally able to; and
- (h) if at the time of acceptance of this Offer your Realm Shares are in a CHESS Holding, authorised, with effect from the date that this Offer or any contract resulting from acceptance of this Offer is declared free from all its Conditions or those Conditions are satisfied, the Bidder to cause a message to be transmitted to your Controlling Participant in accordance with Rule 14.17.1 of the ASX Settlement Operating Rules so as to transfer all of your Realm Shares to the Bidder's Takeover Transferee Holding. The Bidder will be so authorised even though at the time of such transfer it has not provided the Share Consideration due to you.

By accepting this Offer you will be deemed to have agreed to the matters set out in paragraph 7.3(a) and 7.3(h) above, notwithstanding where this Offer has been caused to be accepted in accordance with the ASX Settlement Operating Rules.

Except in relation to Realm Shares in a CHESS Holding, the Bidder may at any time deem the receipt of a signed Acceptance Form to be a valid acceptance of this Offer even though you omit to include your share certificate(s) (if any) or there is non-compliance with any one or more of the other requirements for acceptance but, if the Bidder does so, the Bidder is not obliged to make the Cash Consideration available to you until all of the requirements for acceptance have been met.

### 8 WITHDRAWAL

The Bidder may withdraw unaccepted offers at any time with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

### 9 VARIATION

The Bidder may vary this Offer in accordance with the Corporations Act.

### 10 ACCEPTANCES BY TRANSFEREES AND NOMINEES

#### 10.1 Who may accept this Offer

During the Offer Period:

- (a) any person who is able to give good title to a parcel of your Realm Shares may accept this Offer (if they have not already accepted the Offer in the form of this Offer) as if offered on terms identical with this Offer has been made to them; and
- (b) any person who holds one or more parcels of Realm Shares as trustee, nominee, or otherwise on account of another person, may accept as if a separate and distinct offer had been made in relation to:
  - (i) each of those parcels; and
  - (ii) any parcel they hold in their own right.

#### 10.2 Holding shares

- (a) A person is taken to hold Realm Shares if the person is, or has a right to be registered as, the holder of those Realm Shares.

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## APPENDIX 1 – FORMAL TERMS OF THE OFFER CONTINUED

- (b) A person who has a right to be registered as a holder of Realm Shares may accept this Offer by completing and signing the Acceptance Form in accordance with the instructions on it and lodging it by returning it (together with all other documents required by the instructions on your personalised Acceptance Form) to the address indicated under paragraph 4.3(f) so that the acceptance is received before the end of the Offer Period.

### 10.3 Holding shares on trust or as a nominee

A person is taken to hold Realm Shares on trust for, as nominee for, or on account of, another person if they:

- (a) are entitled to be registered as the holder of particular Realm Shares; and
- (b) hold their interest in the Realm Shares on trust for, as nominee for, or on account of, that other person.

### 10.4 Effective acceptance

An acceptance of the Offer under paragraph 10.1 is ineffective unless:

- (a) the person who holds on account of another person, gives the Bidder a notice stating that the Realm Shares consist of a separate parcel; and
- (b) the acceptance specifies the number of Realm Shares in that parcel.

References in this Offer to your Realm Shares will be treated as relating to that separate parcel.

### 10.5 Notice of acceptance

A notice under paragraph 10.4 of these terms must be made:

- (a) if it relates to Realm Shares entered on a CHESS subregister – in an electronic form approved by the ASX Settlement Operating Rules; or
- (b) otherwise – in writing.

A person may, at the one time, accept for two or more parcels under this section as if there had been a single offer for a separate parcel consisting of those parcels.

## 11 OTHER MATTERS

### 11.1 Notices and other communications

Subject to the Corporations Act, a notice or other communication given by the Bidder to you in connection with this Offer shall be deemed to be duly given if it is in writing and:

- (a) is delivered at your address as recorded on the register of members of Realm or the address shown in your personalised Acceptance Form; or
- (b) is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at either of those addresses.

### 11.2 Return of documents

If:

- (a) this Offer is withdrawn after your personalised Acceptance Form has been sent to the Bidder, but before it has been received; or
- (b) for any other reason the Bidder does not acquire the Realm Shares to which your personalised Acceptance Form relates,

you may request the Bidder by notice in writing to dispatch (at your risk) your personalised Acceptance Form together with all other documents forwarded by you, to such address as you nominate. Where such address is inside Australia, the documents will be despatched by pre-paid ordinary mail. Where such address is outside Australia, the documents will be despatched by pre-paid airmail.

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## **APPENDIX 1 – FORMAL TERMS OF THE OFFER CONTINUED**

### **11.3 Costs and expenses**

All costs and expenses of the preparation, dispatch and circulation of the Bidder's Statement and this Offer and all stamp duty payable in respect of a transfer of Realm Shares in respect of which the Offers are accepted, will be paid by the Bidder.

### **11.4 Foreign laws**

This Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Offer.

### **11.5 Governing law**

This Offer and any contract resulting from acceptance of it is governed by the law in force in New South Wales.



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## APPENDIX 2 – CONDITIONS OF THE OFFER

The Offer and any contracts resulting from acceptance of the Offer is subject to fulfilment or waiver of the following conditions:

- (a) **(prescribed occurrences)** that during the period from 9 February 2018 to the end of the Offer Period, none of the following events happen:
- (i) Realm converts all or any of its shares into a larger or smaller number of shares;
  - (ii) a member of the Realm Group resolves to reduce its share capital in any way;
  - (iii) a member of the Realm Group:
    - (A) enters into a buy-back agreement; or
    - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
  - (iv) a member of the Realm Group issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option (including under any employee share or option plan);
  - (v) a member of the Realm Group issues, or agrees to issue, convertible notes;
  - (vi) a member of the Realm Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
  - (vii) a member of the Realm Group charges, or agrees to charge, the whole, or a substantial part, of its business or property;
  - (viii) a member of the Realm Group resolves to be wound up;
  - (ix) a liquidator or provisional liquidator of a member of the Realm Group is appointed;
  - (x) a court makes an order for the winding up of a member of the Realm Group;
  - (xi) an administrator of a member of the Realm Group is appointed under sections 436A, 436B or 436C of the Corporations Act;
  - (xii) a member of the Realm Group executes a deed of company arrangement; or
  - (xiii) a receiver or a receiver and manager is appointed in relation to the whole, or a substantial part, of the property of a member of the Realm Group other than by a member of the Bidder Group.
- (b) **(Employee Securities)** prior to the end of the Offer Period:
- (i) the entitlement to shares under the Employee Options on issue are cancelled; and
  - (ii) no Employee Shares issued under employee share plans remain unvested.





# BIDDER'S STATEMENT



## **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to how to act, you should consult your professional adviser as soon as possible.

**Offer by:**  
**T2 Resources Fund Pty Limited**  
**to purchase all of your shares in:**  
**Realm Resources Limited**  
**ACN 008 124 025**

For each Realm Share you will receive \$0.90 cash

The Offer is dated 14 March 2018 and will close at 7.00pm (Sydney time) on 16 April 2018, unless extended. This Bidder's Statement was lodged with ASIC on 14 March 2018.

Legal Adviser:



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# IMPORTANT INFORMATION

The Offer described within this Bidder's Statement is given by T2 Resources Fund Pty Limited (ACN 624 330 696) (the "**Bidder**") (a subsidiary of Taurus Resources No. 2 Trust) to Realm Resources Limited (ACN 008 124 025) ("**Realm**") under Part 6.5 of the Corporations Act and sets out certain disclosures required by the Corporations Act together with the terms of the Offer to acquire your Realm Shares.

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## THE BIDDER'S STATEMENT

**YOU SHOULD READ THIS BIDDER'S  
STATEMENT IN ITS ENTIRETY.**

This is a replacement bidder's statement and issued by the Bidder under Part 6.5 of the Corporations Act (as amended by ASIC Class Order [CO 13/528]).

This Bidder's Statement is dated 14 March 2018 and replaces the Bidder's Statement dated 23 February 2018 issued by the Bidder and lodged with ASIC on that date ("**Original Bidder's Statement**"). This Bidder's Statement includes the Offer dated 14 March 2018 on the terms set out in Appendices 1 and 2 of this Bidder's Statement. The Offer made under this Bidder's Statement is on the same terms as the offer set out in the Original Bidder's Statement.

### Australian Securities and Investments Commission

A copy of this Bidder's Statement was lodged with ASIC on 14 March 2018. Neither ASIC nor any of its officers takes any responsibility for the content of this Bidder's Statement. All references to "this Bidder's Statement" in this document are to this replacement bidder's statement.

### Defined terms

Capitalised terms used in this Bidder's Statement are defined in the glossary in section 9 along with certain rules of interpretation which apply to this Bidder's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in section 9, words and phrases in this Bidder's Statement have the same meaning and interpretation as in the Corporations Act.

Unless otherwise indicated, all references to sections are references to sections of this Bidder's Statement, and all references to paragraphs are references to paragraphs of the relevant Appendix to this Bidder's Statement.

### Investment advice

The information in this Bidder's Statement is general information only, and does not take into account your individual investment objectives, financial situation or needs. You should consider whether the information in this Bidder's Statement is appropriate for you in light of your objectives, financial situation and needs. Accordingly, before making a decision as to whether or not to accept the Offer, please consult your professional adviser.

## Information on Realm

The information on Realm and the Realm Shares contained in this Bidder's Statement has been prepared based on a review of publicly available information and should not be considered comprehensive. Information in this Bidder's Statement concerning Realm and the Realm Shares has not been independently verified by the Bidder. Subject to the Corporations Act, none of the Bidder, the Bidder Directors, nor any member of the Bidder Group or their respective officers or employees make any representation or warranty (express or implied) as to the accuracy or completeness of this information.

Further information relating to Realm may be included in the Target's Statement which Realm must provide to Realm Shareholders in response to this Bidder's Statement.

## Privacy

The Bidder has collected your information from the register of Realm Shareholders for the purposes of making the Offer and, if accepted, administering your holding of Realm Shares. The type of information the Bidder has collected about you includes your name, address, contact details and information on your shareholding in Realm. Without this information, the Bidder will be hindered in its ability to carry out the Offer.

The Corporations Act requires the names and addresses of Realm Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to the Bidder Group and their Related Bodies Corporate and external service providers, and may be required to be disclosed to regulators, such as ASIC. If you would like details of information held about you by the Bidder, please contact the Bidder directly at the addresses set out in the corporate directory.

## Updated information

Information contained in this Bidder's Statement is subject to change from time to time. Please refer to any ASX announcements of Realm regarding the Offer.

## Enquiries

If you are in any doubt as to how to deal with this Bidder's Statement, you should consult your professional adviser.

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## IMPORTANT DATES

Announcement of the Offer	9 February 2018
Date of the Original Bidder's Statement	23 February 2018
Date of this Bidder's Statement	14 March 2018
Date of the Offer	14 March 2018
Closing Date (unless extended or withdrawn) 7pm (Sydney time)	16 April 2018

**Note:** the Closing Date for the Offer may change as permitted by the Corporations Act.

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## HOW TO ACCEPT THE OFFER

The Offer may only be accepted for all of your Realm Shares. You may accept the Offer during the Offer Period in the manner specified below. How you accept the Offer depends on whether your Realm Shares are in a CHESS Holding or an Issuer Sponsored Holding. Your personalised Acceptance Form outlines which type of holding you have.

- **If you hold your Realm Shares in an Issuer Sponsored Holding** (your SRN starts with an “I”), to accept the Offer you must complete, sign and return the enclosed personalised Acceptance Form in accordance with the instructions on it and lodge it by returning it (together with all other documents required by the instructions on your personalised Acceptance Form) in the reply paid envelope provided or to the address indicated on the form (and set out below) so that your acceptance is received before the end of the Offer Period.
- **If you hold your Realm Shares in a CHESS Holding** (your HIN starts with an “X”), to accept the Offer you must comply with the ASX Settlement Operating Rules by doing one of the following:
  - (a) instruct your Controlling Participant (usually your Broker) to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules in sufficient time for the Offer to be accepted before the end of the Offer Period. Acceptances must be received by 7pm (Sydney time) on the last day of the Offer Period, unless the Offer Period is extended; or
  - (b) complete and sign the accompanying personalised Acceptance Form and send it (together with all other documents required by the instructions on the form) directly to your Controlling Participant (usually your Broker) in sufficient time for the Offer to be accepted before the end of the Offer Period with instructions to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period. Acceptances must be received by 7pm (Sydney time) on the last day of the Offer Period, unless the Offer Period is extended; or
  - (c) complete, sign and return your personalised Acceptance Form in accordance with the instructions on it and lodge it by returning it to the address indicated on the Application Form (and set out below) in sufficient time so that your acceptance is received before 7pm (Sydney time) on the second last day of the Offer Period, unless the Offer Period is extended. This will authorise the Bidder to instruct your Broker or other Controlling Participant to initiate acceptance of the Offer on your behalf.
- **If you are a Broker or an ASX Settlement Participant**, to accept the Offer you must initiate acceptance in accordance with the requirements of the ASX Settlement Operating Rules before the end of the Offer Period. Acceptances must be received by 7pm (Sydney time) on the Closing Date, unless the Offer Period is extended.
- **If some of your Realm Shares are held in an Issuer Sponsored Holding and some in a CHESS Holding**, if you wish to accept the Offer you will need to accept the Offer separately for each holding. Paragraphs 4.3(a) and 4.3(c) of the Offer Terms in Appendix 1 contains further information on how to accept the Offer.

