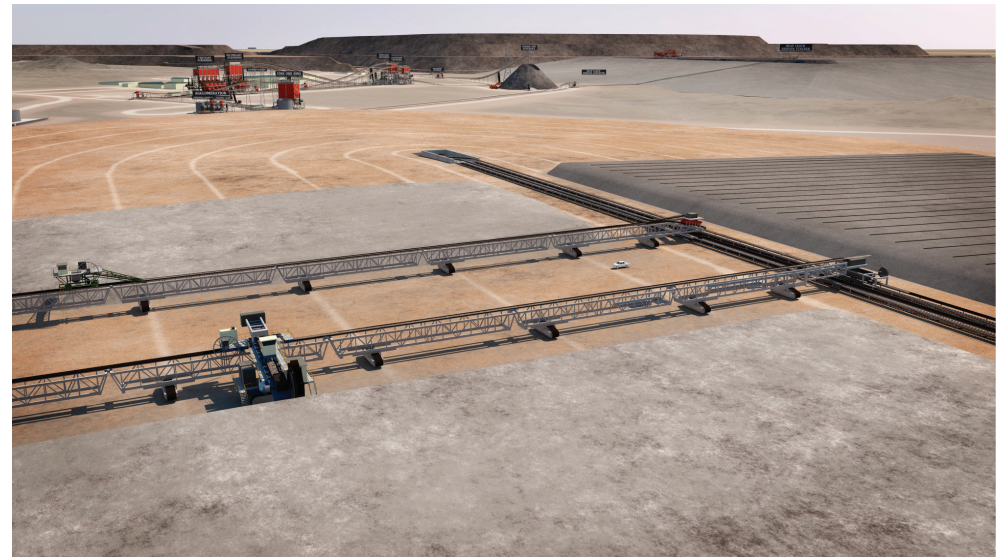


**Etango Heap Leach Demonstration Plant**



**Proposed Etango Dynamic Heap Leach Approach**

## **Notice of Annual General Meeting 2014**

**9.00am (AWST), Tuesday, 4 November 2014**

Level 2, 1 Altona Street, West Perth, Western Australia

# Bannerman Resources Limited

## NOTICE OF MEETING 2014

The 2014 Annual General Meeting of Bannerman Resources Limited (**Bannerman** or the **Company**) will be held at Level 2, 1 Altona Street, West Perth, Western Australia at **9.00am (AWST), Tuesday, 4 November 2014.**

**26 September 2014**

### Dear Shareholder

On behalf of the Directors of Bannerman Resources Limited, please find enclosed the following documents which relate to the Annual General Meeting of the Company:

- Notice of Meeting for the Annual General Meeting, including the Explanatory Notes;
- Management Information Circular; and
- Proxy Form and return envelope.

Bannerman's ongoing focus on the globally significant Etango Project presents Shareholders with exceptional leverage to the uranium price. Bannerman is committed to minimising Shareholder dilution while we continue to enhance Etango's early mover advantage by constructing our heap leach pilot plant in the current year.

The continued overhang in uranium supply resulting from the redirection of supply previously destined for the 48 Japanese reactors and the greater efficiency of the underferd global enrichment plants has until very recently created downward pressure on the uranium spot price which declined to an eight year low of approximately US\$27.50 per lb U<sub>3</sub>O<sub>8</sub> in mid-2014. The price has however subsequently steadily increased by approximately 18% following the preliminary approval by the Japanese Nuclear Regulatory

Authority of the upgraded design and safety features of the Sendai Reactors 1 & 2. It is noteworthy that currently there are more reactors under construction and planned than prior to the Fukushima event. In addition, the Chinese nuclear program is accelerating with 20 reactors in operation, 29 under construction, 59 in the planning stage and a further 118 proposed.

The growth in the nuclear industry however coincides with a contraction in supply, driven by unprofitable production and lack of incentive to continue investment in project developments, at the current low uranium price. Production is supported by term contracts entered into at higher previous levels and hence as these are fulfilled further pressure on supply will eventuate. It is estimated that approximately half of global production is uneconomic at the current spot price level.

Not surprisingly, activity in the term market, which historically trends 20% above the spot price, is starting to increase as utilities realise that the price will increase in anticipation of the inevitable tightening of, if not shortfall in, future supply. Numerous companies have stated that a uranium price in the region of US\$70 – 80 per lb U<sub>3</sub>O<sub>8</sub> is required to incentivise the restart of mothballed operations or the development of new projects.

The integrity of the Bannerman balance sheet has been maintained during the year by extending the term of existing Resource Capital Fund IV L.P. Convertible Note to September 2016. Additionally, the funds to construct and operate the Etango pilot plant were secured following strong shareholder support to enter into a new convertible note facility with Resource Capital Fund VI L.P.

Our plan to demonstrate the acid heap leach concept encapsulated in the Etango Definitive Feasibility Study has been widely supported by all key stakeholders including

shareholders, investors, the Namibian government and employees. The construction of the plant has commenced and it is expected to be commissioned by early 2015. The program scheduled for 2015 should confirm the design and operating assumptions incorporated in the Definitive Feasibility Study (**DFS**) and thereby further de-risk the Etango Project.

While the recovery in the uranium market is proving slower than generally anticipated, Bannerman remains strongly placed with the important advantages of a completed DFS and the ongoing support of Resource Capital Funds as a significant strategic financial investor.

I encourage you to carefully read the attached Notice of Meeting and Management Information Circular, and either attend the Annual General Meeting in person or lodge your vote using the enclosed proxy form.

If you have any questions, please contact the Company Secretary of Bannerman, your stockbroker or other professional adviser.

**Yours faithfully**



**Ronnie Beevor**  
**Chairman**

# Bannerman Resources Limited

## NOTICE OF MEETING 2014

Items of Business		Type of resolution	Voting prohibitions and further information
<b>ORDINARY BUSINESS</b>			
<b>1. DISCUSSION OF FINANCIAL STATEMENTS AND REPORTS</b>	To receive and consider the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2014.	No resolution	Page 5
<b>2. REMUNERATION REPORT</b>	To adopt the remuneration report for the year ended 30 June 2014.	Non-binding	Page 5
<b>3. ELECTION OF DIRECTORS</b>			
<b>A. IAN BURVILL</b>	That Mr Ian Burvill be re-elected as a Director.	Ordinary Resolution	Page 5
<b>B. DAVID TUCKER</b>	That Mr David Tucker be re-elected as a Director.	Ordinary Resolution	Page 5
<b>SPECIAL BUSINESS</b>			
<b>4. RENEWAL OF CAPACITY TO ISSUE SHARES TO SAVANNA</b>	To approve the issue of Shares to Savanna on the terms described in the Explanatory Notes.	Ordinary Resolution	Page 6
<b>5. ISSUE OF SECURITIES TO MR JUBBER</b>	To approve the issue of performance rights to Mr Jubber under the Employee Incentive Plan on the terms described in the Explanatory Notes.	Ordinary Resolution	Page 7 Pages 14-15
<b>6. RENEWAL OF CAPACITY TO ISSUE SECURITIES</b>	To grant the Company with additional equity raising capacity equivalent to 10% of the Company's ordinary securities, on the terms described in the Explanatory Notes.	Special Resolution	Page 9 Pages 12-13

Terms used in this Notice, the Explanatory Notes and the Management Information Circular are defined in the glossary on page 11.

# Bannerman Resources Limited

## NOTICE OF MEETING 2014

### VOTING

#### Notice Record Date

Shareholders recorded on the Company's register of members at 5.00pm on 30 September 2014 (AWST) will be entitled to receive this notice for the AGM.

If you have not elected to receive notice from the Company, the Company is not required to give notice of its meetings to you. However, any Shareholder may at any time request the Company to give them personal notice of meetings.

#### Voting Record Date

Shareholders recorded on the Company's register of members at 5.00pm on Sunday, 2 November 2014 (AWST) will be entitled to vote on Items at the AGM.

#### Becoming a Shareholder

Shareholders who become registered Shareholders by acquiring Shares between the Notice Record Date and the Voting Record Date, and wish to vote at the AGM by proxy should call 1300 850 505 and request an additional Proxy Form.

Shareholders who become beneficial shareholders of Shares by acquiring Shares between the Notice Record Date and the Voting Record Date wish to vote at the AGM by proxy should contact their broker or intermediary for instructions on how to do so.

#### How to Vote

Shareholders can vote in one of two ways:

- by attending the AGM and voting; or
- by appointing a proxy to attend and vote on their behalf.

The voting prohibitions and exclusions for each Item are set out in the Explanatory Notes to this Notice.

Shareholders are asked to arrive at the venue 30 minutes prior to the time designated for the AGM.

### PROXY FORMS

#### Proxy Form

Enclosed with this Notice is a personalised Proxy Form. The Proxy Form allows Shareholders who are not attending the AGM to either lodge their vote directly, or appoint a proxy to vote on their behalf.

If you hold Shares in more than one capacity, please be sure to complete the Proxy Form that is relevant to each holding.

