

# Second 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.

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

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#### 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 (**Second 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**), 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 Second Supplementary Target's Statement have the same meaning given to them in the Original Target's Statement, unless defined otherwise in this Second 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 Second Supplementary Target's Statement.

This Second 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 Second Supplementary Target's Statement was lodged with ASIC and provided to ASX on 21 May 2018. Neither ASIC nor ASX or any of their respective officers take any responsibility for the contents of this Second 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 and the Second 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.

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## 2. THIRD SUPPLEMENTARY BIDDER'S STATEMENT

On 15 May 2018, the Bidder lodged with ASIC the third supplementary bidder's statement (**Third Supplementary Bidder's Statement**), together with the notice required under section 650D and 650F of the Corporations Act to vary the Offer on the following basis:

- a) to increase the Offer Price to \$1.00 for each Realm Share (**Revised Offer Price**); and
- b) to declare the Offer free from the conditions relating to the employee securities set out in paragraph (b) of Appendix 2 of the Bidder's Statement.

Further, in the Third Supplementary Bidder's Statement, the Bidder raised a number of concerns with the Independent Expert's valuation of Realm (**Bidder's Concerns**) (section 3 of the Third Supplementary Bidder's Statement).

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## 3. RESIGNATION OF NON-AFFILIATED DIRECTOR - STAFFAN EVER

On 18 May 2018, Non-Affiliated Director, Staffan Ever resigned from the Board of Realm.

Therefore, any references to "**Non-Affiliated Directors**" in this Second Supplementary Target's Statement are references to James Beecher and Michael Rosengren only.

In reason 1.4(b) the Original Target's Statement noted that,

*"a decision to conduct a capital raising to satisfy the Re-compliance or alternatively apply for a removal of Realm from the Official List lies with the Board of Realm, of which the Non-Affiliated Directors currently comprise 3 of 5 Directors."*

Staffan Ever's resignation from the Board means that the Non-Affiliated Directors now comprise 2 of 4 Directors on the Board of Realm with the Chairman of the Board, affiliated director Gordon Galt, having a second or casting vote in the case of an equality of votes.<sup>1</sup>

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## 4. NO CHANGE TO THE INDEPENDENT EXPERT'S REPORT OR THE INDEPENDENT TECHNICAL EXPERT'S REPORT

The Non-Affiliated Directors confirm that the Independent Expert has been provided with a copy of the Third Supplementary Bidder's Statement. After taking into account the Revised Offer Price and after careful consideration of the Bidder's Concerns, the Independent Expert has concluded that there are no material changes in circumstances, nor has there been a material change in their valuation assumptions, which would require the issue of a supplementary report.

As a result, notwithstanding the Revised Offer Price and the Bidder's Concerns, the Independent Expert maintains that the Offer is still **NEITHER FAIR NOR REASONABLE** and the estimated fair market value (on a control basis) is \$1.62 to \$1.92 per Realm Share.

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## 5. NO CHANGE TO THE NON-AFFILIATED DIRECTORS' RECOMMENDATION

The Non-Affiliated Directors continue to unanimously recommend that Realm Shareholders **REJECT** the Offer for the reasons set out in section 1 of the Original Target's Statement.

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<sup>1</sup> Clause 16.5 of the Constitution of Realm

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

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## **6. 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 Second 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.

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## **7. 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).

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## **8. AUTHORISATION OF SECOND SUPPLEMENTARY TARGET'S STATEMENT**

This Second Supplementary Target's Statement is dated 21 May 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: 21 May 2018