The postal and delivery addresses for your completed personalised Acceptance Form are as follows.

### **BY POST**

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 3001  
Australia

A reply paid envelope (for use by Realm Shareholders within Australia) is enclosed for your convenience.

The transmission of your personalised Acceptance Form and other documents is at your own risk.

For full details see section 4 of the Offer Terms in Appendix 1.



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# BIDDER'S LETTER

Dear Realm Shareholder,

The Bidder (a special purpose vehicle owned by T2 Trust) is pleased to present you with this Offer to acquire all of your shares in Realm for \$0.90 per Realm Share.

## Premium to last traded price

The \$0.90 per Realm Share price represents a:

- 5.9% premium to the last traded price of Realm Shares immediately prior to the last suspension of Realm Shares on the ASX on 13 July 2017;<sup>1</sup> and
- 9.8% premium to the 21 day VWAP of Realm Shares between 15 June 2017 and 13 July 2017.<sup>2</sup>

## Liquidity option

As you are aware, the ordinary shares in Realm continue to be suspended from trading on the ASX having been suspended since 13 September 2016 with the exception of a short trading window in June to July 2017. During this time Realm has been unable to re-comply with ASX Listing Rules. Realm Shares currently remain suspended with no certainty as to when a relisting may occur.

The Offer is intended to provide Realm Shareholders with the certainty of immediate cash consideration in contrast to the uncertain value of Realm Shares whilst the Company remains suspended from trading on the ASX.

In addition, the Bidder Group currently holds an 85.71% interest in Realm Shares. The Bidder's intentions with respect to Realm if it does not acquire sufficient shares to enable it to compulsorily acquire the remaining Realm Shares are set out in section 5 of this Bidder's Statement. Notably, the Bidder is not supportive of Realm's continued listing on the ASX (or the capital raising necessary to lift the current suspension of Realm Shares). While the decision to apply for a removal of Realm from the official list of the ASX lies with the Board of Realm, the Bidder intends to actively encourage the Board of Realm to apply for the removal of Realm from the official list to the extent it is able to do so consistently with ASX guidance.

If you do not accept the Offer and the Bidder does not compulsorily acquire the Realm Shares which have not been accepted into the Offer, you will remain a minority shareholder in Realm. In that circumstance, given Realm's likely ongoing suspension from trading on the ASX and the Bidder's intention to actively encourage Realm to apply for removal of Realm from the official list, you may not be able to readily sell your shareholding.

## Limited Conditionality

The Offer is conditional only on a customary prescribed occurrences condition and certain conditions regarding the Employee Securities (namely, by the end of the Offer Period, cancellation of the entitlement to shares under the Employee Options and vesting of all Employee Shares) – conditions which are generally within the control of Realm. Importantly the Offer is not subject to a minimum acceptance condition or regulatory approvals. Accordingly, subject to there being no prescribed occurrences before the end of the Offer Period and the conditions regarding the Employee Securities being satisfied, accepting Realm Shareholders will receive \$0.90 cash for every Realm Share they hold. Once the Offer is declared unconditional, Realm Shareholders who accept the Offer will be paid within 1 month after the Offer is declared free from all Conditions.

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1. Realm Shareholders should note that approximately 9 months have lapsed since Realm Shares were again suspended. Accordingly, the historical price of Realm Shares may not represent the value at which shares may trade on the ASX today.

2. Realm Shareholders should note that approximately 9 months have lapsed since Realm Shares were again suspended. Accordingly, the historical price of Realm Shares may not represent the value at which shares may trade on the ASX today.

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## BIDDER'S LETTER CONTINUED

The Bidder had hoped that the Offer would not be subject to the Conditions relating to the Employee Securities. However, the Bidder requires further information from Realm in order to dispense of those Conditions, namely the terms and conditions governing the Employee Securities, the number of outstanding invitations for Employee Options and the vesting terms for the Employee Shares. A request for that information was submitted on 6 February 2018. As of 9 March 2018, the Company has not provided the Bidder with the information requested and therefore the Offer remains subject to the Conditions relating to the Employee Securities.

We encourage you to read the Bidder's Statement for more details about the Offer, its terms and importantly the reasons for accepting the Offer. The Offer is currently open until 7pm (Sydney time) on 16 April 2018 unless extended or withdrawn. If you wish to accept the Offer, please follow the instructions set out in the Acceptance Form.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'MBL', with a stylized flourish at the end.

**Martin Boland**

T2 Resources Fund Pty Limited

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# REASONS TO ACCEPT THE OFFER

## **1 THE CASH CONSIDERATION PROVIDES AN IMMEDIATE LIQUIDITY EVENT AT AN ATTRACTIVE AND CERTAIN PRICE**

Realm Shares have been suspended since 13 September 2016, with the exception of a short trading window in June to July 2017. Realm Shares remain suspended with no certainty regarding a re-instatement of trading. The Offer provides Realm Shareholders with the certainty of immediate Cash Consideration at an attractive price.

## **2 THE OFFER PROVIDES A PREMIUM TO HISTORIC TRADING LEVELS FOR YOUR REALM SHARES**

The Offer represents:

- 5.9% premium on Realm Share price as at close of business on 13 July 2017, before quotation was re-suspended; and
- 9.8% premium on the volume weighted average price of Realm Shares on the period from 15 June 2017 to 13 July 2017.

## **3 REALM SHAREHOLDERS WILL NOT INCUR STAMP DUTY OR BROKERAGE CHARGES**

Realm Shareholders who accept the Offer will not incur stamp duty or brokerage charges.

Realm Shareholders should refer to section 7 of this Bidder's Statement which provides a brief guide to the Australian taxation implications for certain Realm Shareholders who accept the Offer in return for the Cash Consideration. The information applies only to individuals who hold their Realm Shares on capital account. Note that the information is general only and does not take into account your personal circumstances. In addition, the Bidder recommends you seek independent professional advice in relation to your own particular circumstances, situation or needs.

## **4 IF THE OFFER IS NOT SUCCESSFUL, AND NO ALTERNATIVE PROPOSAL EMERGES, YOU MAY NOT BE ABLE TO SELL YOUR REALM SHARES**

If the Offer is not successful, and in the absence of competing offers, there is a real risk that the value of your Realm Shares may decrease, therefore reducing the value of your investment and your exit opportunities.

Notably, the Bidder is not supportive of maintaining Realm's listing even if the Bidder is unable to acquire 100% of Realm Shares not held by Taurus.

If you do not accept the Offer and the Bidder does not compulsorily acquire the Realm Shares which have not been accepted into the Offer, you will remain a minority shareholder in Realm. In that circumstance, given Realm's likely ongoing suspension from trading on the ASX, you may not be able to readily sell your shareholding.

If you do not accept the Offer, and the outstanding Realm Shares are subject to compulsory acquisition by the Bidder, you may face a delay in receiving the consideration for your Realm Shares compared with Realm Shareholders who accepted the Offer during the Offer Period.

# 1

## FREQUENTLY ASKED QUESTIONS

You may have questions in relation to the Offer. The following set of questions and answers is intended to assist in your understanding of the Offer. They are qualified by, and should be read in conjunction with, the detailed information contained in this Bidder's Statement. You should read this Bidder's Statement in full before deciding whether or not to accept the Offer.

#	Question	Answer	Section
1	<b>What is the Offer?</b>	<p>The Bidder is offering to buy all of your Realm Shares by way of an off-market takeover bid.</p> <p>If you accept the Offer and the Offer is declared or becomes unconditional, you will be entitled to the Cash Consideration of \$0.90 for each Realm Share you hold on the Register Date.</p>	Refer to section <b>1</b> and Appendix 1 for further details.
2	<b>Who is making the Offer?</b>	<p>T2 Resources Fund Pty Limited is the Bidder and is offering to acquire all of your Realm Shares.</p> <p>The Bidder is making the Offer on behalf of T2 Trust and T2 LP who together own 85.71% of the issued share capital of Realm.</p> <p>T2 Trust wholly owns the Bidder as at the date of this Bidder's Statement.</p>	Refer to section <b>3</b> for further details.
3	<b>Who is T2 Trust and T2 LP?</b>	<p>T2 Trust and T2 LP together comprise what is known as the T2 Fund. The T2 Fund is a closed-end investment vehicle whose strategy is to invest in emerging mining and metals companies with projects primarily in the appraisal and development stages.</p> <p>T2 LP is a limited partnership investment fund established in the Cayman Islands. T2 Trust is an unregistered trust established in Australia. The general partner of T2 LP is Taurus Resources Limited GP No. 2 LLC, a Delaware limited liability company.</p> <p>The T2 Fund is managed by Taurus Funds Management Pty Limited which is part of the Taurus group, an independent, global funds management group whose clients include institutional and high net worth individuals. The Taurus group specialises in investments in the mined commodities industry.</p> <p>The T2 Trust is an unlisted investment trust established under the laws of Australia. Taurus Funds Management Pty Limited is the trustee of the T2 Trust.</p>	Refer to section <b>3</b> for further details.

## REASONS TO ACCEPT THE OFFER CONTINUED

#	Question	Answer	Section
4	What are the governance arrangements between T2 Trust and T2 LP in respect of the Bidder?	<p>T2 Trust, T2 LP and the Bidder are party to the Bid Funding Agreement which governs the operation and funding of the Bidder in respect of the Offer.</p> <p>Any decisions and actions in relation to the Offer made by the Bidder must be approved by the T2 Trust and T2 LP. Accordingly, T2 Trust and T2 LP have joint control of the Bidder.</p> <p>In order to fund the Cash Consideration, T2 Trust and T2 LP will subscribe for additional shares in the Bidder.</p>	Refer to section 3 for further details.
5	What relevant interest does the Bidder have in Realm and what voting power does the Bidder and its associates have in Realm?	<p>As at the date of this Bidder's Statement:</p> <ul style="list-style-type: none"> <li>the Bidder has a relevant interest in 1.88% of Realm Shares; and</li> <li>the Bidder and its associates have voting power of 85.71% in Realm Shares.</li> </ul>	Refer to section 4.7 and section 4.8 for further details.
6	How will the Bidder fund the Cash Consideration?	<p>The T2 Trust and the T2 LP will subscribe for new shares in the Bidder in the following proportions:</p> <ul style="list-style-type: none"> <li>97.7995% by T2 LP; and</li> <li>2.2005% by T2 Trust.</li> </ul> <p>The proceeds of those share subscriptions will be used by the Bidder to satisfy the Cash Consideration.</p> <p>The T2 Trust and the T2 LP have access to readily available cash reserves and unconditional undrawn capital commitments in order to subscribe for shares in the Bidder equal to the full amount of the Cash Consideration required in connection with the Offer.</p>	Refer to section 6 for further information.
7	What happens if I accept the Offer and then the Bidder increases the Cash Consideration?	<p>The Bidder does not have any current intention to increase the Cash Consideration (although it reserves the right to do so).</p> <p>If the Bidder improves the Cash Consideration, all Realm Shareholders who accept the Offer (whether they have accepted the Offer before or after improvement of the Cash Consideration) will be entitled to receive the benefit of the improved Cash Consideration, should the Offer become or be declared unconditional.</p>	
8	Is there a minimum acceptance condition?	<p>No, the Offer does not have a minimum acceptance condition. You can accept the Offer knowing that, subject to fulfilment or waiver of the limited Conditions to the Offer (which are largely within the control of Realm), you will receive the Cash Consideration within the relevant period mandated by the Offer.</p>	

## REASONS TO ACCEPT THE OFFER CONTINUED

#	Question	Answer	Section
9	What choices do I have as a Realm Shareholder?	<p>You have the following choices in respect of your Realm Shares:</p> <ul style="list-style-type: none"> <li>• accept the Offer in return for the Cash Consideration;</li> <li>• do nothing; or</li> <li>• attempt to sell your shares off-market.</li> </ul>	
10	Why I should accept the Offer?	<p>The Offer is designed to deliver significant benefits to Realm Shareholders, as follows:</p> <ul style="list-style-type: none"> <li>• the Offer provides an immediate liquidity event at an attractive and certain price;</li> <li>• the Offer provides a premium to historic trading levels for your Realm Shares;</li> <li>• Realm Shareholders will not incur stamp duty or brokerage charges; and</li> <li>• if the Offer is not successful, and no alternative proposal emerges, you may not be able to sell your Realm Shares.</li> </ul>	Refer to section entitled 'Reasons to accept the Offer' for further details.
11	When does the Offer open and close?	<p>The Offer will open on 14 March 2018 and is scheduled to close at 7pm (Sydney time) on 16 April 2018.</p> <p>The Offer Period can be extended as permitted by the Corporations Act.</p>	Refer to paragraph 3 of Appendix 1 for further details.
12	How do I accept the Offer?	Please refer to section 2.2 and the instructions on the accompanying Acceptance Form.	Refer to section 2.2 and paragraph 5 of Appendix 1 for further details.
13	What are the Conditions of the Offer?	<p>The Offer is subject only to customary prescribed occurrences conditions, all existing Employee Options being cancelled prior to close of the Offer Period and no Employee Shares remaining unvested at the end of the Offer Period.</p> <p>Further information on all the Offer Conditions can be found in Appendix 2.</p>	Refer to paragraph 6 of Appendix 1 and Appendix 2 for further details.
14	When will I receive the Cash Consideration?	<p>If you accept the Offer, the Bidder will pay you the Cash Consideration on or before the earlier of:</p> <ul style="list-style-type: none"> <li>• one month after the later of the Offer being validly accepted by you and the Offer (or the contract resulting from acceptance of the Offer) becoming unconditional; and</li> <li>• 21 days after the end of the Offer Period, provided that the Offer has become unconditional.</li> </ul>	Refer to paragraph 5 of Appendix 1 for further details.