#### Appointing proxies

Shareholders who are entitled to attend and vote at the Meeting, may appoint a proxy to act generally at the AGM on their behalf, and to vote.

Complete the attached Proxy Form to appoint your proxy. A proxy or nominee need not be a Shareholder of the Company.

A Shareholder entitled to attend and vote can appoint up to two proxies, and should specify the proportion or number of votes each proxy or nominee is appointed to exercise.

If no proportion or number is specified, each proxy or nominee may exercise half of the Shareholder's votes. If you wish to appoint two proxies or two nominees, please call 1300 850 505 and request an additional Proxy Form.

Any directed proxies that are not voted on a poll at the AGM will automatically default to the Chair of the meeting, who is required to vote proxies as directed.

A corporate Shareholder or proxy must appoint a person as its corporate representative.

#### Appointing the Chair as your proxy

You may appoint the Chair as your proxy. If you direct the Chair how to vote on an Item, your vote will be cast in accordance with your direction.

If you do not direct the Chair how to vote on an Item, by completing and returning the relevant Proxy Form you will be expressly authorising the Chair to exercise your undirected proxy or nominee on a resolution even though it may be directly or indirectly connected with the remuneration of a member of Key Management Personnel.

The Chair intends to vote all valid undirected proxies received in favour of each Item, subject to the voting prohibitions and exclusions set out in this Notice.

#### Power of attorney and corporate representatives

If the Proxy Form is signed by an attorney, the power of attorney or a certified copy of it must be sent with the Proxy Form.

A body corporate appointed as a proxy must also lodge a *Certificate of Appointment of a Corporate Representative*. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com/](http://www.investorcentre.com/) under the help tab, "Printable Forms".

### LODGING PROXY FORMS

#### Deadline

Proxy Forms must be received by 9.00am on Sunday, 2 November 2014 (AWST).

#### How to lodge Proxy Forms

You can lodge your Proxy Forms:

**Electronically:** by visiting [www.investorvote.com.au](http://www.investorvote.com.au) and entering your holder number and postcode for your shareholding, which are shown on your Proxy Form.

**Mail:** to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001.

**Facsimile:** to Computershare Investor Services Pty Limited on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

Further details on how to lodge your Proxy Form can be found on the Proxy Form.

### ENQUIRIES

#### About this Notice

Shareholders are invited to contact the Company Secretary by telephone at +61 8 9381 1436 or by email at [admin@bannermanresources.com.au](mailto:admin@bannermanresources.com.au) if they have any queries in respect of the matters set out in these documents.

#### About the Proxy Form

If you have any questions about the relevant Proxy Form, you may also contact the Company's share registry, Computershare Investor Services Pty Limited, at 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

#### By order of the Board of Directors



Robert Dalton

Company Secretary

26 September 2014



# Bannerman Resources Limited

## EXPLANATORY NOTES

### ITEM 1 - DISCUSSION OF FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, Shareholders will have a reasonable opportunity to ask questions concerning the Company's Annual Report, which includes the Company's Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2014.

A copy of the Company's Annual Report is available on:

- its website: [www.bannermanresources.com.au](http://www.bannermanresources.com.au);
- the ASX website: [www.ASX.com.au](http://www.ASX.com.au); or
- the SEDAR website: [www.sedar.com](http://www.sedar.com).

The Company's auditor, Ernst & Young, will be present at the AGM and Shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the Auditor's Report, the Company's accounting policies, and the independence of the auditor.

The auditor will also respond to any written questions provided these are submitted to the Company no later than five business days prior to the AGM.

There is no requirement for Shareholders to approve the Company's Annual Report.

### ITEM 2 - REMUNERATION REPORT

#### Background

The Remuneration Report for the financial year ended 30 June 2014 is set out in the Company's Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for Directors, including the Chief Executive Officer / Managing Director and executive staff.

The Chair will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the Remuneration Report at the AGM. Shareholders will then be asked to vote on the Remuneration Report.

The vote is advisory only and does not bind the Company or its Directors. The Company's Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

#### Spill resolution

If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders must vote at the second of those annual general meetings on a resolution to hold another meeting within 90 days, at which all of the Directors (other than the Managing Director/Chief Executive Officer) must stand for re-election.

#### Board recommendation

The Board unanimously recommends that Shareholders vote **in favour** of the adoption of the Remuneration Report. The Chair intends to vote undirected proxies in favour of Item 2.

#### Voting prohibitions

In accordance with the Corporations Act, a vote on Item 2 must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel or their Closely Related Parties.

The prohibition will not apply if the vote is cast as a proxy for a person who is entitled to vote, where:

- the Proxy Form specifies how the proxy is to vote on Item 2; or
- the proxy is the Chair, who may vote on Item 2 in accordance with the express authorisation on the Proxy Form.

### ITEMS 3A and 3B - ELECTION OF DIRECTORS

Ian Burvill and David Tucker are standing for re-election and will retire in accordance with the provisions of the Company's Constitution and, being eligible, offer themselves for re-election as Directors. Their relevant skills and experience are summarised in this section.

#### Board recommendation

The Board (other than the relevant Director in relation to his own re-election) recommends that Shareholders vote **in favour** of the re-election of Ian Burvill and David Tucker. The Chair intends to vote undirected proxies in favour of Items 3A and 3B.



**Mr Ian Burvill**

**BE (Mech), MBA, MIEAust, CPEng, MAusIMM, GAICD**

#### Term of office

Appointed in 2012

#### Independent

No

#### Skills and experience

Mr Burvill is a Senior Vice President of private equity fund manager Resource Capital Funds and has over 28 years of mining industry experience, starting as a mechanical engineer in the design and construction of mineral process plants.

Ian has also worked as an Associate Director of Rothschild Australia Limited, providing project finance for mining projects.

#### Committee memberships

Member of the Audit Committee  
Member of the Remuneration Nomination and Corporate Governance Committee

#### Interests in the Company

2,203,800 non-executive Director options (unlisted), held by Resource Capital Funds Management Pty Ltd.

# Bannerman Resources Limited

## EXPLANATORY NOTES



**Mr David Tucker**

*BSc (Geology) (Hons), MSc (Mining and Exploration Geology), M.AusIMM, FAICD*

### Term of office

Appointed in 2008

### Independent

Yes

### Skills and experience

40 years of experience in mining and exploration, including 20 years working as an exploration geologist, the first 10 of which were within the uranium sector with United Uranium NL, Noranda Australia, the Australian Atomic Energy Commission and Esso Australia Limited. David was formerly responsible for business development, public affairs and investor relations at Homestake Gold of Australia, Director of Corporate Affairs at Barrick Australia Pacific and a director of Homestake's Australian subsidiaries, Barrick Mining Company (Australia) and Barrick Gold of Australia.

### Committee memberships

Chairman of both the Audit Committee and the Health, Safety, Environment and Community Committee

### Interests in the Company

527,600 Shares and 520,800 non-executive Director Share rights (vesting on 22 November 2014) held by Western River Pty Ltd for The DC Tucker Family. 168,099 Shares held by David Cecil Tucker and Jane Frances Tucker for the Tucker Superannuation Fund.

## ITEM 4 – RENEWAL OF CAPACITY TO ISSUE SHARES TO SAVANNA

### Background

On 17 December 2008, Bannerman Namibia entered into an agreement (**Savanna Settlement Agreement**) to settle a litigation dispute brought about by Savanna Marble CC (**Savanna**) and its associated parties.

Under the Savanna Settlement Agreement, Savanna agreed to discontinue an application in the High Court of Namibia by which Savanna had sought a declaration that the Company's EPL 3345 (on which the Etango Project is situated) is void.

Under the terms of the Savanna Settlement Agreement, in consideration for the termination of the proceedings, Savanna was entitled to receive up to A\$3.5 million in cash and 9.5 million Shares.

The initial payment of A\$3 million cash and 5.5 million Shares was made to Savanna in January 2009. The further payment of A\$0.5 million cash and 4 million Shares (**Savanna Shares**) is contingent upon the grant of the Etango Project mining licence (**Mining Licence**).

The Company has sought Shareholder approval for the grant of the Savanna Shares at the Company's annual general meetings in 2010, 2011, 2012 and 2013. On each occasion the Company has sought and received:

- Shareholder approval for the issue of the Savanna Shares for a further 12 months; and
- A waiver of ASX Listing Rule 7.3.2 to extend the 3 month period after approval to issue shares to a corresponding 12 month period.

The Shareholder approval and previous ASX waiver obtained in 2013 will expire on 22 November 2014.

At the last practicable day prior to finalising these Explanatory Notes, the Mining Licence had not been granted. Accordingly, the Company is again seeking fresh Shareholder approval for the purposes of ASX Listing Rule 7.1.

