

Third Supplementary Target's Statement

by Realm Resources Limited

ACN 008 124 025

Prepared in response to the unsolicited, off-market takeover bid by T2 Resources Fund Pty Limited ACN 624 330 696 (**Bidder**) to acquire all of your ordinary fully paid Shares in Realm Resources Limited ACN 008 124 025 (**Realm**).

The Non-Affiliated Directors continue to unanimously recommend that Realm Shareholders **REJECT the Offer by **TAKING NO ACTION****

1. INTRODUCTION

This document is a supplementary target's statement issued by Realm Resources Limited ACN 008 124 025 (**Realm** or the **Company**) under section 644 of the Corporations Act (**Third Supplementary Target's Statement**) in response to the offer by the Bidder to acquire all of your ordinary fully paid Shares in Realm made pursuant to its bidder's statement dated and lodged with the Australian Securities and Investments Commission (**ASIC**) on 23 February 2018 as supplemented by the Bidder's first supplementary bidder's statement dated 14 March 2018 which attached the replacement bidder's statement dated 14 March 2018, a second supplementary bidder's statement dated 15 March 2018 and a third supplementary bidder's statement dated 15 May 2018 (together, the **Bidder's Statement**).

This document supplements, and must be read together with, Realm's Target's Statement dated and lodged with ASIC on 29 March 2018 (**Original Target's Statement**) and Realm's First Supplementary Target's Statement dated 4 May 2018 (**First Supplementary Target's Statement**) and Realm's Second Supplementary Target's Statement dated 21 May 2018 (**Second Supplementary Target's Statement**), issued in response to the unsolicited, conditional, off-market takeover offer by the Bidder to acquire all of the Realm Shares that it does not already own or control (**Offer**).

Capitalised terms used in this Third Supplementary Target's Statement have the same meaning given to them in the Original Target's Statement, unless defined otherwise in this Third Supplementary Target's Statement or the context otherwise requires. Section 12.2 of the Original Target's Statement sets out certain rules of interpretation, which apply equally to this Third Supplementary Target's Statement.

This Third Supplementary Target's Statement prevails over the Original Target's Statement and the First Supplementary Target's Statement to the extent of any inconsistency.

A copy of this Third Supplementary Target's Statement was lodged with ASIC and provided to ASX on 12 June 2018. Neither ASIC nor ASX or any of their respective officers take any responsibility for the contents of this Third Supplementary Target's Statement.

You should read this document in its entirety. The Original Target's Statement, as supplemented by the First Supplementary Target's Statement, the Second Supplementary Target's Statement and Third Supplementary Target's Statement, does not take into account the individual investment objectives, financial or tax situation or particular needs of any person. It does not contain personal financial advice. You should seek independent legal, financial and taxation advice before making a decision as to whether or not to accept the Offer.

If you have recently sold all of your Realm Shares, please disregard this document.

2. RECEIPT OF PROPOSAL

On 8 June 2018, the Non-Affiliated Directors received a proposal from the Bidder to negotiate a possible recommended deal which involved an aggregate consideration of \$1.25 per Realm share (**Proposal**), comprised of:

- a) \$1.00 cash payable by the Bidder pursuant to the Offer; and
- b) \$0.25 payable by the Company to minority Realm shareholders by way of a selective capital reduction.

A copy of the letter setting out the terms of the Proposal, the conditions to the Proposal, the proposed assistance to be provided by the Bidder to implement the Proposal and the implications if agreement is not reached is set out as Attachment 1 to this Third Supplementary Target's Statement.

The Non-Affiliated Directors negotiated with the Bidder in good faith with a view to agreeing terms for a revised Proposal which better approached the Independent Expert's estimated fair market value of \$1.62 to \$1.92 per Realm Share. However, the Non-Affiliated Directors and the Bidder were unable to reach agreement on the terms or structure of the Proposal by the deadline of 9.00 am on Tuesday, 12 June 2018 that was imposed by the Bidder. Accordingly, no enhanced offer has been made by the Bidder and the offer price under that Offer remains at \$1.00 per Realm Share pursuant to the third supplementary bidder's statement dated 15 May 2018.

3. NO CHANGE TO THE NON-AFFILIATED DIRECTORS' RECOMMENDATION

The Non-Affiliated Directors continue to unanimously recommend that Realm Shareholders **REJECT** the Offer at \$1.00 per Realm Share for the reasons set out in section 1 of the Original Target's Statement. As the Proposal did not result in a change to the offer price of \$1.00 per Realm Share under the Offer, there is no recommendation to be provided by the Non-Affiliated Directors in respect of the Proposal.

To **REJECT** the Offer, you should **TAKE NO ACTION** in respect of all correspondence sent to you by the Bidder.

4. ASIC AND ASX RELIEF

Realm has not been granted any modifications or exemptions by ASIC under the Corporations Act in connection with the Offer. Realm has also not been granted any waivers from ASX in relation to the Offer.