## REASONS TO ACCEPT THE OFFER CONTINUED

#	Question	Answer	Section
15	What happens if Realm declares a dividend (or if any Rights arise) during the Offer Period?	<p>If you continue to hold Realm Shares on the record date for any Realm dividend, you will be entitled to receive that dividend.</p> <p>However, the value of the Cash Consideration will be reduced by the amount of any Realm dividend which arises or accrues after the Announcement Date.</p>	Refer to paragraph 5.4 of Appendix 1 for further details.
16	Can I accept the Offer for part of my holding?	No – you may only accept the Offer for all of your Realm Shares.	Refer to paragraph 1 of Appendix 1 for further details.
17	Can I withdraw my acceptance?	Under the Offer Terms, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act. Such a withdrawal right will arise if, after you have accepted the Offer, the Bidder varies the Offer in a way that postpones, for more than one month, the time when the Bidder has to meet its obligations under the Offer (for example, if the Bidder extends the Offer for more than one month while the Offer remains conditional).	Refer to paragraph 8 of Appendix 1 for further details.
18	What happens if I do not accept the Offer?	<p>If you do not accept the Offer, the Bidder may become entitled to compulsorily acquire your Realm Shares. There are two possible avenues under which the Bidder may compulsorily acquire your Realm Shares. Those are described further in section 5.2(a).</p> <p>If the Offer becomes or is declared unconditional but the Bidder does not become entitled to compulsorily acquire your Realm Shares, you will remain a shareholder in Realm.</p> <p>For the Bidder's intentions in relation to the ongoing listing of Realm, please refer to sections 5.2(b) and 5.3(c).</p>	Refer to sections 5.2, 5.3, 5.4 and 5.5 for further information.
19	Does a cooling off period apply to acceptances of the Offer?	No, cooling off rights do not apply to acceptances made under the Offer.	Refer to paragraph 8 of Appendix 1 for further details.
20	Can the Bidder extend the Offer Period?	Yes, the Offer Period can be extended at the Bidder's election or otherwise in accordance with the Corporations Act. The Bidder will give written notice of any extension of the Offer Period in accordance with the Corporations Act.	Refer to paragraph 3 of Appendix 1 for further details.

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## REASONS TO ACCEPT THE OFFER CONTINUED

#	Question	Answer	Section
21	Can I sell my Realm Shares on the ASX?	<p>As you are aware, Realm shares are currently suspended from trading and have been suspended since 13 September 2016 with the exception of a short trading window in June to July 2017. Therefore, your Realm Shares cannot be sold on the ASX until the suspension is lifted.</p> <p>You may sell your Realm Shares off market if you can find a relevant buyer. If you have already accepted the Offer, you will be unable to settle any subsequent sale of your Realm Shares, unless you are entitled to withdraw your acceptance in accordance with the terms of the Offer.</p>	Refer to paragraph 8 of Appendix 1 for further details.
22	What if the Offer Conditions are not satisfied or waived?	<p>In the event that the Conditions are not satisfied or waived by the end of the Offer Period, then the Offer will lapse and your acceptance will be void.</p> <p>You will continue to hold your Realm Shares and be free to deal with your Realm Shares as if the Offer had not been made, unless you have already sold your Realm Shares to someone else.</p>	Refer to paragraph 6 of Appendix 1 for further details.
23	What are the tax implications of accepting this Offer?	<p>Section 7 provides a brief guide to the Australian tax implications for certain Realm Shareholders who accept the Offer.</p> <p>The information only applies to individuals who hold their Realm Shares on capital account. Note that this information is general only and does not take into account your personal circumstances, situation or needs. In addition, the Bidder recommends you seek independent professional advice in relation to your own particular circumstances.</p>	Refer to section 7 for further details.
24	Will I need to pay brokerage or stamp duty if I accept the Offer?	<p>You will not pay brokerage or stamp duty on the disposal of your Realm Shares if you accept the Offer. If your Realm Shares are in a CHESS Holding or you hold your Realm Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually, your Broker or the bank, custodian or other nominee) whether it will charge any transaction fees or services charges.</p>	Refer to section 7 for further details.



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# 2 OVERVIEW OF THE OFFER

The following is a summary only of the Offer and is qualified by the detailed information contained in the rest of this Bidder's Statement. You should read this Bidder's Statement in full before deciding how to deal with your Realm Shares.

The terms and Conditions of the Offer are contained in Appendices 1 and 2.

## 2.1 SUMMARY OF THE OFFER TERMS AND CONDITIONS

### The Offer

The Bidder offers to acquire all of your Realm Shares on the Offer Terms set out in Appendix 1 and subject to the Conditions in Appendix 2. You will be entitled to receive \$0.90 cash for every Realm Share acquired from you.

The Offer relates to Realm Shares that exist or will exist as at the Register Date.

The Offer also extends to all Realm Shares that are issued between the Register Date and the end of the Offer Period as a result of the conversion of, or exercise of all rights attached to, other securities that are convertible into Realm Shares (including the Employee Options) or the vesting of the Employee Shares.

### Offer Period

The Offer is scheduled to close at 7pm (Sydney time) on 16 April 2018 (but it may be extended).

### Payment Date

If you accept the Offer and the Offer is declared or becomes unconditional, in the usual case you will be provided with the Cash Consideration on or before the earlier of:

- 1 month after the later of the Offer being validly accepted by you and the Offer (or the contract resulting from the acceptance of the Offer) becoming unconditional; and
- 21 days after the end of the Offer Period, provided that the Offer has become unconditional,

in each case, provided that all relevant documents have been received and correctly completed.

### Conditions

The Offer is subject to a number of Conditions as set out in Appendix 2 to this Bidder's Statement as follows:

- (a) no "prescribed occurrences" occurring;
- (b) all existing Employee Options are cancelled prior to the end of the Offer Period; and
- (c) no Employee Shares remain unvested at the end of the Offer Period.

This is only a summary of the Conditions. The Conditions are set out in full in Appendix 2 to this Bidder's Statement.

If the Conditions are not satisfied or waived by the Bidder then the Offer will not proceed.

## 2.2 HOW TO ACCEPT THE OFFER?

Acceptances for the Offer must be received in sufficient time to be acted upon before the close of the Offer Period. To accept the Offer you should follow the instructions set out in paragraph 4 of the Offer Terms and the relevant Acceptance Form.

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## **2 OVERVIEW OF THE OFFER CONTINUED**

### **2.3 DISTRIBUTIONS**

Realm Shareholders will be entitled to retain the right to receive distribution on Realm Shares up to the date the sale of your Realm Shares is completed.

However, the value of the Cash Consideration will be reduced by the amount of any Realm dividend which arises or accrues after the Announcement Date.

### **2.4 FURTHER INFORMATION**

If you have any questions in relation to the Offer or how to accept it, or if you have lost your personalised Acceptance Form and require a replacement, please call the Bidder information line on 1800 810 147 (callers in Australia) or +61 3 9415 4278 (callers outside Australia) between 8.30am and 5.30pm (Sydney time) on Business Days.

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# 3 INFORMATION REGARDING THE BIDDER

## 3.1 STRUCTURE OF THE BIDDER GROUP

The Bidder is a proprietary company incorporated in New South Wales. The Bidder is a special purpose vehicle which was incorporated for the sole purpose of making this Offer and holding Realm Shares.

Other than its nominal share capital and Realm Shares recently acquired from the T2 Trust, the Bidder has no other assets or liabilities. The Bidder's funding arrangements in relation to the Offer are set out in section 6.

The directors of the Bidder are set out below:

<b>Martin Boland</b>	Martin is an officer of Taurus Funds Management Pty Limited and is based in Melbourne. He holds a Bachelor of Business (Economics & Finance) and a Masters of Mining Engineering. Prior to joining Taurus Funds in 2014, Martin worked in investment banking including with Barclays Capital and ABN Amro Bank.
<b>Rohan Menon</b>	Rohan is a director of Taurus Funds Management Pty Limited and is based in Sydney. He has 20 years' experience in project financing, corporate advisory, investment analysis and funds management in the mining sector. Rohan has worked at ABN AMRO, ANZ, Rothschild, West LB and Mercer. Rohan has a First Class Honours degree in Physics, a Masters degree in Mathematics, is a CFA Charterholder and a Graduate Member of the Australian Institute of Company Directors.

## 3.2 THE BIDDER GROUP OVERVIEW

As at the date of this Bidder's Statement, the Bidder is wholly owned by the T2 Trust. Prior to the date of this Bidder's Statement, T2 Trust transferred the legal and beneficial interest in the 1.88% of Realm Shares which it owns to the Bidder.

T2 Trust and T2 LP will subscribe for additional shares in the Bidder in order to fund the Cash Consideration in the following proportions:

- 97.7995% by T2 LP; and
- 2.2005% by T2 Trust.

T2 Trust and T2 LP together comprise the T2 Fund. T2 LP is a limited partnership investment vehicle established in the Cayman Islands. T2 LP is a closed-end investment vehicle whose strategy is to invest in emerging mining and metals companies with projects primarily in the appraisal and development stages. The general partner of T2 LP is Taurus GP No.2 LLC, a Delaware limited liability company and a Cayman Island registered foreign company. T2 Trust is an unlisted investment trust established under the laws of Australia.

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### 3 INFORMATION REGARDING THE BIDDER CONTINUED

Taurus Funds Management Pty Limited is the trustee of the T2 Trust.

The T2 Fund is managed by Taurus Funds Management Pty Limited, an independent, global funds management group whose clients include institutional and high net worth individuals. Taurus Funds Management Pty Limited is wholly owned by Taurus SM Holdings Pty Limited. The shareholders of Taurus SM Holdings Pty Limited are M.D. Sass Finstrat Taurus Holdings, LLC (a third party investor), Michael Davies Investments Pty Limited as trustee for The Michael Davies Family Trust (an associate of Michael Davies, an executive of Taurus Funds Management Pty Limited and a director of Realm), Gordon Thomas Galt as trustee for The Galt Superannuation Fund (Gordon Galt is an executive of Taurus Funds Management Pty Limited and a director of Realm) and RK Menon Holdings Pty Ltd as trustee for the RK Menon Family Trust (an associate of Rohan Menon, an executive of Taurus Funds Management Pty Limited and a director of the Bidder).

T2 LP is an existing Realm Shareholder while T2 Trust was a Realm Shareholder prior to transferring its Realm Shares to the Bidder. The Bidder (through its holding and associations with T2 LP and T2 Trust) has voting power of 85.71% in Realm.

#### 3.3 TAURUS FUNDS OVERVIEW

Established in 2006, Taurus Funds is an independent, global fund manager which provides investment services to institutional and high net worth clients. Taurus Funds specialises in investment products based on the mined commodities industries and employs a team of experienced geologists, mining engineers, mining financiers, metallurgists and portfolio managers. Taurus Funds focusses on funding the evaluation, development and operation of mining projects in public and private small cap mining companies.

# 4 INFORMATION ON REALM

## 4.1 DISCLAIMER

The following information on Realm has been prepared by the Bidder using publicly available information and other information available to the Bidder, and has not been independently verified.

Accordingly, subject to the Corporations Act, none of the Bidder, the Bidder Directors or any member of the Bidder Group or their respective officers or employees makes any representation or warranty (express or implied) as to the accuracy or completeness of this information.

The information on Realm in this Bidder's Statement should not be considered comprehensive. You should refer to Realm's website and Realm's Target Statement which will be sent to you by Realm soon in response to this Bidder's Statement.