### Details of the proposed Share issue

<b>Maximum number of securities</b>	4,000,000 Shares
<b>Date of issue</b>	As permitted under the ASX waiver, the latest date of issue will be 12 months after the date of any Shareholder approval (i.e. 4 November 2015). The Savanna Shares will be allotted and issued on one date, on or about the date the Mining Licence is granted, in accordance with and subject to the waiver granted by the ASX.
<b>Issue price of each Share</b>	The Savanna Shares are being issued as consideration under the Savanna Settlement Agreement. The value ascribed to the Savanna Shares based on the Share price as at 25 September 2014 of \$0.073 is \$292,000.
<b>Proposed allottee</b>	Savanna, or its nominees.
<b>Terms of issue</b>	The Company will issue fully paid ordinary Shares and will rank equally with the Company's existing Shares on issue.
<b>Intended use of funds</b>	The Savanna Shares are part of the consideration for settlement under the Savanna Settlement Agreement. No funds will be raised by the issue of the Savanna Shares.
<b>ASX waiver</b>	To enable the Company to disregard the Savanna Shares in its ASX Listing Rule 7.1 calculation for 12 months in the case where the Mining Licence is not granted within the usual three month period required by ASX Listing Rule 7.3.2, the Company has obtained a further waiver from the ASX to extend the three month period to 12 months (i.e. 4 November 2015).

# Bannerman Resources Limited

## EXPLANATORY NOTES

### Purpose of Shareholder approval

The Company must not issue equity securities which amount to more than 15% of its Shares in any 12 month period (**15% Capacity**), unless the issue of equity securities has been approved by Shareholders.

The approval sought under Item 4 will allow the Company to issue the Savanna Shares without using the Company's 15% Capacity.

This approval will preserve the Company's 15% Capacity, providing the Company additional flexibility to raise funds by issuing equity securities over the next 12 months.

If the Company does not have remaining capacity to issue equity securities, and Shareholder approval is not obtained, the Company may be required to pay an amount equivalent to the value of the Savanna Shares in cash.

The Board has not made a decision to undertake any further issues of equity securities. The Board will only undertake further issues of equity securities if they consider it in the best interests of the Company to do so.

### Voting exclusions

In accordance with the ASX Listing Rules the Company will disregard any votes cast on Item 4 by or on behalf of (including by proxy) Savanna and any of its associates.

However, the Company need not disregard a vote if the vote is cast as proxy for a person who is entitled to vote:

- in accordance with the directions on the Proxy Form; or
- by the Chair of the meeting in accordance with a direction on the Proxy Form to vote as the proxy decides.

### Board recommendation

The Board unanimously recommends Shareholders vote **in favour** of the approval to issue securities.

The Chair intends to vote undirected proxies in favour of Item 4.

## ITEM 5 – ISSUE OF SECURITIES TO MR JUBBER

### Background

The Company seeks Shareholder approval, for the purposes of Listing Rule 10.14, to issue Performance Rights under the Company's Employee Incentive Plan to Mr Jubber, the Chief Executive Officer and Managing Director of the Company.

Under the EIP, the Board has discretion to grant Performance Rights to any employee it declares to be an eligible executive, upon the terms set out in the EIP (and upon such terms and conditions as the Board determines).

Subject to Shareholder approval, the Board has decided to invite Mr Jubber to apply for Performance Rights under the EIP, with a value of A\$300,000 (**CEO Incentive Entitlement**), with the performance hurdles and other terms set out below.

### Reasons for the grant

The EIP is aimed specifically at driving long term performance for Shareholders through a culture of employee share ownership and retention of executives, employees and staff.

The proposed grant of Performance Rights to Mr Jubber seeks to further align his interests with those of Shareholders by linking Mr Jubber's rewards to long term performance for Shareholders by imposing performance-related conditions, as well as a requirement that Mr Jubber continue to be employed by the Company for a defined period of time.

### Formulae for determining CEO Performance Rights

If the Performance Rights are granted to Mr Jubber, the number of Performance Rights would be determined by dividing the CEO Incentive Entitlement by the VWAP of the Company's Shares traded on the ASX during the 20 trading days (**20 Day VWAP**) prior to the AGM.

Set out below is an indicative number of CEO Performance Rights that would be granted at various 20 Day VWAP levels, based upon the CEO Incentive Entitlement.

20 Day VWAP	Indicative Number of CEO Performance Rights
A\$0.06	5,000,000
A\$0.08	3,750,000
A\$0.10	3,000,000

Whilst the indicative numbers of CEO Performance Rights set out above may be different to the actual number of CEO Performance Rights granted (depending upon the prevailing 20 Day VWAP prior to the AGM), the amount of the CEO Incentive Entitlement will remain unchanged.

If Mr Jubber is granted the maximum indicative number of CEO Performance Rights set out in the table above, and all of them vest, it may have a diluting effect of up to approximately

1.52% on the Company's current issued and outstanding Shares.

### Details required by ASX Listing Rule 10.15

#### Key terms of the grants

<b>Relationship with Director</b>	The CEO Performance Rights will be granted to Mr Jubber or his nominee.
<b>Total securities to be issued</b>	Subject to the relevant Shareholder approvals being obtained, the maximum number of CEO Performance Rights will be determined in accordance with the formulae set out above.  The indicative maximum based on the 20 Day VWAP of A\$0.0765 on 25 September 2014 is 3,921,569.  The number of CEO Performance Rights proposed to be granted to Mr Jubber will be announced by the Company to ASX prior to the AGM, as well as to Shareholders at the AGM.
<b>Price</b>	The Performance Rights will be granted at no cost to Mr Jubber and no amount is payable on vesting of the Performance Rights.
<b>Persons entitled to participate in the EIP</b>	Mr Jubber is the only Director of the Company (or associate of any Director) entitled to participate in the EIP.
<b>Loan scheme</b>	No loans will be made by the Company in relation to the grant of the Performance Rights.
<b>Issue date</b>	If Shareholder approval is obtained, it is anticipated that the Performance Rights will be granted shortly after the Meeting and in any event, no later than 12 months after the date of the Meeting.
<b>ASX waiver</b>	The ASX has granted the Company a waiver from the requirement to set out the maximum number of CEO Performance Rights that may be acquired by Mr Jubber.

Further details of the EIP are set out in **Schedule 2**.

# Bannerman Resources Limited

## EXPLANATORY NOTES

### Previous grants

The following grants are the only issues that have previously been made to Mr Jubber under the EIP as at 25 September 2014, being the last practicable date prior to the date of finalising this Notice.

Number of Performance Rights	Grant date	Vesting date	Acquisition price
680,600 <sup>1</sup>	15 Dec 2010	23 Nov 2013	Nil
312,500 <sup>2</sup>	21 Dec 2011	1 Jul 2012	Nil
1,408,940 <sup>3</sup>	21 Dec 2011	17 Nov 2014	Nil
2,925,900 <sup>4</sup>	13 Dec 2012	21 Nov 2015	Nil
4,166,650	11 Dec 2013	22 Nov 2016	Nil

<sup>1</sup> 188,866 (28%) were forfeited on 29 November 2011. 340,300 (50%) were forfeited and 151,434 (22%) vested on 23 November 2013.

<sup>2</sup> 100% vested into Shares upon completion of a Board approved Definitive Feasibility Study.

<sup>3</sup> 246,564 (18%) were forfeited on 28 November 2012.

<sup>4</sup> 292,590 (10%) were forfeited on 11 December 2013.

Full details of Mr Jubber's holding of Shares, Rights and Options are set out in the Remuneration Report of the 2014 Annual Report.

### Performance hurdles

The CEO Performance Rights are proposed to be entirely at risk and will be subject to the following vesting conditions.

### Total Shareholder return performance

50% of the CEO Performance Rights (**TSR Tranche**) are subject to a relative total Shareholder return (**TSR**) hurdle, based on the Company's relative total Shareholder return performance tested at the end of three years.

The Company's TSR ranking within a defined peer group of uranium exploration and development companies at the end of the three years will determine the proportion of the TSR Tranche that vests (if any) on the following basis.

Relative TSR performance outcome	Percentage of award that will vest
Below or at 25 <sup>th</sup> percentile	0%
Between the 25 <sup>th</sup> and 75 <sup>th</sup> percentile	Scale applicable whereby every 1 percentile equates to 2% vesting
At or above the 75 <sup>th</sup> percentile	100%

The Board may change the members of the peer group from time to time to ensure it is reflective of the Company's peers. Any of the TSR tranche of the CEO Performance Rights that do not vest will be cancelled at the end of three years.

### Operational performance

The remaining 50% of the CEO Performance Rights (**Operational Tranche**) are subject to an operating and personal performance based test at 12 months (**Operational Test**).

The Operational Test will be based on stated criteria to be set with reference to the Company's internal operating plans and other key performance indicators as determined by the Board.

The criteria will be based on the approved operating plan for the 12 month period and will also include reference to Mr Jubber's performance regarding specific areas such as health, safety, environment and community, strategy definition and implementation, capital management and the Company's culture and values.

Any of the Operating Tranche of CEO Performance Rights that is not earned in accordance with the Operational Test will be cancelled at the 12 month testing point.

The earned component of the Operational Tranche will vest only if Mr Jubber continues to be continuously employed for a period of two years after the 12 month testing point.

