

Fourth 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 unanimously recommend that Realm Shareholders TAKE NO ACTION until a supplementary Independent Expert Report is prepared

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 (**Fourth 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 (**Replacement Bidder's Statement**), a second supplementary bidder's statement dated 15 March 2018, a third supplementary bidder's statement dated 15 May 2018, a fourth supplementary bidder's statement dated 12 June 2018 and a fifth supplementary bidder's statement dated 4 July 2018 (**Fifth Supplementary Bidder's Statement**) (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**), Realm's second supplementary target's statement dated 21 May 2018 and Realm's third supplementary target's statement dated 21 May 2018 (together, the **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 Fourth Supplementary Target's Statement have the same meaning given to them in the Original Target's Statement, unless defined otherwise in this Fourth 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 Fourth Supplementary Target's Statement.

This Fourth Supplementary Target's Statement prevails over the Target's Statement to the extent of any inconsistency.

A copy of this Fourth Supplementary Target's Statement was lodged with ASIC and provided to ASX on 5 July 2018. Neither ASIC nor ASX or any of their respective officers take any responsibility for the contents of this Fourth 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, 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.

2. RE-LISTING UPDATE

The Non-Affiliated Directors have continued to progress the preparatory work in connection with a possible capital raise in parallel with the consideration of the Offer.

As noted in section 3 below, the Bidder Group's nominee directors have provided undertakings in effect to provide the Non-Affiliated Directors with the ability to pursue a capital raising proposal for a period of 3 months following the close of the Offer Period or one month after the capital raising is launched (provided it is launched within that 3-month period) subject to the Bidder not acquiring greater than a 90% interest in Realm Shares and being in a position to compulsorily acquire the remaining Realm Shares. These undertakings have been provided subject to the nominee directors reserving their rights in relation to:

- a) reasonably taking, or not taking, any action that they are required to take in respect of the capital raising in accordance with the Corporations Act (including any approval or consent required by the directors in relation to the prospectus or the relisting of Realm); and
- b) reasonably taking or not taking action to ensure that any offer document and any action to promote the offer by Realm is not unlawful.

While the Taurus Undertakings (as defined in section 3 below) provide the Non-Affiliated Directors with the ability to pursue a capital raising proposal, Realm Shareholders should note that in order to successfully complete a capital raising (and any consequential re-listing), it will be necessary for the full Realm board to consider and approve the prospectus and each Realm director will be required to provide assistance in respect of re-listing. Realm Shareholders should note that notwithstanding the Taurus Undertakings, the terms of any capital raise remain uncertain and there is no certainty that at the time the Realm board is asked to consider a capital raise (and possible re-listing), that all Realm directors will be supportive of a capital raise.

Realm Shareholders are referred to sections 5.2 and 5.3 of the Replacement Bidder's Statement and section 2 of the Third Supplementary Bidder's Statement regarding the Bidder's intentions in respect of the continued listing of Realm on ASX and the Bidder's position in respect of the capital raising necessary to lift the current suspension of Realm.

Realm Shareholders should note that at all times, each Realm director is required to act in good faith in the best interest of the Company and for proper purposes and to have regard to the interests of all Realm Shareholders.

3. TAKEOVERS PANEL DECLARATION

On 29 June 2018, the Takeovers Panel made a declaration of unacceptable circumstances in relation to an application dated 29 May 2018 by the Company in relation to its affairs. For further information on the declaration of unacceptable circumstances, please see the Takeovers Panel media release '*Realm Resources Limited – Declaration of Unacceptable Circumstances and Orders*' dated 29 June 2018, a copy of which is attached as Annexure A of the Fifth Supplementary Bidder's Statement and available on Realm's website.

In connection with the declaration, the Panel made orders providing withdrawal rights to Realm shareholders who accepted the Offer before 7.00 pm (Sydney time) on 2 July 2018 and extending the Offer Period until 7.00 pm (Sydney time) on 3 August 2018.

On 3 July 2018, the Panel accepted undertakings following the declaration of unacceptable circumstances and orders. In broad terms:

- a) the Bidder has undertaken to pay, or procure the payment of, an extra \$0.35 per share to Realm Shareholders accepting the Offer within 4 months from the end of the Offer Period (which ends on 3 August 2018) and to ensure that any subsequent proposal to acquire 100% of the Company (including compulsory acquisition) on or before 31 December 2018 will deliver Realm shareholders at least \$1.35 per share in value;
- b) the Bidder Group's nominee directors have provided undertakings in effect to provide the Non-Affiliated Directors with the ability to pursue a capital raising proposal (subject to some qualifications) for a period of 3 months following the close of the Offer Period or one month after the capital raising is launched (provided it is launched within that 3-month period); and
- c) the Bidder and Taurus Resources Limited No. 2 GP LLC have provided undertakings that (for the period the undertakings described in paragraph 2(b) above are in force) they will not exercise any right or take any steps to nominate additional directors to the board of Realm and will exercise their rights and take all reasonable steps to ensure that there are at least 2 directors independent of the Bidder and Taurus Resources Limited No. 2 GP LLC and their respective associates on the Realm board at all times,

(together, the **Taurus Undertakings**).

These undertakings described in paragraphs 3(b) and 3(c) terminate if the Bidder becomes entitled to compulsorily acquire Realm shares under Part 6A.2 of the Corporations Act.

4. **FIFTH SUPPLEMENTARY BIDDER'S STATEMENT**

On 4 July 2018, the Bidder lodged with ASIC the Fifth Supplementary Bidder's Statement, together with the notice required under section 650F of the Corporations Act to declare the Offer free from all of the Offer Conditions.