## 4.2 OVERVIEW OF REALM AND ITS PRINCIPAL ACTIVITIES

### (a) Overview of Realm business

Realm is an Australian based company that holds a portfolio of interests in various mining and resources related assets:

- 70% interest in Foxleigh;
- 51% interest in the Katingan Ria Thermal Coal Project located in Central Kalimantan, Indonesia;
- 74% interest in Alumicor, an aluminium dross and scrap re-smelting operation located in KwaZulu-Natal Province, South Africa; and
- 45 million shares in Chrometco.

It is noted that Realm has announced its intentions to undertake a divestment of its Alumicor and Chrometco interests.<sup>3</sup>

### (b) Overview of Realm management and directors

Directors <sup>4</sup>	Management & Other
Mr Gordon Galt (Non-Executive Chairman)	Richard Rossiter (Executive General Manager – Business Development)
Mr Michael Davies (Non-Executive Director)	Theo Renard (Chief Financial Officer and Company Secretary)
Mr Staffan Ever (Non-Executive Director)	Eva Armila (General Manager Legal – Indonesia)
Mr James Beecher (Non-Executive Director)	
Mr Michael Rosengren (Managing Director)	

3. See ASX announcement dated 14 July 2017 entitled 'Update Presentation'.

4. Mr Galt and Mr Davies are nominees of the Bidder Group.

## 4 INFORMATION ON REALM CONTINUED

(c) Overview of Realm assets and operations

Realm's flagship asset is a 70% interest in Foxleigh. Foxleigh is owned and operated as a joint venture as follows:

Joint venturer	Interest in Foxleigh
Foxleigh Coal Pty Limited	70%
POSCO	20%
Nippon	10%

POSCO and Nippon are longstanding customers of Foxleigh.

The mine was established in 1999 as an open cut operation producing benchmark quality, low-volatile pulverised coal injection metallurgical coal for the export market. Low-volatile pulverised coal injection coal is used in steel production, principally by customers in Japan and Korea. Saleable production in CY2017 was approximately 2,963 thousand tonnes (100% basis).

Foxleigh is comprised of seven mining leases and three exploration permits for coal. Mining is undertaken using conventional truck and shovel operations, with raw coal delivered to Foxleigh's coal handling and preparation plant. Product coal is hauled 27km to a dedicated train loading facility before being railed 280km to the Dalrymple Bay Coal Terminal near Mackay, Queensland.

Realm acquired its 70% interest in Foxleigh on 29 August 2016 from Anglo with the transaction undertaken by Realm's 99.9% owned subsidiary Middlemount South Pty Ltd. Under the transaction, Middlemount South Pty Ltd acquired 100% of the shares in Foxleigh Coal Pty Limited and 100% of EPC 1669 tenement from Anglo. Foxleigh Coal Pty Limited owns 70% of the Foxleigh joint venture and 100% of EPC 855.

As part of the Foxleigh transaction, bank guarantees totalling A\$85.3m were put in place as follows:

- in favour of the State of Queensland in respect of the mining licences of the Foxleigh joint venture; and
- in favour of various counterparties to Foxleigh joint venture contracts.

As part of the terms of the Foxleigh transaction, Foxleigh Coal Pty Limited is obliged to pay Anglo a semi-annual royalty on its 70% share of coal extracted and sold from the assets acquired for a period of 12.5 years. The royalty payments are made based on the Average Coal Price Achieved ("ACPA") in each six-month royalty period based on the following scale:

- if ACPA is greater than A\$105 per tonne then a payment of A\$1.00 per tonne; or
- if ACPA is greater than A\$115 per tonne then a payment of A\$2.00 per tonne; or
- if ACPA is greater than A\$130 per tonne then a payment of A\$3.00 per tonne.

Royalty payments are capped at A\$75.0m in aggregate.

(d) Overview of Realm debt facilities

Realm has in place a US\$98.5m secured loan facility provided by Taurus Mining Finance Fund. The secured loan facility comprises a performance guarantee facility for US\$78.5m and a working capital facility for US\$20m and has a current maturity date of 31 January 2019. Drawn amounts of the secured loan facility attract a 9.0% per annum interest rate.<sup>5</sup>

The Taurus Mining Finance Fund is separate and distinct to the T2 Fund.

5. See Realm ASX announcements 8 December 2017 and 29 August 2017.

## 4 INFORMATION ON REALM CONTINUED

### 4.3 PUBLICLY AVAILABLE INFORMATION

Realm is a company listed on the ASX and is therefore subject to the periodic and continuous disclosure requirements of the Corporations Act and ASX Listing Rules. As such, Realm is required to lodge various documents with the ASX and ASIC. For information concerning the financial position and affairs of Realm, you should refer to documents lodged with the ASX and ASIC by Realm which may be obtained from the ASIC office.

Realm's annual report for the year ended 31 December 2016 was given to the ASX on 3 April 2017. Since 31 December 2016, Realm has made a number of announcements to the ASX that may be relevant to its financial position. A copy of each of these announcements, including Realm's financial report, may be obtained from the ASX.

In addition, the Corporations Act requires the Realm Directors to provide a Target's Statement to Realm Shareholders, setting out certain material information regarding Realm.

### 4.4 REALM CAPITAL STRUCTURE

According to documents lodged by Realm with the ASX and ASIC, as at the Business Day immediately before the date of this Bidder's Statement, Realm has the following securities on issue:

Class of security	Total number on issue
Ordinary shares <sup>6</sup>	253,259,495
Options <sup>7</sup>	200,000
Total	253,459,495

Realm Shares are quoted on the ASX but are currently subject to a trading suspension.

### 4.5 SUBSTANTIAL SHAREHOLDERS

Substantial holder	Number of Realm Shares	Voting power (%)
Bidder	217,064,841	85.71%
Taurus Funds Management Pty Ltd as trustee of T2 Trust	217,064,841	85.71%
Taurus Resources Ltd No 2 GP LLC as general partner of T2 LP	217,064,841	85.71%
Taurus SM Holdings Pty Limited	217,064,841	85.71%
M.D. Sass Finstrat Taurus Holdings, LLC	217,064,841	85.71%

6. On 27 February 2018, Realm lodged an Appendix 3C and announced the buy-back and cancellation of 2,116,666 employee plan shares in Realm. On the same date, Realm also lodged an Appendix 3B and disclosed the issue of 500,000 new ordinary shares in Realm. As a result, the total number of Realm shares on issue has changed since the date of the Original Bidder's Statement.

7. Exercisable on or before 21 March 2020 at an exercise price of \$0.615.

## 4 INFORMATION ON REALM CONTINUED

### 4.6 RECENT SHARE PERFORMANCE OF REALM

The last recorded price of Realm Shares on the ASX (prior to suspension) on 13 July 2017 was \$0.085 (on a pre-consolidation basis).

### 4.7 DETAILS OF RELEVANT INTERESTS IN REALM SECURITIES

Details of the Bidder's relevant interests in the securities of Realm are set out in the table below:

Class of securities	Total number in class	Relevant interest of the Bidder immediately before the Bidder's Statement lodged with ASIC	Relevant interest of the Bidder immediately before the first Offer is sent
Ordinary shares	253,259,495	4,750,561 (1.88%)	4,750,561 (1.88%)

### 4.8 DETAILS OF VOTING POWER IN REALM

As at the date of this Bidder's Statement, the Bidder's voting power in Realm is 85.71%.

The Bidder's voting power in Realm as at the date immediately before the first Offer is sent is 85.71%.

### 4.9 DIVIDENDS

Realm has not paid a dividend to Realm Shareholders since 1999.<sup>8</sup>

### 4.10 CONSIDERATION PROVIDED FOR REALM SECURITIES DURING PREVIOUS FOUR MONTHS

The Bidder and its associates have not acquired or disposed of Realm Shares during the period of four months including on the day immediately before the date of the Offer.<sup>9</sup>

On 12 February 2013, T2 LP and T2 Trust entered into options deeds with the Company pursuant to which they were issued with 100,000,000 options (in aggregate) with an exercise price of \$0.05.<sup>10</sup> In accordance with those option deeds, T2 Trust and T2 LP exercised those options on 30 January 2018 and were issued the shares on 12 February 2018.

### 4.11 NO COLLATERAL BENEFITS

Neither the Bidder nor any of its associates has in the four months before the date of this Bidder's Statement or in the period between the date of this Bidder's Statement and the date of the Offer, given, offered or agreed to give a benefit which is not being offered to all Realm Shareholders under the Offer to another person which was likely to induce the other person (or an associate) to accept the Offer or dispose of Realm Shares.

8. See ASX announcement dated 10 March 1999.

9. Note there was a transfer of Realm Shares within the Bidder Group from the T2 Trust to the Bidder as noted in section 3.2.

10. On a post consolidation basis, the number of options were consolidated to 10,000,000 at an issue price of \$0.50.



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# 5 THE BIDDER'S INTENTIONS

## 5.1 GENERAL

This section 5 sets out the Bidder's intentions in relation to:

- (a) the continuation of Realm's business and assets;
- (b) any major changes to be made to the business of Realm, including any redeployment of the assets of Realm; and
- (c) the future employment of the present employees of Realm and the future appointment of the Realm Directors.

These intentions are based on the information concerning Realm, its business and the general business environment which is known to the Bidder at the time of preparation of this Bidder's Statement.

The Bidder does not currently have full knowledge of all material information, facts and circumstances that are necessary to assess the operational, commercial, tax and financial implications of its current intentions. Final decisions regarding these matters will only be made by the Bidder in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section 5 are statements of current intent only, which may change as new information becomes available to the Bidder or as circumstances change.

## 5.2 INTENTIONS UPON BECOMING THE HOLDER OF GREATER THAN 90% OF REALM SHARES

This section sets out the Bidder's current intentions if the Bidder Group becomes the holder of 90% or more of the Realm Shares, and is entitled to proceed to compulsory acquisition of the outstanding Realm Shares.

### (a) Compulsory acquisition

If the Bidder Group becomes the holder of at least 90% of Realm Shares and acquires at least 75% of the Realm Shares that the Bidder offered to acquire under the Offer, and the Conditions are satisfied or waived, the Bidder intends to give notices to compulsorily acquire any outstanding Realm Shares in accordance with Part 6A.1 (compulsory acquisition following a takeover bid) of the Corporations Act. If the Bidder compulsorily acquires your Realm Shares under this avenue, you will receive the Cash Consideration.

If the Bidder Group becomes the holder of at least 90% of Realm Shares but does not acquire at least 75% of the Realm Shares that the Bidder offered to acquire under the Offer, and the Conditions are satisfied or waived, the Bidder intends to give notices to compulsorily acquire any outstanding Realm Shares in accordance with Part 6A.2 (general compulsory acquisition) of the Corporations Act.

If the Bidder proceeds to compulsory acquisition under Part 6A.2 of the Corporations Act, an independent expert's report will be prepared which will state whether, in the expert's opinion, the terms proposed in the compulsory acquisition notice give a fair value for the securities concerned. Provided that the Bidder meets the requirements of the Corporations Act (including a favourable expert's report), the Bidder will be entitled to compulsorily acquire the remaining Realm Shares not accepted under the Offer if:

- (i) no Realm Shareholder objects to the compulsory acquisition or the number of objecting Realm Shareholders represents less than 10% of the value of those remaining securities at the end of the objection period; or
- (ii) the court approves the acquisition.

### (b) ASX Listing

At the conclusion of the compulsory acquisition process, the Bidder intends to actively encourage the Board of Realm to apply for the removal of Realm from the official list of the ASX.

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## 5 THE BIDDER'S INTENTIONS CONTINUED

(c) **Head office**

After the end of the compulsory acquisition process, the Bidder intends to undertake an orderly transfer of Realm's corporate functions from Sydney to Brisbane. This will involve the closure of Realm's Sydney office with all corporate roles to be located in Brisbane.

(d) **Operations and assets**

The Bidder's intention is to continue the operation of Realm's existing business and in particular to focus on the successful operation of Foxleigh. The Bidder's primary focus will be on ensuring that the activities at Foxleigh are undertaken in accordance with all operating permits, licences and regulations and in-line with industry best practice environmental, social and governance standards.

The Bidder intends to undertake a divestment of Realm's Alumicor and Chrometco interests.

(e) **Directors and Employees**

Following the end of the Offer Period and consistent with the above intentions, it is intended that the Bidder will conduct a broad based review of the employment and roles of all of Realm's employees and the ongoing appointment of the Realm Directors.

As a result of its review, the Bidder may identify employee positions which will not be required by the Combined Group, including positions related to operations that the Bidder divests. It is possible that job losses will result from this review. If redundancies do occur, the relevant employees will receive those contractual or other legal entitlements they are entitled to receive.