### Other information

**Hedging:** Mr Jubber is prohibited from hedging the share price exposure in respect of Performance Rights during the performance period.

If Shareholder approval is obtained, details of the grant of Performance Rights will be provided in the Remuneration Report for the year ending 30 June 2015.

**Listing Rule 7.1:** Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Performance Rights to Mr Jubber as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Performance Rights to Mr Jubber will not be included in the Company's 15% Capacity.

### What if Shareholders do not approve the grant?

If Shareholders do not approve the issue of Performance Rights to Mr Jubber, the Board will propose an alternative remuneration structure for Mr Jubber. This may be an alternative equity proposal and/or an amount in cash.

### Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires shareholder approval where a public company seeks to give a "financial benefit" to a "related party" (unless an exception applies). For the purposes of Chapter 2E of the Corporations Act Mr Jubber is considered to be a related party and the CEO Performance Rights will constitute a financial benefit.

An exception to the requirement to obtain shareholder approval in accordance with Chapter 2E applies where the financial benefit constitutes part of the related party's "reasonable remuneration".

The Board (other than Mr Jubber), considers that the grant of CEO Performance Rights to Mr Jubber and any issue of Shares upon the exercise of the CEO Performance Rights, constitutes part of the reasonable remuneration of Mr Jubber.

In reaching this conclusion, the Board has had regard to a variety of factors including market practice and the remuneration offered to persons in comparable positions at comparable companies.

### Voting exclusion statement

In accordance with ASX Listing Rules the Company will also disregard any votes cast on Item 5 by or on behalf of (including by proxy) Mr Jubber and any of his associates.

However, the Company need not disregard a vote if the vote is cast as proxy for a person who is entitled to vote:

- in accordance with the directions on the Proxy Form; or
- by the Chair of the meeting in accordance with a direction on the Proxy Form to vote as the proxy decides.



# Bannerman Resources Limited

## EXPLANATORY NOTES

### Voting prohibition statement

In accordance with the Corporations Act, a vote on Item 5 must not be cast as a proxy for a person who is entitled to vote, by a member of the Key Management Personnel and any of their Closely Related Parties, unless:

- the Proxy Form specifies how the proxy is to vote on Item 5; or
- the vote is cast by the Chair in accordance with the express authorisation on the Proxy Form.

### Board recommendation

The Board (other than Mr Jubber) recommend that Shareholders vote **in favour** of Item 5.

The Chair intends to vote undirected proxies in favour of Item 5.

## ITEM 6 – RENEWAL OF CAPACITY TO ISSUE SECURITIES

The Company seeks Shareholder approval under Listing Rule 7.1A to increase the Company's capacity to issue equity securities equivalent to 10% of the Company's ordinary securities in the 12 months proceeding this Meeting (**10% Capacity**).

The 10% Capacity would be in addition to the existing capacity to issue equity securities equivalent to 15% of the Company's ordinary securities.

### Purpose of approval

Shareholder approval is being sought to provide the Company with the maximum flexibility to raise funds by issuing equity securities without the need for further Shareholder approval.

If the 10% Capacity is not approved, the Company may be required to obtain Shareholder approval at the time of an issue of securities, which may limit the Company's ability to take advantage of opportunities to raise equity capital.

Under Listing Rule 7.1A the Company must obtain Shareholder approval at the AGM to issue equity securities equivalent to 10% of the Company's ordinary securities in the 12 months following the approval.

The 10% Capacity must be approved by a Special Resolution, requiring approval of 75% of the votes cast by

Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The number of equity securities issued under the 10% Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2.

### Details of the 10% Capacity

#### Minimum issue price

The Company will not issue securities under the 10% Capacity at a price less than 75% of the VWAP for the securities in the same class, calculated over the 15 ASX trading days immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within five ASX trading days of that date, the date on which the securities are issued.

#### Date of issue

The Company's ability to issue equity securities under the 10% Capacity will expire on the earlier of:

- 4 November 2015; or
- the date Shareholders approve a significant change to the nature or scale of the Company's activities under Listing Rule 11.1.2 or a disposal of the Company's main undertaking under Listing Rule 11.2.

#### Intended use of funds

Shares may be issued under the 10% Capacity for the following purposes:

- non-cash consideration for the acquisition of new resources assets or other investments. If this occurs, the Company will provide a valuation of the non-cash consideration in accordance with ASX Listing Rule 7.1A.3;
- cash consideration. If this occurs, the Company intends to use the funds raised to continue exploration and development on the Company's current assets, to acquire new assets or investments, or for working capital purposes; or
- to issue the Savanna Shares under the Savanna Settlement Agreement, in the event that Shareholder

approval under Item 4 is not obtained, or has expired at the date the Mining Licence is granted.

The Company will comply with its disclosure obligations under ASX Listing Rules 3.10.5A and 7.1A.4 in relation to any issue of securities under the 10% Capacity.

### Previous approval

At the Company's 2012 and 2013 annual general meetings, Shareholders approved the Company's capacity to issue equity securities equivalent to 10% of the Company's ordinary securities.

The approval given at the 2013 annual general meeting will expire on 22 November 2014.

As at the date of this Notice, the Company has not issued any securities under this additional capacity.

### Allocation policy

The Company's allocation policy will depend on the prevailing market conditions at the time of any proposed issue under the 10% Capacity. The identity of allottees will be determined on a case-by-case basis having regard to factors which may include:

- the methods of raising funds which are available to the Company, including the time and market exposure associated with the various methods of raising capital applicable at the time of the raising;
- the effect of any such issue on the control of the Company;
- the financial situation of the Company; and
- advice from corporate, financial and broking advisers.

The Company may issue Shares to Savanna under the 10% Capacity in the event that Shareholder approval under Item 4 is not obtained, or has expired at the date the Mining Licence is granted.

As at the date of this Notice, the allottees under the 10% Capacity have not been determined. They may, however, include substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

### Is there a risk of economic and voting dilution to you?

There is a risk of economic and voting dilution to the ordinary security holders of the Company. There is a specific risk that:

# Bannerman Resources Limited

## EXPLANATORY NOTES

- the market price for the Company's Shares may be significantly lower on the date of the issue than it is on the date of the AGM; and
- the securities may be issued at a price that is at a discount to the market price for the Company's Shares on the issue date,

which may have an effect on the amount of funds raised by the issue of the securities.

In addition to the current issued capital and market price, the table below shows the economic and voting dilution effect in circumstances where the issued capital has doubled and the market price of the Shares has halved.

The table also shows additional scenarios in which the issued capital has increased (by both 50% and 100%) and the market price of the Shares has decreased by 50% and increased by 100%.

Shares on issue	Shares issued		Capital raised	
	10% voting dilution (Shares)	At 50% decrease in market price \$0.037	At current market price \$0.073	At 100% increase in market price \$0.146
Current				
329,745,150	32,974,515	\$1,203,570	\$2,407,140	\$4,814,279
50% increase				
494,617,725	49,461,773	\$1,805,355	\$3,610,709	\$7,221,419
100% increase				
659,490,300	65,949,030	\$2,407,140	\$4,814,279	\$9,628,558

### Assumptions and explanations

- The market price is \$0.073, based on the closing price of the Shares of ASX on 25 September 2014.
- The Company issues the maximum number of equity securities available under the 10% Capacity.
- No options of other securities are exercised into Shares before the date of the issue of the equity securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table does not show an example of dilution that may be caused to a particular Shareholder (taking into account that Shareholder's holding at the date of the AGM).

- The table does not show the effect of issues under the 15% share issue capacity under the ASX Listing Rules.
- The issue of securities under the 10% Capacity consists only of Shares.
- The issue price of the 10% Capacity used in the table does not take into account discount to market price (if any).

### Has the Company made or proposed any issues in the last 12 months?

The Company has issued the following equity securities in the 12 month period preceding the date of this Notice, details of which are set out in **Schedule 1**.

Reason	Number	Equity security
Issue of incentives under the EIP and NEDSIP	7,795,800 4,504,000	Performance Rights Share Options
Shares issued on vesting of incentives under the EIP and NEDSIP	2,679,776	Shares
Shares issued for extension and establishment fees for the RCF Convertible Notes	4,253,969	Shares
Shares issued in lieu of interest under the RCF Convertible Notes	7,002,995	Shares
Issue of the Second RCF Convertible Note	1	Convertible note (the principal of which is convertible into 42,105,263 Shares)
<b>Total</b>	<b>26,406,541</b>	

The equity securities issued in the previous 12 months, if converted, would amount to 68,511,803 Shares. On 4 November 2013, the equity securities of the Company constituted, or were convertible into, 361,647,080 Shares.

On this measure, the equity securities issued in the preceding 12 months amount to approximately 18.9% of the equity securities on issue at 4 November 2013.

On 19 June 2014, Shareholders approved the Company to enter into the Second RCF Convertible Note. This approval allows RCF to increase its collective voting power up to a maximum of 43.0% by conversion of the RCF Convertible

Notes, the related Share issues thereunder and the exercise of existing options held by Resource Capital Funds Management Pty Ltd.