Realm has relied on ASIC Class Order 13/521 to include references to certain statements in this Third Supplementary Target's Statement without obtaining the consent of those persons, and ASIC Corporations (Consents to Statements) Instrument 2016/72 to include information sourced from publications and journals as well as trading data. Any Realm Shareholder who would like to receive a copy of any of the documents (or parts of the documents) that contain statements which have been included pursuant to ASIC Class Order 13/521 may request a copy by contacting Realm's company secretary during the Offer Period and such documents will be provided free of charge within 2 Business Days of such request.

5. SHAREHOLDER INFORMATION LINE

If you have any further queries in relation to the Offer, please call the Realm Shareholder information line or you can speak to your legal, financial or taxation adviser.

The telephone number for the Realm Shareholder information line is +61 2 8264 1005 between 9:00am and 5:00pm (Sydney time) on Monday to Friday. Enquiries on individual shareholdings should be directed to 1300 855 080 (international calls: +61 3 9415 4000).

6. AUTHORISATION OF THIRD SUPPLEMENTARY TARGET'S STATEMENT

This Third Supplementary Target's Statement is dated 12 June 2018 and has been approved by a resolution passed by the Non-Affiliated Directors of Realm.

Signed for and on behalf of Realm Resources Limited:



James Beecher on behalf of the Non-Affiliated Directors

Director and Chairman of the Sub-Committee

Realm Resources Limited

Dated: 12 June 2018

Attachment 1

T2 Resources Fund Pty Limited 624 330 696

Independent Sub-Committee
Realm Resources Limited
Suite 901, Level 9
3 Spring Street
Sydney NSW 2000
(RRP Sub-Committee)

8 June 2018

STRICTLY PRIVATE AND CONFIDENTIAL

Dear James

Enhanced proposal to acquire 100% of the issued share capital of Realm Resources Limited (Realm or the Company)

Background

We refer to our existing proposal to acquire 100% of the shares in Realm which we do not already own made under our bidder's statement dated 23 February 2018 at a price of \$0.90 per share (as amended or supplemented from time to time) (**Offer**). As you are aware, the offer price under that Offer was increased to \$1.00 per share pursuant to a notice dated 15 May 2018 (**Existing Proposal**).

We believe that it is in the best interest of all parties for us and the RRP Sub-Committee to agree a mutually acceptable way forward with regard to the Offer. This would be preferable to engaging in protracted and costly panel proceedings which ultimately benefit no-one.

To that end, we set out below the key terms of a proposed enhanced Offer for consideration by the RRP Sub-Committee (**Enhanced Proposal**).

Increased Consideration

The Enhanced Proposal equates to an aggregate consideration of \$1.25 per Realm share, comprised as follows:

- (a) \$1.00 cash payable by the Bidder pursuant to the Offer; and
- (b) \$0.25 payable by the Company to minority Realm shareholders by way of a selective capital reduction.

Enhanced Proposal Conditions

The Enhanced Proposal is subject to the following conditions (**Enhanced Proposal Conditions**):

- (a) **90% minimum acceptance:** the Bidder Group achieves a relevant interest in greater than 90% or more of Realm shares by no later than 1 month after announcement of the Enhanced Proposal by the Company (**Longstop Date**); and

- (b) **RRP Sub-Committee recommendation:** a recommendation from the RRP Sub-Committee that the Enhanced Proposal be accepted by Realm shareholders, subject to the independent expert concluding that the Enhanced Proposal is reasonable (even if not fair).

Taurus assistance to implement the Enhanced Proposal

In order to give effect to the Enhanced Proposal, the Bidder Group would undertake to take the following actions:

- (c) **Company approval:** vote all of its Realm shares in favour of, and take any additional steps required to give effect to, the capital reduction element of the Enhanced Proposal; and
- (d) **Waiver of rights:** vary the Offer terms such that Realm shareholders can retain the benefit of the Enhanced Proposal.

If the Enhanced Proposal Conditions are achieved, we will declare the Offer unconditional and proceed with compulsory acquisition. In this situation, we undertake to complete the general compulsory acquisition process at a price no less than \$1 per Realm share.

If the Enhanced Proposal Conditions are not achieved (or otherwise waived by both of us), we will close the Offer and take all necessary steps to allow all Realm shareholders who have accepted the Offer the right to withdraw.

Time extension to facilitate the Enhanced Proposal

If the Enhanced Proposal is agreeable to the RRP Sub-Committee, we are conscious that Realm will require time to obtain the relevant shareholder approvals to implement the selective capital reduction. As such, we will extend the Offer period to the Longstop Date and will not declare the Offer unconditional before that date.

Next steps

We believe it is in the best interests of all shareholders to progress consideration of this Enhanced Proposal expeditiously.

As such, Taurus looks forward to discussing the Enhanced Proposal urgently, with a view to reaching agreement and announcing it by no later than **9am on Tuesday 12 June 2018**. We would like to discuss with you and your legal advisers the form of a co-operation agreement to document this Enhanced Proposal.

If agreement is not reached by 12 June 2018 at 9am, we intend to inform the market and the Takeovers Panel that there is no intention to extend the Offer further. Given acceptances to date, without a recommendation the bid will fail and we will proceed to implement our intended strategy for Realm (to the extent we can).

We look forward to hearing from you.

Yours faithfully,



Martin Boland
Director
T2 Resources Fund Pty Limited