### 5.3 INTENTIONS UPON BECOMING THE HOLDER OF LESS THAN 90% OF REALM SHARES

If the Bidder Group becomes the holder of less than 90% of the Realm Shares then the Bidder will not be able to compulsorily acquire the Realm Shares which have not been accepted into the Offer. In this circumstance:

- (a) the Bidder will seek to implement the intentions in Section 5.2 to the extent possible;
- (b) the Bidder will seek to replace all current Realm Directors (other than those which it determines to retain following a review) with nominees of the Bidder;
- (c) the Bidder is not supportive of Realm's continued listing on the ASX (or the capital raising necessary to lift the current suspension of Realm Shares from trading on the ASX). While the decision to apply for a removal of Realm from the official list of the ASX lies with the Board of Realm, the Bidder will actively encourage Realm to apply for removal of Realm from the official list of the ASX to the extent it is able to do so consistently with ASX guidance. ASX's guidance in relation to the removal of entities from the official list of the ASX is set out in ASX Guidance Note 33.

If, following a takeover, the number of Realm Shareholders (excluding the Bidder and its Related Bodies Corporate) having holdings with a value of at least \$500 is not fewer than 150, it is uncertain what conditions would be imposed by ASX in circumstances where, in the Bidder's opinion, there is currently no reasonable prospect of the suspension of Realm Shares being lifted. In the context of a company which is not suspended, ASX generally imposes the condition that shareholder approval is required for the removal (and for 12 months after a takeover bid, any votes cast by the bidder and its associates will be excluded). ASX guidance on this issue also notes that an unacceptable reason for requesting removal from the official list is if the company is doing so solely or primarily to deny minority shareholders a market for their securities in order to coerce them into accepting an offer from a controlling shareholder to buy their securities (noting however that, in this case, Realm is suspended so there is no market at present). Even if shareholder approval is not obtained or ASX otherwise does not wholly agree to the request for removal from the official list, Realm Shareholders should note that ASX's policy is to remove from the official list any entity whose securities have been suspended from trading for a continuous period of 3 years.

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## 5 THE BIDDER'S INTENTIONS CONTINUED

If, following a takeover, the number of Realm Shareholders (excluding the Bidder and its Related Bodies Corporate) having holdings with a value of at least \$500 is fewer than 150, then ASX would be expected to delist Realm without conditions.

In considering the Bidder's prospects of succeeding with these intentions, Realm Shareholders should note the intention regarding the ongoing appointment of the Realm Directors set out in section 5.3(b). Any nominee directors that the Bidder appoints may be supportive of an application for Realm's removal from the official list, subject to their fiduciary duties to act in the best interests of Realm; and

- (d) the Bidder will continue to deal with its stake in Realm with a view to maximising its returns.

### 5.4 INTENTIONS GENERALLY

Except for the changes and intentions set out in this section 5, the Bidder intends, based on the information presently known to it:

- (a) to continue the business of Realm;
- (b) not to make any major changes to the business of Realm or the deployment of Realm's assets; and
- (c) to continue the employment of Realm's employees.

### 5.5 LIMITATIONS ON INTENTIONS

The intentions and statements of future conduct set out in this section 5 must be read as being subject to:

- (a) the law (including the Corporations Act) and the ASX Listing Rules, including in particular the requirements of the Corporations Act and the ASX Listing Rules in relation to conflicts of interest and "related party" transactions given the Bidder is or will be a related party of Realm for these purposes; and
- (b) the legal obligations of the Realm Directors at the time, including any nominees of the Bidder, to act in good faith in the best interests of Realm Shareholders and for proper purposes and to have regard to the interests of all Realm Shareholders.

Accordingly, this section 5 must be read and understood on this basis.

# 6

## BIDDER FUNDING

### 6.1 CONSIDERATION UNDER THE OFFER

The Cash Consideration for the acquisition of Realm Shares will be satisfied in cash (in Australian dollars).

### 6.2 CASH CONSIDERATION

Based on the number of Realm Shares on issue as at the date of this Bidder's Statement, the maximum amount of cash that would be payable by the Bidder under the Offer if acceptances were received for all Realm Shares in return for the Cash Consideration is approximately \$32,575,188.60.

On 16 February 2018, the Bidder, T2 Trust and T2 LP entered into the Bid Funding Agreement. Pursuant to the Bid Funding Agreement, T2 LP and T2 Trust are obliged to subscribe for shares in the Bidder for a subscription price which provides sufficient cash to allow the Bidder to meet its obligations under the Offer.

### 6.3 SOURCES OF CASH CONSIDERATION

(a) Cash amounts held by the Bidder

The Bidder has no cash reserves other than its initial share capital of \$1,000.

(b) Cash available from T2 Trust and T2 LP

T2 Trust and T2 LP will fund their unconditional financial obligations under the Bid Funding Agreement using existing cash resources which have been allocated to satisfy its commitment under the Bid Funding Agreement. As at the date of this Bidder's Statement, the T2 Trust and T2 LP have (in aggregate) cash reserves in excess of US\$16,600,000 (approximately A\$21,200,000<sup>10</sup>). The remainder will be funded using unconditional undrawn capital commitments from investors in T2 Trust and T2 LP, the vast majority by value of which are third party passive institutional investors. The undrawn capital commitments can be utilised by T2 Trust and T2 LP by issuing drawdown notices to their investors when the need to deploy funds arises, and the investors of T2 Trust and T2 LP will be required to provide the funds requested within 14 days. For the purposes of this transaction, T2 Trust and T2 LP have sought and been granted consent and funding approval from their investors to proceed with the Offer. In addition, Realm Shareholders should note that, other than cash reserves, T2 Trust and T2 LP hold a portfolio of shares listed and readily tradeable on the ASX and the London Stock Exchange currently valued at over \$90 million. Neither the cash nor the shares have been encumbered or otherwise allocated in favour of or to any third party.

T2 Trust and T2 LP have confirmed that they will maintain cash reserves and undrawn capital commitments of at least \$32,575,188.60 during the Offer Period and compulsory acquisition process (except to the extent such amount is no longer needed to satisfy the Bidder's obligations under the Offer Terms or the compulsory acquisition process).

### 6.4 PROVISION OF CONSIDERATION

On the basis of the arrangements described in this section, the Bidder is of the opinion that it has a reasonable basis for holding the view, and holds the view, that the Bidder will be able to provide 100% of the Cash Consideration offered under the Offer.

10. Based on the USD/AUD spot rate as at 9 March 2018.

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# 7 TAXATION CONSIDERATIONS

## 7.1 INTRODUCTION

The following is a general description of the Australian income and capital gains tax (**CGT**) consequences to Realm Shareholders on disposing of their Realm Shares (through acceptance of the Offer) in return for the Cash Consideration. The Australian taxation consequences for Realm Shareholders will depend on their individual circumstances. Realm Shareholders should make their own enquiries and seek independent professional advice on their circumstances. The comments set out below are relevant only to those Realm Shareholders who hold their Realm Shares as capital assets for the purpose of investment and who do not (or would not) hold those shares in connection with the conduct of a business or other employee share scheme.

These comments relate to Realm Shares only, and not to options or other rights held over Realm Shares. Certain Realm Shareholders, such as those engaged in a business of trading or investment, those who acquired their Realm Shares for the purpose of resale at a profit or those which are banks, insurance companies, tax exempt organisations, superannuation funds, or persons who acquired their Realm Shares in respect of their employment with Realm will or may be subject to special or different tax consequences peculiar to their circumstances.

Realm Shareholders who are not resident in Australia for tax purposes should also take into account the tax consequences under the laws of their country of residence, as well as under Australian law, of the disposal of Realm Shares under the Offer.

The following description is based upon Australian taxation law and practice in effect as at the date of the Original Bidder's Statement. It is not intended to be an authoritative or complete statement or analysis of the taxation laws applicable to the particular circumstances of every Realm Shareholder. Realm Shareholders should seek independent professional advice regarding the taxation consequences of disposing of Realm Shares in the light of their own particular circumstances.

## 7.2 AUSTRALIAN RESIDENT REALM SHAREHOLDERS

Acceptance of the Offer will involve the disposal by Realm Shareholders of their Realm Shares, by way of transfer to the Bidder. In relation to Realm Shares held on capital account and acquired, or deemed to have been acquired, by the relevant Realm Shareholders before 20 September 1985, such disposal should not give rise to any CGT implications.

Conversely, the disposal of Realm Shares acquired, or deemed to have been acquired, on or after 20 September 1985 and which are held on capital account will generally have CGT implications. Such disposal will constitute a CGT event for CGT purposes.

Australian resident Realm Shareholders may make a capital gain or capital loss on the disposal of their Realm Shares under the Offer.

Capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether there is a net capital gain. If so, that net capital gain is included in assessable income and is subject to income tax. However, a 'CGT Discount' may be available to reduce the taxable gain for certain Realm Shareholders (see further below).

Capital losses may not be deducted against other income for income tax purposes, but may be offset against capital gains realised in the same income year or be carried forward to be offset against future capital gains.

In general, the capital gain or loss arising on the disposal of a Realm Share under the Offer will be calculated on the basis of the difference between the value of the capital proceeds (i.e. the cash consideration received from Bidder) and the cost base of the share.

The cost base of Realm Shares is generally their cost of acquisition or deemed cost of acquisition. Certain other amounts associated with acquisition and disposal, such as brokerage or stamp duty, may be added to the cost base. The capital loss will be calculated on the basis of the difference between the capital proceeds and the reduced cost base of the share.

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## 7 TAXATION CONSIDERATIONS CONTINUED

However, if a Realm Share was acquired (or deemed to be acquired) at or before 11.45 am on 21 September 1999, the cost base may be indexed for inflation, by reference to changes in the Consumer Price Index from the calendar quarter in which the Realm

Share was acquired (or deemed to be acquired) until the calendar quarter ended 30 September 1999. Realm Shareholders who are individuals, complying superannuation entities or trustees of a trust must make an election if they wish to rely on indexation. Companies will be entitled to include the indexation without making an election. Indexation adjustments are taken into account only for the purposes of calculating a capital gain, and not a capital loss.

On the other hand, if a Realm Share was acquired (or deemed to be acquired) after 11.45 am on 21 September 1999, the capital gain or loss is generally calculated on the difference between the capital proceeds and the cost base for the share, with no indexation.

A Realm Shareholder who is an individual, complying superannuation entity or trustee of a trust, and who does not or cannot elect to adjust their cost base for indexation (as described above), may choose to claim a 'CGT Discount' if they acquired (or are deemed to have acquired) their Realm Shares 12 months or more before the time they accept the Offer. This means that:

- in the case of an individual (and, generally speaking, a trustee of a trust), only one-half of their net capital gain on those shares (after deducting available capital losses) will be taxable; and
- in the case of a complying superannuation entity, only two-thirds of their net capital gain on those shares (after deducting available capital losses) will be taxable.

Realm Shareholders who are trustees should obtain specific advice in this regard, including in relation to the tax consequences of distributions attributable to discounted capital gains.

Realm Shareholders should note that any available capital losses will be deducted from the gross capital gain before the 'CGT Discount' is applied.

Whether it is better for any given Realm Shareholder to make the indexation election or not will depend upon the particular Realm Shareholder's individual circumstances, including the cost base of the Realm Shares and whether the Realm Shareholder has any available losses. Realm Shareholders should consult their own tax advisers in this regard.

The 'CGT Discount' is not available to companies, nor does it apply to Realm Shares owned (or deemed to be owned) for less than the relevant 12 month period.

### 7.3 NON-AUSTRALIAN RESIDENT REALM SHAREHOLDERS

A Realm Shareholder who is not a resident of Australia for taxation purposes ("**Foreign Resident**") will not make a taxable capital gain on the disposal of Realm Shares under the Offer unless their Realm Shares are taxable Australian property.

Realm Shares held by a Foreign Resident will not be taxable Australian property unless:

- both of the following requirements are satisfied:
  - the Foreign Resident (and any associates) hold, or have the option or right to acquire, 10% or more of the issued Realm Shares or the Foreign Resident (and any associates) previously held 10% or more of the issued Realm Shares for a continuous 12 month period during the two years prior to the disposal of the Realm Shares under the Offer; and

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## 7 TAXATION CONSIDERATIONS CONTINUED

- the total market value of Realm’s Australian real property assets (including any mining, quarrying or prospecting rights for minerals, petroleum or quarry minerals which are situated in Australia) is more than 50% of the total market value of Realm’s assets; or
- they were used at any time by the Foreign Resident in carrying on a business through a permanent establishment in Australia.

The Foreign Resident capital gains withholding regime may also apply to the disposal of Realm Shares by non-resident Realm Shareholders. Under this regime, a 12.5% non-final withholding tax may apply to the disposal of the Realm Shares by a foreign resident and the Bidder may be required to withhold and remit an amount (generally equal to 12.5% of the purchase price) to the ATO. However, if the Foreign Resident Realm Shareholder applies to vary the withholding rate or makes a declaration that the Realm Shares are not an indirect Australian real property interest, the disposal may be subject to a reduced rate of withholding or not be subject to any withholding. All non-resident Realm Shareholders should seek independent professional advice in light of their own circumstances.

If you are a non-Australian tax resident, it is recommended that you obtain your own independent professional advice as to the Australian tax consequences arising from the disposal of your Realm Shares.