### Use of funds received

The Company received an amount of \$4,000,000 in respect of the Second RCF Convertible Note. As at 25 September 2014, no amount has yet been used. This amount will be used for confirmatory demonstration plant test work and general working capital requirements.

### Voting exclusions

The Company will disregard any votes cast on Item 6 by or on behalf of (including by proxy) a person who might participate in the proposed issue and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of Shares) if Item 6 is passed, and any associates of those persons.

However, the Company need not disregard a vote if the vote is cast as proxy for a person who is entitled to vote:

- in accordance with the directions on the Proxy Form; or
- the Chair of the meeting in accordance with a direction on the Proxy Form to vote as the proxy decides.

The persons eligible to participate in a proposed issue (if any) are not known by the Company at the date of the Notice. Accordingly, no Shareholders are currently excluded from voting on Item 6.

### Board recommendation

The Board unanimously recommends Shareholders vote **in favour** of granting the Company the additional equity raising capacity equivalent to 10% of the Company's ordinary securities.

The Chair intends to vote undirected proxies in favour of Item 6.

# Bannerman Resources Limited

## GLOSSARY

<b>10% Capacity</b>	The additional 10% Share capital the Company may issue on top of the 15% Capacity, subject to Shareholder approval.	<b>Director</b>	A director of the Company.	<b>Performance Right</b>	An entitlement to one Share, subject to vesting and satisfaction of any performance conditions, granted in accordance with the EIP or NEDSIP.
<b>15% Capacity</b>	The restriction on the Company to issue securities up to 15% of its issued Share capital in any 12 month period without obtaining Shareholder approval.	<b>Employee Incentive Plan or EIP</b>	The Bannerman Resources Limited Employee Incentive Plan as amended from time to time.	<b>Proxy Form</b>	The proxy form included with this Notice.
<b>20 Day VWAP</b>	The VWAP of the Company's Shares traded on the ASX during the 20 trading days prior to the AGM.	<b>Etango Project</b>	The uranium project of the Company located in Namibia.	<b>RCF or Resource Capital Funds</b>	RCF IV, RCF VI and Resource Capital Funds Management Pty Ltd.
<b>A\$ or \$</b>	Australian dollars.	<b>Explanatory Notes</b>	The Explanatory Notes attached to the Notice of Meeting.	<b>RCF Convertible Notes</b>	The First RCF Convertible Note and/or the Second RCF Convertible Note (as applicable).
<b>Annual Report</b>	The financial report, Directors' report and auditors report for the Company for the year ended 30 June 2014.	<b>First RCF Convertible Note</b>	The A\$8,000,000 convertible note facility provided to the Company by RCF IV, as amended.	<b>RCF IV</b>	Resource Capital Fund IV L.P.
<b>AGM or Annual General Meeting</b>	The Annual General Meeting of Shareholders of the Company to be held at Level 2, 1 Altona Street, West Perth, Western Australia on Tuesday, 4 November 2014 at 9.00am (AWST), or any adjournment thereof.	<b>Group</b>	Bannerman and its subsidiaries.	<b>RCF VI</b>	Resource Capital Fund VI L.P.
<b>ASX</b>	ASX Limited (ABN 98 008 624 691), or as the context requires, the financial market operated by it.	<b>Item</b>	Each resolution set out in the Notice of Meeting.	<b>Remuneration Report</b>	The remuneration report forming part of the Directors' report in the Company's 2013/14 financial report.
<b>ASX Listing Rules</b>	The listing rules of the ASX.	<b>Key Management Personnel</b>	Key management personnel, which has the same meaning as in the Australian accounting standards. Broadly, this includes those persons with the authority for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Directors.	<b>Savanna</b>	Savanna Marble CC.
<b>AWST</b>	Australian Western Standard Time.	<b>Management Information Circular</b>	The Management Information Circular attached to the Notice of Meeting.	<b>Savanna Settlement Agreement</b>	The agreement dated 17 December 2008 and entered into by the Company, Bannerman Namibia and Savanna.
<b>Bannerman or Company</b>	Bannerman Resources Limited (ABN 34 113 017 128)	<b>Mining Licence</b>	The mining licence to be granted by the Minister of Mines and Energy of Namibia in respect of the Etango Project within EPL 3345.	<b>Savanna Shares</b>	The 4 million Shares which Bannerman is obligated to issue to Savanna upon grant of the Mining Licence.
<b>Bannerman Namibia</b>	Bannerman Mining Resources (Namibia) (Proprietary) Limited.	<b>NEDSIP</b>	The Bannerman Resources Limited Non-Executive Director Share Incentive Plan as amended from time to time.	<b>Second RCF Convertible Note</b>	The A\$4,000,000 convertible note facility provided by RCF VI.
<b>Board</b>	The board of Directors of the Company.	<b>Notice or Notice of Meeting</b>	The notice of Meeting, the Explanatory Notes and Management Information Circular.	<b>Share</b>	A fully paid ordinary share in the capital of the Company.
<b>CEO Incentive Entitlement</b>	The value of Performance Rights to which Mr Jubber is entitled on an annual basis in accordance with the EIP and the Board's current policy thereunder.	<b>Notice Record Date</b>	5.00pm on Tuesday, 30 September 2014 (AWST).	<b>Shareholder</b>	Any people holding a Share in the Company's share register.
<b>Chair</b>	The chair of the Annual General Meeting.	<b>Operational Test</b>	The operating and personal performance test undertaken to determine whether the Operational Tranche will be earned.	<b>Special Resolution</b>	A resolution that must be passed by at least 75% of the votes cast by Shareholders being in favour of the resolution.
<b>Closely Related Party</b>	A closely related party, meaning a spouse or child of the member; a child of the member's spouse, a dependent of the member or the member's spouse; anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member in the member's dealings with the Company; or a company the member controls.	<b>Operational Tranche</b>	The remaining 50% of the Performance Rights which potentially follow the TSR Tranche.	<b>TSR</b>	Total Shareholder Return, being the total before tax investment return achieved by the holder of a Share over a defined period based on Share price movement over that period and the reinvestment of dividends, if any.
<b>Constitution</b>	The Company's constitution.	<b>Option</b>	An option to acquire a Share, subject to vesting and satisfaction of any performance conditions, granted in accordance with the EIP or the NEDSIP.	<b>TSR Tranche</b>	The initial 50% of the CEO Performance Rights, to potentially be followed by the Operational Tranche.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).	<b>Ordinary Resolution</b>	A resolution that must be passed by at least 50% of the votes cast by shareholders being in favour of the resolution.	<b>TSX</b>	Toronto Stock Exchange, or as the context requires, the financial market operated by it.
				<b>Voting Record Date</b>	5.00pm on Sunday, 2 November 2014 (AWST).
				<b>VWAP</b>	Volume Weighted Average Price.

# Bannerman Resources Limited

## SCHEDULE 1 – SECURITIES ISSUED IN PRIOR 12 MONTHS

Brief Details	Date of Issue	Number of Securities	Class / Type of Security	Summary of Terms	Investor / Recipient	Price	Amount paid	Current value of non-cash consideration
Issued upon vesting of share rights pursuant to the EIP.	21-Nov-13	214,212	Shares <sup>1</sup>	Same as existing Shares.	Eligible employees under the EIP	Nil	Issued on vesting of share rights.	n/a
Issued upon vesting of share rights pursuant to the NEDSIP.	21-Nov-13	824,100	Shares <sup>1</sup>	Same as existing Shares.	Eligible non-executive Directors under the NEDSIP	Nil	Issued on vesting of share rights.	n/a
Performance rights pursuant to the EIP.	22-Nov-13	7,113,800	Performance rights <sup>2</sup>	Unlisted performance rights assessed for vesting based on performance hurdles determined by the Board	Eligible employees under the EIP	Nil	Issued as employee incentives.	n/a
Non-executive Director Share rights granted pursuant to the NEDSIP.	22-Nov-13	520,800	Share rights <sup>3</sup>	Unlisted share rights vesting on 22 November 2014 subject to continuous service.	Eligible non-executive Directors under the NEDSIP	Nil	Issued as Director incentives.	n/a
Non-executive Director options granted pursuant to the NEDSIP.	22-Nov-13	4,504,000	Unlisted options <sup>4</sup>	Exercise price of A\$0.072 per share and an expiry date of 22 November 2016	Eligible non-executive Directors under the NEDSIP	Nil	Issued as Director incentives.	n/a
Share rights granted pursuant to the EIP.	22-Nov-13	161,200	Share rights <sup>5</sup>	Unlisted share rights with a vesting date of 22 November 2014.	Eligible employees under the EIP	Nil	Issued as employee incentives.	n/a
Issued in satisfaction of the A\$160,000 extension fee in relation to the First RCF Convertible Note. <sup>6</sup>	25-Nov-13	2,539,683	Shares <sup>1</sup>	Same as existing Shares.	RCF IV	\$0.063 per Share (31% premium to closing price on 25-Nov-13)	Issued in satisfaction of extension fee.	\$185,396.86 <sup>11</sup>
Issued upon vesting of unlisted employee performance rights in accordance with the terms of the EIP.	25-Nov-13	272,592	Shares <sup>1</sup>	Same as existing Shares.	Eligible employees under the EIP	Nil	Issued on vesting of performance rights.	n/a
Issued in satisfaction of the December 2013 quarter interest payment under the First RCF Convertible Note. <sup>7</sup>	15-Jan-14	3,226,301	Shares <sup>1</sup>	Same as existing Shares.	RCF IV	\$0.05 per Share (5.6% discount to closing price on 15-Jan-14)	Issued in satisfaction of interest.	\$235,519.97 <sup>11</sup>
Issued in satisfaction of the March 2014 quarter interest payment under the First RCF Convertible Note. <sup>7</sup>	9-Apr-14	1,434,620	Shares <sup>1</sup>	Same as existing Shares.	RCF IV	\$0.11 per Share (22.2% premium to closing price on 9-Apr-14)	Issued in satisfaction of interest.	\$104,727.26 <sup>11</sup>

<sup>1</sup> The terms of fully paid ordinary Shares are set out in the Constitution. This includes the right to share in the surplus assets of the Company on a winding up, the right to dividends and to attend and vote at general meetings.