In accordance with the Taurus Undertakings, the Bidder has now undertaken to pay, or procure the payment of, an extra \$0.35 per Realm Share to Realm shareholders who accept the Offer before the end of the Offer Period, being 7.00 pm (Sydney time) on 3 August 2018 (**Accepting Shareholders**).

As set out in the Fifth Supplementary Bidder's Statement, Accepting Shareholders will now receive \$1.35 per Realm Share (**Final Offer**) on the following basis:

- a) \$1.00 Cash Consideration per Realm Share under the Offer (**Offer Consideration**); and
- b) \$0.35 per Realm Share compensation payable pursuant to the Taurus Undertaking (**Compensation Payment**).

The Offer Consideration will be paid by the Bidder by 3 August 2018 to Accepting Shareholders who accepted on or before 7.00 pm on 4 July 2018. For those remaining Accepting Shareholders, the Offer Consideration will be paid on the earlier of the date one month after the date of acceptance or on 24 August 2018.

The Compensation Payment will be paid by 3 December 2018 in accordance with the Taurus Undertakings.

The Bidder has declared that the \$1.35 per Realm Share under the Final Offer is final and will not be increased in the absence of a superior proposal for Realm.

5. SUPPLEMENTARY INDEPENDENT EXPERT REPORT

The Non-Affiliated Directors confirm that the Independent Expert has been provided with a copy of the Fifth Supplementary Bidder's Statement and has been asked to consider whether the Final Offer is, in the Independent Expert opinion, fair and reasonable.

Given the period of time since the Independent Expert Report was prepared, the Independent Expert will need to undertake further work to determine whether there is any change to the valuation provided by the Independent Expert and whether there is a change in the opinion of the Independent Expert. The Independent Expert has indicated that it will require approximately two weeks to carry out this work.

6. NON-AFFILIATED DIRECTORS' RECOMMENDATION

The Non-Affiliated Directors unanimously recommend that Realm Shareholders **TAKE NO ACTION** in respect of all correspondence sent to you by the Bidder until a supplementary Independent Expert Report is issued.

Realm Shareholders will have time to accept the Offer after the Independent Expert's opinion on the fairness and reasonableness of the Final Offer is provided in the supplementary Independent Expert Report to be released in around 2 weeks' time.

The Bidder has advised that as at 4 July 2018, it has voting power in 86.85% of Realm Shares. If Realm Shareholders holding more than 3.15% of Realm Shares accept the Offer, the Bidder can commence the process to compulsorily acquire the balance of the Realm Shares prior to Realm Shareholders receiving the supplementary Independent Expert Report.

Following receipt and consideration of a supplementary Independent Expert Report, the Non-Affiliated Directors will either provide a further recommendation of whether the Final Offer should be accepted or not accepted, together with reasons for the recommendation or if the Non-Affiliated Directors do not provide a further recommendation, they will provide reasons for not providing a recommendation.

7. COMPULSORY ACQUISITION

In the event that the Bidder Group becomes the holder of greater than 90% of Realm shares and is entitled to proceed to compulsory acquisition of the outstanding Realm Shares, the Bidder has stated its intention to proceed with compulsory acquisition (refer to section 5.2 of the Replacement Bidder's Statement for further details on the Bidder's intentions).

Under the Taurus Undertakings, if the Bidder or any of its associates undertake a proposal to acquire 100% of the remaining Realm Shares that it and its associates do not already own on or before 31 December 2018 (whether by way of compulsory acquisition, scheme of arrangement, takeover bid or similar), the Bidder must ensure that the proposal delivers a total value paid or delivered under that transaction to Realm Shareholders of at least \$1.35 per Realm Share.

As noted above, the undertakings described in paragraphs 3(b) and 3(c) terminate if the Bidder becomes entitled to compulsorily acquire Realm shares under Part 6A.2 of the Corporations Act.

Realm Shareholders should note that if the Bidder exercises the general compulsory acquisition power in Part 6A.2 of the Corporations Act:

- a) the Bidder would be required to provide a compulsory acquisition notice within 6 months of the end of the Offer Period;
- b) the compulsory acquisition notice must be accompanied by a report from an independent expert nominated by ASIC on whether the terms of the compulsory acquisition give a 'fair value' for Realm Shares and an objection form;
- c) if Realm Shareholders with at least 10% of the Realm Shares covered by the compulsory acquisition notice object to the acquisition within the specified period of at least one month, the Bidder must apply to the Court for approval of the compulsory acquisition; and
- d) in order for the court to approve the compulsory acquisition, the Bidder will need to satisfy the court that the terms of the compulsory acquisition give fair value for the Realm Shares.

For further information on the general compulsory acquisition power, please refer to section 5.11(b) of the Original Target's Statement.

Where the Bidder (together with its associates) obtains a relevant interest in at least 90% of Realm Shares and has acquired at least 75% (by number) of the Realm Shares that the Bidder offered to acquire under the Offer, the Bidder may rely on the follow-on compulsory acquisition under Part 6A.1 of the Corporations Act. If this occurs, the Bidder would not be required to include an independent expert's report in the compulsory acquisition notice. Realm Shareholders have statutory rights to challenge the compulsory acquisition but would be required to establish to the satisfaction of a court that the terms of the Offer do not represent "fair value".

For further information on the follow on compulsory acquisition power, please refer to section 5.11(a) of the Original Target's Statement.

Realm Shareholders should be aware that if they do not accept the Offer and their Realm Shares are compulsorily acquired, those Realm Shareholders will face a delay in receiving the Offer Consideration for their Realm Shares compared to those Realm Shareholders who accepted the Offer.

8. 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 Fourth 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.

9. 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).

10. AUTHORISATION OF FOURTH SUPPLEMENTARY TARGET'S STATEMENT

This Fourth Supplementary Target's Statement is dated 5 July 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: 5 July 2018