### 7.4 STAMP DUTY AND GST

The Bidder will pay the stamp duty (if any) payable in Australia on the transfers of Realm Shares under the Offer. No GST will be payable on such transfers, except that GST will be payable on any fees or charges that a Controlling Participant (in respect of Realm Shares in a CHESS Holding) or a broker, bank, custodian or other nominee (in respect of Realm Shares held for a separate beneficial owner) may charge in connection with acceptance of the Offer.

# 8

## ADDITIONAL INFORMATION

### 8.1 ASIC RELIEF

ASIC has published various 'class orders' instruments providing for modifications and exemptions that apply generally to all persons, including the Bidder, in relation to the operation of Chapter 6 of the Corporations Act.

Among others, for the purpose of the Offer, the Bidder may rely on the provisions of Class Order [CO 13/521].

### 8.2 OTHER REGULATORY MATTERS

The Offer required notification to the Treasurer of Australia and the receipt of a no objections notification under the FATA as T2 LP and the Bidder each constitute a foreign government investor for the purposes of the FATA as one or more foreign government related entities from the same country have in aggregate a 20% or more ultimate interest in T2 LP.

On 12 February 2018, the Bidder obtained a no objections notification from the Treasurer of Australia in respect of the Offer under the FATA.

### 8.3 POTENTIAL FOR WAIVER OF CONDITIONS

The Offer is subject to limited and customary Conditions (set out in Appendix 2). Under the terms of the Offer and the Corporations Act, any or all of the Conditions may be waived by the Bidder.

If an event occurs which results (or would result) in the non-fulfilment of a Condition, the Bidder might not make a decision as to whether it will either rely on that occurrence, or instead waive the Condition in respect of that occurrence, until the date for giving notice as to the status of the Conditions of the Offer under section 630(3) of the Corporations Act. If the Bidder decides that it will waive a Condition, it will announce that decision on the ASX in accordance with section 650F of the Corporations Act.

If any of the Conditions are not fulfilled, and the Bidder decides to rely on that non-fulfilment, then any contract resulting from acceptance of the Offer will become void on (or, in some cases, shortly after) the end of the Offer Period, and the relevant Realm Shares will be returned to the holder.

### 8.4 STATUS OF CONDITIONS

The Offer is subject to limited and customary Conditions (set out in Appendix 2).

The Bidder notes that, on 27 February 2018, Realm lodged an Appendix 3C announcing the buy-back and cancellation of 2,116,666 employee plan shares in Realm and lodged an Appendix 3B announcing the issue of 500,000 new ordinary shares in Realm under its Directors and Employees Incentive Plan.

As a result, Condition (a)(iii) and Condition (a)(iv) set out in Appendix 2 have been triggered. However the Bidder has determined that it will not rely on such non-fulfilment in respect of the events described in the previous paragraph.

The Bidder will provide further updates on the status of the Conditions during the Offer Period, in accordance with section 630 of the Corporations Act.

Other than as disclosed in this section, as at the date of this Bidder's Statement, the Bidder is not aware of any events or circumstances which would result in the non-fulfilment of any of the Conditions. If the Conditions in Appendix 2 are not fulfilled or waived, then no contract will be capable of arising at all from the acceptance of the Offer.



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## **8 ADDITIONAL INFORMATION CONTINUED**

### **8.5 DUE DILIGENCE**

For the purpose of confirming its assessment whether or not to acquire all of the Realm Shares, the Bidder was given access by the Company to certain limited information concerning the Company which has not been disclosed generally to Realm Shareholders.

Except as disclosed in this Bidder's Statement, none of the information to which the Bidder was given access is, in the opinion of the Bidder, of such a nature and quality which, if the information were generally available, a reasonable person would expect to have a material effect on the price or value of Realm Shares. Further, in the opinion of the Bidder and except as disclosed in this Bidder's Statement, none of that information would otherwise be material to a decision by a Realm Shareholder whether or not to accept the Offer.

The Bidder's decision to make the Offer, however, was confirmed by its review of the information to which it had access, which may itself be regarded as information material to the decision of a Realm Shareholder whether or not to accept the Offer.

### **8.6 OTHER MATERIAL INFORMATION**

Except as disclosed in this Bidder's Statement, there is no other information that is:

- (a) material to the making of a decision by a Realm Shareholder whether or not to accept the Offer; and
- (b) known to the Bidder,

and has not previously been disclosed to Realm Shareholders.

# 9 GLOSSARY

## 9.1 DEFINITIONS

The following defined terms are used throughout this Bidder's Statement unless the contrary intention appears or the context requires otherwise:

<b>Term</b>	<b>Definition</b>
<b>Acceptance Form</b>	means your personalised form of acceptance and transfer accompanying the Offer or any replacement or substitute acceptance form provided by or on behalf of the Bidder.
<b>ACPA</b>	means average coal price achieved.
<b>Alumicor</b>	means Alumicor SA Holdings (Pty) Ltd.
<b>Anglo</b>	means Anglo American Metallurgical Coal Assets Pty Ltd, a proprietary company incorporated in Australia (ACN 081 022 246).
<b>Announcement Date</b>	means 9 February 2018, being the date of announcement of the intention to make the Offer.
<b>ASIC</b>	means Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited or Australian Securities Exchange, as appropriate.
<b>ASX Listing Rules</b>	means the Listing Rules of the ASX.
<b>ASX Settlement Operating Rules</b>	means the settlement rules of the ASX.
<b>ATO</b>	means the Australian Taxation Office.
<b>Bid Funding Agreement</b>	means an agreement between T2 Trust, T2 LP and the Bidder dated 16 February 2018.
<b>Bidder</b>	means T2 Resources Fund Pty Limited, a proprietary company incorporated in New South Wales, Australia whose company number is ACN 624 330 696 and whose registered office address is Suite 4101, Level 41, Gateway, 1 Macquarie Place, Sydney, NSW 2000.
<b>Bidder Directors</b>	means the directors of the Bidder who are Martin Boland and Rohan Menon as at the date of this Bidder's Statement.
<b>Bidder Group</b>	means the Bidder and its Related Bodies Corporate.
<b>Bidder's Statement</b>	means this replacement bidder's statement dated 14 March 2018, being the statement of the Bidder under Part 6.5 Division 2 of the Corporations Act (as amended by ASIC Class Order [CO 13/528]) relating to the Offer.
<b>Bidder's Takeover Transferee Holding</b>	means the holding of Realm Shares on the CHESS subregister of the Bidder established for the purposes of the Offer.
<b>Broker</b>	means a person who is a share broker and a participant in CHESS.
<b>Business Day</b>	means a day on which banks are open for general banking business in Sydney (not being a Saturday, Sunday or public holiday in that place).
<b>Cash Consideration</b>	means the cash amount (if any) that a Realm Shareholder is entitled to receive under the Offer determined in accordance with paragraph 2 of the Offer Terms.

## 9 GLOSSARY CONTINUED

Term	Definition
<b>CHESS</b>	means the Clearing House Electronic Subregister System, which provides for electronic share transfer in Australia.
<b>CHESS Holding</b>	means a holding of Realm Shares on the CHESS subregister of Realm.
<b>Chrometco</b>	means Chrometco Limited, a company listed on the Johannesburg Stock Exchange (AltX platform).
<b>Closing Date</b>	means the last day of the Offer Period.
<b>Combined Group</b>	means the Realm Group and the Bidder Group.
<b>Conditions</b>	means the conditions to the Offer as set out in Appendix 2.
<b>Controlling Participant</b>	means the Broker or Participant who is designated as the controlling participant for shares in a CHESS Holding in accordance with the ASX Settlement Operating Rules.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Employee Options</b>	means options over Realm Shares granted or agreed to be granted to employees of Realm or Realm Directors.
<b>Employee Securities</b>	means the Employee Shares and the Employee Options.
<b>Employee Shares</b>	means rights to Realm Shares granted or agreed to be granted to employees of Realm or Realm Directors under an employee share plan.
<b>Encumbrances</b>	<p>means any:</p> <ul style="list-style-type: none"> <li>(a) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, option, right of pre-emption, power, title retention, or flawed deposit arrangement; or</li> <li>(b) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; or</li> <li>(c) right that a person (other than the owner) has to remove something from land (known as a profit à prendre), easement, public right of way, restrictive or positive covenant, lease, or licence to use or occupy; or</li> <li>(d) third party right or interest or any right arising as a consequence of the enforcement of a judgment,</li> </ul> <p>or any agreement to create any of them or allow them to exist.</p>
<b>FATA</b>	means the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth).
<b>Foreign Resident</b>	has the meaning given in section 7.3.
<b>Foxleigh</b>	means the Foxleigh Coking Coal Mine located in Queensland, Australia.
<b>Foxleigh Exploration Permit</b>	means the exploration permit for coal in respect of the 1669 tenement.
<b>GST</b>	has the meaning given in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).

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## 9 GLOSSARY CONTINUED

<b>Term</b>	<b>Definition</b>
<b>HIN</b>	means a Holder Identification Number, which is the number that starts with an “X”, allocated by your Controlling Participant, to identify a Realm Shareholder with a CHES Holding.
<b>Issuer Sponsored Holding</b>	means a holding of Realm Shares on Realm’s issuer sponsored subregister.
<b>Nippon</b>	means Nippon Steel & Sumitomo Metal Australia Pty Ltd, a proprietary company incorporated in Australia (ACN 001 445 049).
<b>Offer</b>	means the offer by the Bidder on the Offer Terms to acquire Realm Shares (and for the avoidance of doubt includes each such the offer made to an individual Realm Shareholder pursuant to that offer).
<b>Offer Period</b>	means the period commencing on 14 March 2018 and ending at 7pm (Sydney time) on 16 April 2018, or such later date to which the Offer has been extended.
<b>Offer Terms</b>	means the terms and conditions of the Offer set out in Appendices 1 and 2 to this Bidder’s Statement.
<b>Original Bidder’s Statement</b>	means the bidder’s statement dated 23 February 2018 issued by the Bidder and lodged with ASIC on that date.
<b>Participant</b>	means a participant under the ASX Settlement Operating Rules.
<b>POSCO</b>	means POSCO Australia Pty Ltd, a proprietary company incorporated in Australia (ACN 002 062 160).
<b>Public Authority</b>	means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity.
<b>Realm</b>	means Realm Resources Limited, a company incorporated in Australia (ACN 008 124 025).
<b>Realm Directors</b>	means Michael David Rosengren, Michael Neill Macgregor Davies, Gordon Thomas Galt, Staffan Ever and James David Beecher.
<b>Realm Group</b>	means Realm and each of its subsidiaries.
<b>Realm Shares</b>	means fully paid ordinary shares in the capital of Realm.
<b>Realm Shareholders</b>	means holders of Realm Shares.
<b>Register</b>	means the Realm share register as provided to the Bidder’s share registrar, Computershare Investor Services.
<b>Register Date</b>	means the date set by the Bidder under section 633(2) of the Corporations Act.
<b>Related Body Corporate</b>	has the meaning set out in section 50 of the Corporations Act.
<b>Rights</b>	means all accretions, rights or benefits of whatever kind attaching to or arising from Realm Shares directly or indirectly after the Announcement Date, including, but not limited to, all dividends or other distributions and all rights to receive any dividends or other distributions, or to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared, paid or made by Realm or any of its Subsidiaries.

## 9 GLOSSARY CONTINUED

Term	Definition
<b>SRN</b>	means a Securityholder Reference Number, which is the number which starts with an "I", allocated by Realm to identify a Realm Shareholder with an Issuer Sponsored Holding.
<b>Subsidiary</b>	means a subsidiary as that term is defined in the Corporations Act.
<b>Target's Statement</b>	means the target's statement to be issued by Realm in response to this Bidder's Statement in accordance with the Corporations Act.
<b>Taurus Mining Finance Fund</b>	means Taurus Mining Finance Fund L.P. and Taurus Mining Finance Annex Fund L.P.
<b>T2 Fund</b>	means the T2 LP and T2 Trust together.
<b>T2 LP</b>	means Taurus Resources No. 2, L.P., acting through its general partner Taurus Resources Limited GP No. 2 LLC.
<b>T2 Trust</b>	means Taurus Resources No. 2 Trust, acting through its trustee Taurus Funds Management Pty Ltd.
<b>US Securities Act</b>	means the United States Securities Act of 1933 as amended.
<b>VWAP</b>	means the volume weighted average price.

### 9.2 GENERAL INTERPRETATION

The following rules of interpretation apply unless the contrary intention appears or the context requires otherwise:

- (a) A reference to time is a reference to Sydney time.
- (b) Headings are for convenience only and do not affect interpretation.
- (c) The singular includes the plural and conversely.
- (d) A reference to a section is to a section of this Bidder's Statement.
- (e) A reference to a paragraph is to a paragraph of an Appendix of the Bidders Statement
- (f) A gender includes all genders.
- (g) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (h) \$, or cents is a reference to the lawful currency in Australia, unless otherwise stated.
- (i) A reference to a person includes a body corporate, an unincorporated body or other entity and conversely.
- (j) A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns.
- (k) A reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it.
- (l) A reference to any instrument or document includes any variation or replacement of it.
- (m) A term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act or the ASX Settlement Operating Rules, as the case may be.
- (n) A reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually.
- (o) A reference to you is to a person to whom the Offer is made under Appendix 1 to this Bidder's Statement.