<sup>2</sup> Performance rights are issued under the terms of the EIP, the terms of which are contained in Schedule 2.

<sup>3</sup> These Share rights are issued under the terms of the NEDSIP, the terms of which are contained in the notice of meeting for the 2013 annual general meeting.

<sup>4</sup> These unlisted options are issued under the terms of the NEDSIP, the terms of which are contained in the notice of meeting for the 2013 annual general meeting.

<sup>5</sup> These Share rights are issued under the terms of the EIP, the terms of which are contained in Schedule 2.

<sup>6</sup> These shares are issued at a price being equal to the 20-day VWAP (rounded) up to and including 6 September 2013, in accordance with the First RCF Convertible Note Facility Agreement.

<sup>7</sup> These shares are issued at a price being equal to the 5-day VWAP (rounded) up to and including the last day of the relevant quarter, in accordance with the First RCF Convertible Note Facility Agreement.



# Bannerman Resources Limited

## SCHEDULE 1 – SECURITIES ISSUED IN PRIOR 12 MONTHS

Brief Details	Date of Issue	Number of Securities	Class / Type of Security	Summary of Terms	Investor / Recipient	Price	Amount paid	Current value of non-cash consideration
Issued upon vesting of unlisted employee performance rights in accordance with the EIP.	9-Apr-14	618,872	Shares <sup>1</sup>	Same as existing Shares.	Eligible employees under the EIP	Nil	Issued on vesting of performance rights.	n/a
Issued in satisfaction of the A\$120,000 establishment fee payable in relation to the Second RCF Convertible Note. <sup>8</sup>	30-Jun-14	1,714,286	Shares <sup>1</sup>	Same as existing Shares.	RCF VI	\$0.07 (2.9% premium to closing price on 30-Jun-14)	Issued in satisfaction of establishment fee.	\$125,142.88 <sup>11</sup>
The Second RCF Convertible Note, approved by Shareholders on 19 June 2014.	30-Jun-14	One (convertible into 42,105,263 Shares)	Unlisted convertible note <sup>9</sup>	A\$4 million convertible note maturing on 30 September 2016 and convertible at any time prior to the maturity date.	RCF VI	Nil	\$4,000,000	The use of funds received is outlined on page 10.
Issued in satisfaction of the June 2014 quarter interest payment under the First RCF Convertible Note. <sup>7</sup>	10-Jul-14	2,279,452	Shares <sup>1</sup>	Same as existing Shares.	RCF IV	\$0.07 (no discount or premium to closing price on 10-Jul-14)	Issued in satisfaction of interest.	\$166,400.00 <sup>11</sup>
Issued in satisfaction of the June 2014 quarter interest payment under the Second RCF Convertible Note. <sup>10</sup>	10-Jul-14	62,622	Shares <sup>1</sup>	Same as existing Shares.	RCF VI	\$0.07 (no discount or premium to closing price on 10-Jul-14)	Issued in satisfaction of interest.	\$4,571.41 <sup>11</sup>
Issued upon vesting of share rights pursuant to the terms of the EIP	11-Aug-14	750,000	Shares <sup>1</sup>	Same as existing Shares.	Eligible employee under the EIP	Nil	Issued on vesting of share rights.	n/a
Performance rights pursuant to the EIP.	18-Sept-14	170,000	Performance rights <sup>3</sup>	Unlisted performance rights assessed for vesting based on performance hurdles determined by the Board	Eligible employee under the EIP	Nil	Issued as employee incentives.	n/a

<sup>8</sup> These shares are issued at a price being equal to the 5-day VWAP (rounded) up to and including 26 June 2014, in accordance with the Second RCF Convertible Note Facility Agreement.

<sup>9</sup> The Second RCF Convertible Note was approved by Shareholders on 19 June 2014. Full details of the terms of this unlisted convertible note are contained in the notice for that meeting.

<sup>10</sup> These shares are issued at a price being equal to the 5-day VWAP (rounded) up to and including the last day of the relevant quarter, in accordance with the Second RCF Convertible Note Facility Agreement.

<sup>11</sup> This value is calculated based upon the number of Shares issued multiplied by the Share price as at 25 September 2014, being \$0.073.

# Bannerman Resources Limited

## SCHEDULE 2 - TERMS OF THE EMPLOYEE INCENTIVE PLAN

Key term	Description of term	Key term	Description of term	Key term	Description of term
<b>Eligible employees</b>	Full and part time employees of any Bannerman Group company (wherever they reside), but excluding non-executive Directors, contractors and casual employees, will be eligible to be granted incentives. However, there may be some further regulatory requirements for executive Directors or employees residing outside Australia.	<b>Vesting in other circumstances</b>	The Board may permit a participant to exercise incentives or have such incentives vested, in other limited situations, such as where a resolution is passed approving the disposal of Bannerman's main undertaking or on a winding up of Bannerman.	<b>Vesting on change of control</b>	Incentives that remain subject to a vesting condition immediately vest and are received or become exercisable by the participant in the event that a takeover bid is made for Bannerman, or another corporate transaction is pursued (such as a scheme of arrangement, selective capital return etc) which results in the bidder acquiring voting power to more than 50% of Bannerman.  The Board also has a general discretion to allow incentives to immediately vest if the Board determines, acting in good faith and consistent with its fiduciary duties, that a person has obtained voting power which is sufficient to control the composition of the Board of Bannerman.  Incentives will lapse on their expiry date.
<b>Entitlement for performance rights</b>	Subject to the terms of the EIP, vesting and the satisfaction of any performance conditions, each performance right entitles the holder to receive one Share in Bannerman.	<b>Expiry date</b>	The Board may set out in an invitation to participate in the EIP the date and times when any incentives lapse. The expiry date will be no later than 10 years after the date of grant.	<b>Transferability</b>	Incentives are only transferable upon a takeover bid where the incentives are transferred to the bidder, upon a scheme of arrangement where the Incentives are transferred to the acquirer, by force of law upon death of the incentive holder or upon bankruptcy of the incentive holder, or otherwise with the consent of the Board.
<b>Exercise price for performance rights</b>	There is no consideration payable upon the grant or exercise of a performance right.	<b>Exercise into acquirer shares</b>	Subject to the ASX Listing Rules, the EIP provides flexibility for Bannerman to agree with any successful acquirer of Bannerman to an arrangement whereby incentives will become exercisable or vest into shares of the successful acquirer or its parent in lieu of Shares.  Any such exercise or vesting will be on substantially the same terms and subject to substantially the same conditions as the holder may exercise or vest incentives to acquire Shares, but with appropriate adjustments to the number and kind of Shares subject to the incentives, as well as to any exercise price.	<b>Right to participate in dividends</b>	Incentives will not entitle the holder to any dividends (or Shares or rights in lieu of dividends) declared or issued by the Company.
<b>Entitlement for options</b>	Subject to the terms of the EIP, vesting and the satisfaction of any performance conditions, each option entitles the holder to acquire (whether by purchase or subscription) and be allotted one Share in Bannerman on the exercise of the option.	<b>Board discretion</b>	Under the terms of the EIP, the Board has absolute discretion to determine the exercise price, the expiry date and vesting conditions of any grants made under the EIP, without the requirement for further Shareholder approval.	<b>Listing</b>	The Incentives will not be listed.
<b>Exercise price for options</b>	The exercise price of an option will be determined by the Board in its absolute discretion.				
<b>Vesting conditions</b>	The Board has the discretion at the time of the grant of an incentive under the EIP to determine what (if any) vesting conditions need to be satisfied before the incentives become capable of exercise.				