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# 10

## APPROVAL OF THE BIDDER'S STATEMENT

The copy of this Bidder's Statement that is to be lodged with ASIC has been approved by a resolution passed by the Bidder Directors on 9 March 2018.

Signed by Rohan Menon of the Bidder in accordance with section 351 of the Corporations Act.



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**Rohan Menon**

Director

14 March 2018

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# APPENDIX 1 – FORMAL TERMS OF THE OFFER

## 1 THE OFFER

The Bidder offers to acquire all of your Realm Shares, together with all Rights attaching to them, on the following terms and conditions. The Offer relates to Realm Shares that exist at the Register Date and extends to any Realm Shares that come into existence at any time between the Register Date and the end of the Offer Period as a result of the exercise of any Employee Options or the vesting of any Employee Shares.

You may only accept this Offer for all of your Realm Shares.

By accepting this Offer, you undertake to transfer to the Bidder not only the Realm Shares to which this Offer relates but also all Rights attached to those Realm Shares (see paragraph 5.4).

## 2 CONSIDERATION

Realm Shareholders will be offered \$0.90 cash (the “**Cash Consideration**”) for each Realm Share.

However, in accordance with paragraph 5.4, the amount of Cash Consideration you receive directly from the Bidder may be reduced by the amount or value of any Rights attaching to Realm Shares which you (or any previous holder of your Realm Shares) receive, including any dividend declared by Realm.

## 3 OFFER PERIOD

This Offer will, unless withdrawn, remain open for acceptance during the period commencing on the date of this Offer, being 14 March 2018 and ending at 7pm (Sydney time) on:

- (a) 16 April 2018; or
- (b) any date to which the Offer Period is extended in accordance with the Corporations Act, whichever is the later.

## 4 HOW TO ACCEPT THIS OFFER

### 4.1 Acceptance Forms

Acceptances must be received in the manner specified below prior to the close of the Offer Period at 7pm (Sydney time) on 16 April 2018, unless extended (and in the case of any acceptance in respect of a CHESS Holding lodged at or sent to the address as indicated under paragraph 4.3(f), before 7pm on the second last Business Day of the Offer Period in accordance with paragraph 4.3(a)(iii)).

### 4.2 All of your holding

This Offer is for all of your Realm Shares.

### 4.3 Acceptance procedure for Realm Shareholders

How you accept this Offer depends on whether your Realm Shares are held in a CHESS Holding or an Issuer Sponsored Holding (your personalised Acceptance Form outlines which type of holding you have):

- (a) **If you hold your Realm Shares in a CHESS Holding** (your HIN starts with an “X”) you must comply with the ASX Settlement Operating Rules. To accept this Offer you must either:
  - (i) instruct your Controlling Participant (usually your Broker) to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules in sufficient time for the Offer to be accepted before the end of the Offer Period; or

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## APPENDIX 1 – FORMAL TERMS OF THE OFFER CONTINUED

- (ii) complete and sign your personalised Acceptance Form and send it (together with all other documents required by the instructions on the form) directly to your Controlling Participant (usually your Broker) in sufficient time for the Offer to be accepted before the end of the Offer Period with instructions to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or
  - (iii) complete, sign and return your personalised Acceptance Form and lodge it by returning it to an address as indicated under paragraph 4.3(f) so that your acceptance is received before 7pm on the second last Business Day of the Offer Period. This will authorise the Bidder to instruct your Controlling Participant (usually your Broker) to initiate acceptance of the Offer on your behalf.
- (b) **If you are a Broker or a Participant**, to accept the Offer you must initiate acceptance in accordance with the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.
- (c) **If you hold your Realm Shares in an Issuer Sponsored Holding (your SRN starts with an “I”)**  
If your Realm Shares are in an Issuer Sponsored Holding, to accept the Offer you must **complete and sign** your personalised Acceptance Form in accordance with the instructions on it and lodge it by returning it (together with all other documents required by the instructions on your personalised Acceptance Form) to the address as indicated under paragraph 4.3(f) so that your acceptance is received before the end of the Offer Period.
- (d) **If some of your Realm Shares are held in a number of forms**  
If some of your Realm Shares are in different holdings, your acceptance of the Offer will require action under paragraphs 4.3(a) and 4.3(c) in relation to the separate portions of your Realm Shares.
- (e) **Beneficial owners**  
Beneficial owners whose Realm Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact that nominee for assistance in accepting the Offer.
- (f) **Postal and delivery addresses**  
The postal and delivery addresses for completed Acceptance Forms are as follows.  
  
Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 3001  
Australia  
  
If you hold your Realm Shares in an Issuer Sponsored Holding, a reply paid envelope (not able to be used by Realm Shareholders outside Australia) is enclosed for your convenience.  
  
If you are a Realm Shareholder within Australia a reply paid envelope is enclosed for your convenience.  
  
The transmission of your personalised Acceptance Form and other documents is at your own risk.
- (g) **Acceptance Form**  
Your personalised Acceptance Form which accompanies the Offer forms part of it. Subject to paragraph 4.5, the requirements on your personalised Acceptance Form must be observed in accepting the Offer in respect of your Realm Shares.

### 4.4 Power of attorney, deceased estate

When accepting the Offer, you should also forward for inspection:

- (a) if your personalised Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and



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## APPENDIX 1 – FORMAL TERMS OF THE OFFER CONTINUED

- (b) if your personalised Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Realm Shareholder, a certified copy of the relevant grant of probate or letters of administration.

### 4.5 When acceptance is complete

Acceptance of the Offer will not be complete until a completed Acceptance Form has been received at one of the addresses set out in paragraph 4.3(f) and the requirements of paragraph 4 have otherwise been met, provided that:

- (a) the Bidder may in its sole discretion and without notice to you waive any or all of those requirements at any time (including but not limited to requirements in relation to the manner or method of acceptance, or the deadline for receipt of acceptances specified under paragraph 4.3(a)(iii)); and
- (b) where such requirements have been complied with in respect of some but not all of your Realm Shares, the Bidder may, in its sole discretion, deem your acceptance of the Offer complete in respect of those Realm Shares for which the requirements have been complied with but not in respect of the remainder (unless the Bidder waives those requirements in accordance with paragraph 4.5(a)).

Where the Bidder elects to waive any requirement of this paragraph 4, your acceptance of the Offer will be complete regardless of any failure by you to comply with the waived requirement.

## 5 PAYMENT FOR YOUR REALM SHARES

### 5.1 How payment for your Realm Shares will be made

- (a) **Cash Consideration:** payment of the cash amount to which you are entitled under the Offer will be made by cheque (or otherwise as determined by the Bidder) in Australian currency.
- (b) **Address:** anything to be dispatched to you under this paragraph 5.1 will be sent to you at your own risk by pre-paid ordinary mail or, in the case of addresses outside Australia, by pre-paid airmail, to your address as shown on the Register (or such other address as you may notify in writing to the Bidder).
- (c) **Joint holdings:** if your Realm Shares are held in a joint name, the cheque will be issued in the name of the joint holders and forwarded to the address that appears first in the Register.

### 5.2 When consideration is paid

If the contract resulting from your acceptance of the Offer becomes unconditional, the Bidder will provide the Cash Consideration to which you are entitled on acceptance of the Offer on or before the earlier of:

- (a) 1 month after the date the Offer is validly accepted by you or, if the Offer is subject to a Condition when accepted, within 1 month after the Offer or the contract resulting from your acceptance of the Offer becomes unconditional; and
- (b) 21 days after the end of the Offer Period provided that the Offer has become unconditional.

### 5.3 Where additional documents are required

Where your personalised Acceptance Form or any subsequent request from the Bidder requires additional documents to be given with your acceptance (such as a certified copy of any power of attorney, grant of probate or letters of administration, or any other document requested by the Bidder to give better effect to your acceptance):

- (a) if the documents are given with your acceptance, the Bidder will provide the Cash Consideration in accordance with paragraphs 5.1 and 5.2;

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## APPENDIX 1 – FORMAL TERMS OF THE OFFER CONTINUED

- (b) if the documents are given after acceptance and before the end of the Offer Period and the Offer is subject to a Condition at the time that the Bidder is given the documents, the Bidder will provide the Cash Consideration by the end of whichever of the following periods ends earlier:
  - (i) 1 month after the contract resulting from your acceptance of the Offer becomes unconditional; and
  - (ii) 21 days after the end of the Offer Period; or
- (c) if the documents are given after acceptance and before the end of the Offer Period and the Offer is unconditional at the time that the Bidder is given the documents, the Bidder will provide the Cash Consideration by the end of whichever of the following periods ends earlier:
  - (i) 1 month after the Bidder is given the documents; and
  - (ii) 21 days after the end of the Offer Period; or
- (d) if the documents are given after the end of the Offer Period, the Bidder will provide the Cash Consideration within 21 days after the documents are given; but if at the time the Bidder is given the documents, the contract resulting from your acceptance of the Offer is still subject to one or more of the Conditions referred to in paragraph (a) (*Prescribed Occurrences*) of Appendix 2, the Bidder will provide the Cash Consideration within 21 days after that contract becomes unconditional.

If you do not provide the Bidder with the required additional documents within one month after the end of the Offer Period, the Bidder may, in its sole discretion, rescind the contract resulting from your acceptance of the Offer.

### 5.4 Rights generally

If:

- (a) you have (or any previous holder of your Realm Shares has) received the benefit of any Rights (whether in respect of non-cash benefits or otherwise); or
- (b) you are (or any previous holder of your Realm Shares is) entitled to receive the benefit of any Rights under the terms that provide for or otherwise apply to those Rights (for example, if the Right is to receive a dividend, if you are (or any previous holder of your Realm Shares is) the registered holder of the share at the specified time for determining those entitled to the dividend); or
- (c) your Realm Shares were issued (or otherwise came into existence) on or after the specified time for determining entitlements in respect of any Rights to Realm Shareholders,

then:

- (d) in the case of Rights to non-cash benefits, the Bidder may deduct the value (as reasonably assessed by the Bidder) of such Rights from any Cash Consideration otherwise payable to you; or
- (e) in the case of Rights to cash benefits, the Bidder may deduct the amount of such Rights from any Cash Consideration otherwise payable to you.

If the Bidder does not, or cannot, make such a deduction, you must pay such value or amount to the Bidder.

## 6 CONDITIONS OF THE OFFER

### 6.1 Conditions

The Offer and the contract that results from acceptance of the Offer are subject to fulfilment of the Conditions set out in Appendix 2.

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## APPENDIX 1 – FORMAL TERMS OF THE OFFER CONTINUED

### 6.2 Nature of Conditions

Each of the Conditions set out in each paragraph and subparagraph of Appendix 2:

- (a) constitutes and will be construed as a separate, several and distinct condition;
- (b) is a condition subsequent; and
- (c) until the expiration of the Offer Period (or in the case of the Conditions referred to in paragraph (a) (*Prescribed Occurrences*) of Appendix 2, until three Business Days after the end of the Offer Period) will be for the benefit of the Bidder alone and may be relied upon only by the Bidder.

### 6.3 Effect of breach or non-fulfilment

The breach or non-fulfilment of any of the Conditions set out in Appendix 2 does not, until the end of the Offer Period, prevent a contract arising to acquire your Realm Shares resulting from your acceptance of the Offer but, if at the end of the Offer Period (or, in the case of the Conditions in paragraph (a) (*Prescribed Occurrences*) of Appendix 2, at the end of three Business Days after the end of the Offer Period), in respect of any Condition in Appendix 2:

- (a) the Bidder has not declared the Offer (and it has not become) free from that Condition; and
- (b) that Condition has not been fulfilled,

all contracts resulting from the acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In such a case, the Bidder will notify the ASX of the lapse of the Offer in accordance with Rule 14.19 of the ASX Settlement Operating Rules.

### 6.4 The Bidder may decide the Offer is free from all or any of the Conditions

The Bidder may at any time at its sole discretion, but in compliance with the Corporations Act, declare the Offer free from all or any of the Conditions set out in each paragraph and subparagraph of Appendix 2 by notice in writing to Realm:

- (a) in the case of the Conditions referred to in paragraph (a) (*Prescribed Occurrences*) of Appendix 2 – not later than three Business Days after the end of the Offer Period; or
- (b) in any other case – not later than seven days before the end of the Offer Period.

### 6.5 Date for giving notice on status of Conditions

The date for giving a notice on the status of the Conditions as required by section 630(1) of the Corporations Act is 6 April 2018, subject to variation in accordance with section 630(2) of the Corporations Act in the event that the Offer Period is extended.

## 7 EFFECT OF ACCEPTANCE

### 7.1 Revocation of acceptance

Once you have accepted the Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you. In addition, you will be unable to withdraw your acceptance of the Offer or otherwise dispose of your Realm Shares, except as follows:

- (a) if, by the times specified in paragraph 7.2, the Conditions in Appendix 2 have not all been fulfilled or waived, then this Offer will automatically terminate and your Realm Shares will be returned to you; or
- (b) if the Offer Period is varied in a way that postpones for more than one month the time when the Bidder has to meet its obligations under the Offer and, at that time, this Offer is subject to one or more of the Conditions in Appendix 2, then you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act.

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## APPENDIX 1 – FORMAL TERMS OF THE OFFER CONTINUED

### 7.2 Times

The relevant times for the purposes of paragraph 7.1(a) are:

- (a) in the case of the Conditions referred to in paragraph (a) (*Prescribed Occurrences*) of Appendix 2 – three Business Days after the end of the Offer Period; and
- (b) in the case of all other Conditions in Appendix 2 – the end of the Offer Period.

### 7.3 Your agreement

By signing and returning your personalised Acceptance Form, or otherwise accepting this Offer, you will be deemed to have:

- (a) irrevocably authorised the Bidder to alter your personalised Acceptance Form on your behalf by:
  - (i) inserting correct details of your Realm Shares (including details of a parcel of Realm Shares required by paragraph 10.4(b));
  - (ii) filling in any blanks remaining on your personalised Acceptance Form; and
  - (iii) rectifying any errors in, and omissions from, your personalised Acceptance Form,as may be necessary to make your personalised Acceptance Form a valid acceptance of this Offer and to enable registration of the transfer of your Realm Shares to the Bidder, and agreed to provide any document reasonably requested by the Bidder to make your personalised Acceptance Form a valid acceptance of this Offer or to otherwise give better effect to your acceptance; and
- (b) if any of your Realm Shares are in a CHESS Holding, irrevocably authorised the Bidder to:
  - (i) instruct your Controlling Participant to initiate acceptance of this Offer in respect of all such Realm Shares in accordance with the ASX Settlement Operating Rules; and
  - (ii) give any other instructions in relation to those Realm Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant; and
- (c) agreed to indemnify the Bidder in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your HIN or SRN or in consequence of the transfer of your Realm Shares to the Bidder being registered by Realm without production of your HIN or SRN; and
- (d) irrevocably accepted this Offer in respect of all your Realm Shares despite any difference between that number and the number of Realm Shares shown on your personalised Acceptance Form; and
- (e) agreed to the terms and conditions of this Offer and, subject to the Conditions contained in Appendix 2 being fulfilled or waived, agreed to transfer (or consented to the transfer in accordance with the ASX Settlement Operating Rules) to the Bidder of your Realm Shares; and
- (f) represented and warranted to the Bidder, as a fundamental condition which goes to the root of the contract resulting from your acceptance of this Offer, that at the time of acceptance and at the time of transfer of your Realm Shares to the Bidder:
  - (i) you have paid to Realm all amounts which are due for payment in respect of your Realm Shares; and
  - (ii) all of your Realm Shares are fully paid and free from all Encumbrances and restrictions on transfer of any nature; and
  - (iii) you have full power and capacity to sell and transfer those Realm Shares; and

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## APPENDIX 1 – FORMAL TERMS OF THE OFFER CONTINUED

- (g) on this Offer or any takeover contract becoming unconditional:
- (i) irrevocably appointed the Bidder and each of the Bidder Directors from time to time individually as your agent and attorney on your behalf to:
    - (A) attend and vote in respect of your Realm Shares at all general meetings of Realm;
    - (B) receive from Realm or any other party, and retain, any share certificates which were held by Realm, or any other party, whether pursuant to the terms of any employee incentive scheme (including, without limitation, any employee share scheme) or otherwise; and
    - (C) sign all documents (including an instrument appointing one of the Bidder's directors as a proxy in respect of any or all of your Realm Shares and any application to Realm for a replacement certificate in respect of any share certificate which has been lost or destroyed) and resolutions relating to your Realm Shares, and generally to exercise all powers and rights which you may have as a Realm Shareholder and perform such actions as may be appropriate in order to vest good title in your Realm Shares in the Bidder, and to have agreed that, in exercising such powers, any such Bidder Director is entitled to act in the Bidder's interests as the beneficial owner and intended registered holder of your Realm Shares; and
  - (ii) agreed not to vote in person at any general meeting of Realm or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on a Bidder Director by paragraph 7.3(g)(i); and
  - (iii) in accordance with paragraph 5.4, irrevocably authorised the Bidder to adjust the Cash Consideration payable to you by the amount (or value, as reasonably assessed by the Bidder) of all Rights in respect of your Realm Shares; and
  - (iv) irrevocably authorised the Bidder to notify Realm on your behalf that your place of address for the purposes of serving notices upon you in respect of your Realm Shares is the address specified by the Bidder in the notification; and
  - (v) where, at that time, you have a right to be registered as a holder of the Realm Shares the subject of your acceptance as the result of an on-market purchase (but are not a Realm Shareholder):
    - (A) agreed to use best endeavours to procure the delivery of the Realm Shares the subject of your acceptance to the Bidder in accordance with your acceptance (including giving the Bidder all documents necessary to vest those Realm Shares in the Bidder or otherwise to give the Bidder the benefit or value of those Realm Shares);
    - (B) agreed not to do or omit to do anything which may frustrate your acceptance of this Offer, or otherwise obstruct registration of the transfer of the Realm Shares the subject of your acceptance to the Bidder;
    - (C) irrevocably assigned to the Bidder all contractual rights and recourse against the vendor in respect of your on-market purchase which contractual rights and recourse may arise by reason of that person's failure to complete that trade;
    - (D) agreed to assign to the Bidder (without any further action being required) all rights in respect of your on-market purchase immediately on any failure by you to complete that trade, including irrevocably assigning to the Bidder the right to (at the Bidder's ultimate discretion) complete that trade on your behalf, and agreed that the Bidder may deduct from the consideration otherwise payable to you (pursuant to a valid acceptance of this Offer and the delivery of the Realm Shares the subject of that acceptance) any amount paid by the Bidder in order to settle that on-market purchase on your behalf. If the Bidder does not, or cannot, make such a deduction, you must pay such amount to the Bidder; and

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## APPENDIX 1 – FORMAL TERMS OF THE OFFER CONTINUED

- (E) agreed that if you are unable to assign to the Bidder any of the rights and recourse specified under paragraphs 7.3(g)(v)(C) and 7.3(g)(v)(D), you will assign such rights and recourse as soon as you are legally able to; and
- (h) if at the time of acceptance of this Offer your Realm Shares are in a CHESS Holding, authorised, with effect from the date that this Offer or any contract resulting from acceptance of this Offer is declared free from all its Conditions or those Conditions are satisfied, the Bidder to cause a message to be transmitted to your Controlling Participant in accordance with Rule 14.17.1 of the ASX Settlement Operating Rules so as to transfer all of your Realm Shares to the Bidder's Takeover Transferee Holding. The Bidder will be so authorised even though at the time of such transfer it has not provided the Share Consideration due to you.

By accepting this Offer you will be deemed to have agreed to the matters set out in paragraph 7.3(a) and 7.3(h) above, notwithstanding where this Offer has been caused to be accepted in accordance with the ASX Settlement Operating Rules.

Except in relation to Realm Shares in a CHESS Holding, the Bidder may at any time deem the receipt of a signed Acceptance Form to be a valid acceptance of this Offer even though you omit to include your share certificate(s) (if any) or there is non-compliance with any one or more of the other requirements for acceptance but, if the Bidder does so, the Bidder is not obliged to make the Cash Consideration available to you until all of the requirements for acceptance have been met.

### 8 WITHDRAWAL

The Bidder may withdraw unaccepted offers at any time with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

### 9 VARIATION

The Bidder may vary this Offer in accordance with the Corporations Act.

### 10 ACCEPTANCES BY TRANSFEREES AND NOMINEES

#### 10.1 Who may accept this Offer

During the Offer Period:

- (a) any person who is able to give good title to a parcel of your Realm Shares may accept this Offer (if they have not already accepted the Offer in the form of this Offer) as if offered on terms identical with this Offer has been made to them; and
- (b) any person who holds one or more parcels of Realm Shares as trustee, nominee, or otherwise on account of another person, may accept as if a separate and distinct offer had been made in relation to:
  - (i) each of those parcels; and
  - (ii) any parcel they hold in their own right.

#### 10.2 Holding shares

- (a) A person is taken to hold Realm Shares if the person is, or has a right to be registered as, the holder of those Realm Shares.

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## APPENDIX 1 – FORMAL TERMS OF THE OFFER CONTINUED

- (b) A person who has a right to be registered as a holder of Realm Shares may accept this Offer by completing and signing the Acceptance Form in accordance with the instructions on it and lodging it by returning it (together with all other documents required by the instructions on your personalised Acceptance Form) to the address indicated under paragraph 4.3(f) so that the acceptance is received before the end of the Offer Period.

### 10.3 Holding shares on trust or as a nominee

A person is taken to hold Realm Shares on trust for, as nominee for, or on account of, another person if they:

- (a) are entitled to be registered as the holder of particular Realm Shares; and
- (b) hold their interest in the Realm Shares on trust for, as nominee for, or on account of, that other person.

### 10.4 Effective acceptance

An acceptance of the Offer under paragraph 10.1 is ineffective unless:

- (a) the person who holds on account of another person, gives the Bidder a notice stating that the Realm Shares consist of a separate parcel; and
- (b) the acceptance specifies the number of Realm Shares in that parcel.

References in this Offer to your Realm Shares will be treated as relating to that separate parcel.

### 10.5 Notice of acceptance

A notice under paragraph 10.4 of these terms must be made:

- (a) if it relates to Realm Shares entered on a CHESS subregister – in an electronic form approved by the ASX Settlement Operating Rules; or
- (b) otherwise – in writing.

A person may, at the one time, accept for two or more parcels under this section as if there had been a single offer for a separate parcel consisting of those parcels.

## 11 OTHER MATTERS

### 11.1 Notices and other communications

Subject to the Corporations Act, a notice or other communication given by the Bidder to you in connection with this Offer shall be deemed to be duly given if it is in writing and:

- (a) is delivered at your address as recorded on the register of members of Realm or the address shown in your personalised Acceptance Form; or
- (b) is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at either of those addresses.

### 11.2 Return of documents

If:

- (a) this Offer is withdrawn after your personalised Acceptance Form has been sent to the Bidder, but before it has been received; or
- (b) for any other reason the Bidder does not acquire the Realm Shares to which your personalised Acceptance Form relates,

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## APPENDIX 1 – FORMAL TERMS OF THE OFFER CONTINUED

you may request the Bidder by notice in writing to dispatch (at your risk) your personalised Acceptance Form together with all other documents forwarded by you, to such address as you nominate. Where such address is inside Australia, the documents will be despatched by pre-paid ordinary mail. Where such address is outside Australia, the documents will be despatched by pre-paid airmail.

### 11.3 **Costs and expenses**

All costs and expenses of the preparation, dispatch and circulation of the Bidder's Statement and this Offer and all stamp duty payable in respect of a transfer of Realm Shares in respect of which the Offers are accepted, will be paid by the Bidder.

### 11.4 **Foreign laws**

This Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Offer.

### 11.5 **Governing law**

This Offer and any contract resulting from acceptance of it is governed by the law in force in New South Wales.



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## APPENDIX 2 – CONDITIONS OF THE OFFER

The Offer and any contracts resulting from acceptance of the Offer is subject to fulfilment or waiver of the following conditions:

- (a) **(prescribed occurrences)** that during the period from 9 February 2018 to the end of the Offer Period, none of the following events happen:
  - (i) Realm converts all or any of its shares into a larger or smaller number of shares;
  - (ii) a member of the Realm Group resolves to reduce its share capital in any way;
  - (iii) a member of the Realm Group:
    - (A) enters into a buy-back agreement; or
    - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
  - (iv) a member of the Realm Group issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option (including under any employee share or option plan);
  - (v) a member of the Realm Group issues, or agrees to issue, convertible notes;
  - (vi) a member of the Realm Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
  - (vii) a member of the Realm Group charges, or agrees to charge, the whole, or a substantial part, of its business or property;
  - (viii) a member of the Realm Group resolves to be wound up;
  - (ix) a liquidator or provisional liquidator of a member of the Realm Group is appointed;
  - (x) a court makes an order for the winding up of a member of the Realm Group;
  - (xi) an administrator of a member of the Realm Group is appointed under sections 436A, 436B or 436C of the Corporations Act;
  - (xii) a member of the Realm Group executes a deed of company arrangement; or
  - (xiii) a receiver or a receiver and manager is appointed in relation to the whole, or a substantial part, of the property of a member of the Realm Group other than by a member of the Bidder Group.
- (b) **(Employee Securities)** prior to the end of the Offer Period:
  - (i) the entitlement to shares under the Employee Options on issue are cancelled; and
  - (ii) no Employee Shares issued under employee share plans remain unvested.