# Bannerman Resources Limited

## SCHEDULE 2 - TERMS OF THE EMPLOYEE INCENTIVE PLAN

Key term	Description of term	Incentives on cessation of employment		
<b>Adjustment for rights Issues</b>	The exercise price of incentives (if applicable) will be adjusted in the manner provided by the ASX Listing Rules in the event of the Company conducting a rights issue prior to the lapse of the relevant Incentive.	<b>Cause</b>	<b>Incentives which have not vested</b>	<b>Incentives which have vested</b>
<b>Other rights to participate in bonus issues, reorganisations and new issues etc</b>	<p>If the Company completes a bonus issue during the term of an Incentive, the number of Shares the holder is then entitled to will be increased by the number of Shares which the holder would have been issued in respect of incentives if they were exercised (in the case of options) or are vested and are received (in the case of performance rights) immediately prior to the record date for the bonus issue.</p> <p>In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Incentives to which the holder is entitled or the exercise price of the incentives (if applicable), or both as appropriate, will be adjusted in the manner provided for in the ASX Listing Rules.</p> <p>Subject to the terms of the EIP and as otherwise set out above, during the currency of the incentives and prior to their exercise (in the case of options) or vesting and receipt (in the case of performance rights), the holder is not entitled to participate in any new issue of securities of the Company as a result of their holding the incentives.</p>	<b>Termination for ill health or death</b>	Immediately lapse unless Board determines otherwise	May be exercised (in the case of ill health) by the participant, or (in the case of death) by the participant's personal representative, until the incentive lapses
		<b>Termination for cause (e.g. fraud, dishonesty, material breach of obligations)</b>	Immediately lapse unless Board determines otherwise	Immediately lapse unless Board determines otherwise
		<b>Termination by consent (e.g. resignation)</b>	Immediately lapse unless Board determines otherwise	Are able to be exercised during the period 30 days after cessation of employment or a longer period allowed by the Board
		<b>Redundancy, constructive dismissal, other termination by Company not dealt with above</b>	Incentives automatically vest and are able to be exercised during the period 30 days after cessation of employment or a longer period allowed by Board	Are able to be exercised during the period 30 days after cessation of employment or a longer period allowed by the Board

# MANAGEMENT INFORMATION CIRCULAR

## FOR THE GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON 4 NOVEMBER 2014

The Company is a designated foreign issuer as defined in National Instrument 71-102 – *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* and is a reporting issuer in certain provinces of Canada. It is subject to Australian law and regulatory requirements of the Australian Securities and Investments Commission. Definitions of capitalised terms used in the Notice of Meeting, this Management Information Circular and the Explanatory Notes are specifically referred to in the Glossary in the Notice of Meeting.

The date of this Management Information Circular is 26 September 2014.

Unless otherwise indicated, all dollar amounts in this Management Information Circular and the preceding Notice of Meeting and Explanatory Notes are expressed in Australian Dollars (A\$), which is the Company's functional reporting currency.

### 1. Solicitation of Proxies

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of Bannerman for use at the Annual General Meeting of the Shareholders.

The Meeting will be held at Level 2, 1 Altona Street, West Perth, Western Australia on Tuesday, 4 November 2014 at 9.00 am (Perth Time), for the purposes set forth in the Notice of Meeting accompanying this Management Information Circular.

The Directors of the Company recommend that Shareholders read this Management Information Circular and the Notice of Meeting each in full in conjunction with the accompanying Explanatory Notes.

Solicitation of proxies will be conducted primarily by mail but may also be by telephone, facsimile or in person by Directors, officers and employees of the Company who will not be additionally compensated therefore. Brokers, nominees or other persons holding Shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such Shares. The costs of soliciting proxies will be borne by the Company.

### 2. Voting by Proxy

Enclosed with this Notice is a form of proxy for use at the Meeting.

#### 2.1. Appointment of Proxy

The enclosed form of proxy provides for the appointment of the Chair of the Meeting (who may be a Director or officer of the Company) if no person is named in the form of proxy or if the appointment of a person named in the proxy fails.

**A Shareholder submitting a proxy has the right to appoint a nominee (who need not be a Shareholder) to represent him at the Meeting other than the Chair of the Meeting by inserting the name of the chosen nominee in the space provided for that purpose on the form of proxy. A Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half the votes.**

A proxy will not be valid for the Meeting unless it is signed by the Shareholder or by the Shareholder's attorney duly authorised in writing or, if the Shareholder is a company, executed by a duly authorised officer or attorney thereof. The proxy, to be acted upon, must be deposited not less than 48 hours before the Meeting together with an original or certified copy of any power of attorney or other authority under which the proxy was signed (if any) with:



Bannerman Resources Limited  
**MANAGEMENT INFORMATION CIRCULAR**

Australia

Computershare Investor Services Pty Limited  
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## **2.2. Revocation of Proxy**

A Shareholder who has deposited a proxy may revoke it prior to its use, by instrument in writing (including another proxy) executed by the Shareholder or by his attorney duly authorised in writing or, if the Shareholder is a company, executed by a duly authorised officer or attorney thereof in compliance with applicable law, and deposited at the office of Computershare Investor Services (**Computershare**) at any time up to and including the last business day preceding the day of the Meeting or with the Company at any time prior to the commencement of the Meeting or any adjournment thereof is to be held or with the Chair of the Meeting on the day of, and prior to the start of, the Meeting. A proxy may also be revoked in any other manner permitted by law.

## **2.3. Voting of Proxies**

All Shares represented at the Meeting by properly executed proxies appointing the Chair of the Meeting (whether by appointment or default) will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the accompanying form of proxy, the Shares represented by the proxy will be voted in accordance with such instructions.

**The Chair of the Meeting intends to vote all valid undirected proxies received in favour of each item, subject to the voting prohibitions and exclusions set out in the Notice. Shareholders should refer to the information under the heading "Appointing the Chair as your Proxy" in the Notice of Meeting.**

**The enclosed form of proxy confers discretionary authority upon the persons named therein. If any other business or amendments or variations to matters identified in the Notice of Meeting properly comes before the Meeting, then discretionary authority is conferred upon the person appointed in the proxy to vote in the manner they see fit, in accordance with their best judgement.**

**At the time of the printing of this Management Information Circular, the management of the Company knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. If such amendments, variations or other matters are properly brought before the Meeting, or any adjournment thereof, the Shares represented in the form of proxy will be voted at the proxyholder's discretion.**

Further instructions in relation to completing the Proxy Form are included in the Proxy Form.

## **3. Advice to Beneficial Holders of Shares**

Only Shareholders, or proxy holders duly appointed by Shareholders, are permitted to vote at the Meeting. Shareholders who do not hold their Shares in their own name (referred to in this Management Information Circular as **Beneficial Shareholders**) should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Shares in the capital of the Company can be recognized and acted upon at the Meeting.

If Shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those Shares will not be registered in the Shareholder's name on the records of the Company. Such Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker.

In Canada, the vast majority of such shares are registered under the name of CDS Clearing and Depository Services Inc. or its nominee CDS & Co., which acts as nominee for many Canadian brokerage firms. Shares held by brokers or their agents or nominees can only be voted (for, against or abstain for resolutions) upon the instructions of the

Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person.**

In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Management Information Circular and the form of proxy to the clearing agencies and intermediaries for onward distribution to Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings unless the Beneficial Holders have waived the right to receive meeting materials. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy (or, as applicable, voting instruction form) supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the registered Shareholder (i.e. the broker or agent of the broker) on how to vote on behalf of the Beneficial Shareholder.

The majority of brokers now delegate responsibility for obtaining instructions from clients to third party intermediaries. These third party intermediaries typically use a specific voting instruction form, mail those forms to the beneficial shareholders and ask the beneficial shareholders to return the voting instruction forms to them. These intermediaries then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of those Shares to be represented by their clients. A Beneficial Shareholder receiving such an intermediary's voting instruction form cannot use that form to vote its Shares directly at the Meeting – the voting instruction form must be returned to the intermediary well in advance of the Meeting in order to have the Shares voted. It is also possible, in some cases, to submit voting instructions to the intermediary through the Internet.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

People who become Beneficial Shareholders by acquiring Shares between the Notice Record Date and the Voting Record Date and wish to vote at the Meeting, by proxy or by attending in person, should contact their broker or intermediary for instructions on how to do so.

#### **4. Interest of Certain Persons in Matters to be Acted Upon**

Except as disclosed herein, the Company is not aware that any of the directors, nominees, executive officers or other insider of the Company, or any persons associated or otherwise related to any of them, has, or has had at any time since the beginning of the Company's last financial year, any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in the matters to be acted upon at the Meeting.

Other than as permitted in the matter set out in the Explanatory Notes, no Directors will be permitted to vote on Item 2 and 5 which relate to the remuneration of Directors.

#### **5. Record Dates**

##### **5.1. Canadian Share Register – Record Date**

Each holder of Shares is entitled, at the Meeting or any adjournment therefore, to one vote for each Share registered in the holder's name at 5.00 pm (Perth Time) on Sunday, 2 November 2014.

## 5.2. Australian Share Register – Record Date

For the purposes of regulation 7.11.37 of the Corporations Regulations the Directors have fixed the time of 5.00pm (Perth Time) on Sunday, 2 November 2014 as the Voting Record Date which entitles Shareholders to attend and vote at the Meeting.

## 6. Voting Shares and Principal Holders of Voting Shares

### 6.1. Voting Securities

As at the date of this Management Information Circular, there were 329,745,150 Shares issued and outstanding as fully paid and which carry voting entitlements. On a ballot, each Share is entitled to one vote.

### 6.2. Principle Holders of Voting Shares

As at the date of this Management Information Circular, to the knowledge of the Directors and executive officers of the Company, other than RCF which holds 49,462,064 shares amounting to 15.0% of the votes attached to all of the issued and outstanding Shares, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying in aggregate 10% or more of the votes attached to all of the issued and outstanding Shares.

## 7. Election of Directors

The total number of Directors to be re-elected at the Meeting is two. The Directors nominated for re-election or elections are Mr Ian Burvill and Mr David Tucker. **The persons whose names are printed on the enclosed form of proxy intend to vote at the Meeting IN FAVOUR of the re-election to the Board of Directors of the aforementioned nominees, unless the Shareholder signatory of the proxy has indicated its intention to abstain from voting with respect to the election of Directors.**

A waiver from the annual election of Directors requirement (Sections 461.2 to 461.4 of the *TSX Company Manual*) has been received from the TSX for the following reasons:

- the Company's securities are listed on the ASX;
- the Company is incorporated under the Australian *Corporations Act 2011 (Cth)*;
- the Company has confirmed to the TSX that at least 75% of the Company's trading value and volume over the last six months immediately preceding the request for the waiver has occurred on the ASX; and
- the Company has confirmed that it is in compliance with director election standards and practices of Australia and the ASX.

### 7.1. Directors' Information

The following tables states the names of all persons proposed to be nominated for re-election as Directors or who will continue in office following this Meeting, the position or office now held by them, if applicable, their principal occupation, the date on which they became a Director of the Company and the number of shares of the Company and any of its subsidiaries beneficially owned, directly or indirectly, or over which they exercise control or direction.

**Table 1 : Summary of Directors' Information**

Name and Residence	Age	Current Office with Bannerman	Principal Occupation <sup>(1)</sup>	Director Since <sup>(2)</sup>	Shares <sup>(3)</sup>	Options <sup>(4)</sup>	Performance Rights <sup>(4)</sup>
<b>Directors</b>							
Len Jubber Perth, Australia	54	Managing Director & CEO	Chief Executive Officer	November 17, 2008	1,296,033	1,500,000	7,962,336
Ronnie Beevor Sydney, Australia	67	Non-Executive Director	Principal, Beevor Associates Pty Limited ( <i>advisory business</i> )	July 27, 2009	830,259	2,252,000	-
Clive Jones Perth, Australia	52	Non-Executive Director	Managing Director of Cazaly Resources Ltd ( <i>ASX Listed exploration company</i> )	January 12, 2007	15,206,940 Shares in Bannerman and 20 shares	2,203,800	-

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Name and Residence	Age	Current Office with Bannerman	Principal Occupation <sup>(1)</sup>	Director Since <sup>(2)</sup>	Shares <sup>(3)</sup>	Options <sup>(4)</sup>	Performance Rights <sup>(4)</sup>
					(20%) in Bannerman Namibia		
David Tucker Perth, Australia	67	Non-Executive Director	Principal, Responsible Resources Pty Ltd ( <i>resources development consultancy</i> )	March 18, 2008	695,699	-	520,800
Ian Burvill Perth, Australia	52	Non-Executive Director	Senior Vice President, Resource Capital Funds ( <i>investment fund</i> )	June 14, 2012	-	2,203,800	-

Notes:

- (1) During the past five years each of the foregoing Directors has been engaged in the principal occupation shown opposite his name above.
- (2) Each Director's term of office expires at the later of the third AGM of Shareholders or three years after that Director's last election or appointment. One-third of the Directors must retire at each AGM. Retiring directors are eligible for re-election.
- (3) Voting Shares owned, or controlled or directed, directly or indirectly by each Director.
- (4) Options and Performance Rights carry no voting rights.

Mr Burvill does not hold a relevant interest (within the meaning of section 608 of the Corporations Act) in the Shares and the Convertible Notes held by Resource Capital Fund IV L.P. and Resource Capital Fund VI L.P.

Mr Jones (for himself and on behalf of an associate in Perth, Australia) is also the holder of a 20% interest in Bannerman Namibia. Mr Jones is presently a Non-Executive Director of Bannerman and Bannerman Namibia.

## 7.2. Board Committee Membership

The Board currently has three standing committees to assist in the discharge of its responsibilities. These are the:

- The Audit Committee;
- The Remuneration, Nomination and Corporate Governance Committee (which was formed in March 2009); and
- The Health, Safety, Environment and Community (HSEC) Committee (which was formed in August 2009).

All duties and responsibilities for health, safety, environment and community during 2013 were included as a standing agenda item at each Board meeting.

The charters of all Board committees, detailing the roles and duties of each committee are available in the corporate governance section of Bannerman's website. All Board committee charters are reviewed at least annually.

At the date of this Management Information Circular, the membership of each Board committee is as follows:

**Table 2 : Membership of Board Committees**

Audit Committee	Remuneration, Nomination and Corporate Governance Committee	HSEC Committee
David Tucker (Chair)	Clive Jones (Chair)	David Tucker (Chair)
Ronnie Beevor	Ronnie Beevor	Clive Jones
Ian Burvill	Ian Burvill	

Committee members are chosen for the skills, experience and other qualities they bring to the committees. The executive management attends, by invitation, board committee meetings.

## 7.3. Bankruptcies, Penalties and Sanctions

To the knowledge of the executive officers of the Company, no proposed Director is at the date of this Management Information Circular, or was within 10 years before the date of this Management Information Circular, a director, chief executive officer or chief financial officer (CFO) of any company (including Bannerman) that:



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- was subject to a cease trade order or similar order, or an order that denied such company access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or
- was subject to a cease trade order or similar order, or an order that denied such company access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of the executive officers of the Company, no proposed Director:

- is, as at the date of this Management Information Circular, or has been within the 10 years before the date of this Management Information Circular, a director or executive officer of any company (including the Company or a personal holding company of the proposed director) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- has, within the 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director or a personal holding company of the proposed director.

## **8. Executive Compensation**

### **8.1. Summary of Executive Compensation**

The following table and the notes thereto summarise the compensation of the Named Executive Officers (as defined in Form 51-102F6 - *Statement of Executive Compensation* of the Canadian Securities Administrators)(**Form 51-102F6**), which includes the Chief Executive Officer, Chief Financial Officer and other senior executives of the Company (the **Named Executive Officers**), for the financial years ended June 30, 2014, June 30, 2013 and June 30, 2012 as required pursuant to Canadian securities laws.

The Named Executive Officers are set out below. There were no other executive officers of the Company or its subsidiaries serving as at the year ended June 30, 2014 whose total annual salary and bonus exceeded C\$150,000 per annum in that financial year.

**Table 3 : Named Executive Officers**

<b>Named Executive Officers</b>	<b>Position</b>	<b>Period (if less than the entire period)</b>
Len Jubber	Chief Executive Officer and Managing Director	Full financial period
Werner Ewald	General Manager - Namibia	Full financial period

### **8.2. Principles used to determine the nature and amount of remuneration**

The Board Remuneration, Nomination and Corporate Governance Committee (**the Remuneration Committee**) assists the Board to fulfil its responsibilities to Shareholders by ensuring the Group has remuneration policies that fairly and competitively reward executives and the broader Bannerman workforce. The Remuneration Committee's decisions on reward structures are based on the current competitive environment, remuneration packages for executives and employees in the resources industry and the size and complexity of the Group.

The Remuneration Committee's responsibilities include reviewing the Company's remuneration framework and evaluating the performance of the Chief Executive Officer (**CEO**) and monitoring the performance of the executive team. No Committee member has direct executive compensation experience however all members have extensive corporate and business experience.

Independent remuneration consultants are engaged by the Remuneration Committee from time to time to ensure the Company's remuneration system and reward practices are consistent with market practices. No remuneration consultants were used for the year ended 30 June 2014. For the year ended 30 June 2013, the Company sought advice from PJ Kinder Consulting regarding market data in relation to Board remuneration. The recommendations were provided to the Remuneration Committee as an input in the decision-making process. These recommendations, along with other factors, were considered by the Remuneration Committee in making its remuneration decisions and recommendations to the Board. The fees paid to PJ Kinder Consulting for the year ended 30 June 2013 totalled A\$5,000 and no other services were provided by PJ Kinder Consulting. The Remuneration Committee is satisfied the advice was free from undue influence from the Board and/or management to whom the remuneration recommendations applied. No remuneration consultants were used for the year ended 30 June 2012.

### **8.3. Compensation discussion and analysis**

Bannerman's executive remuneration policy is designed to reward the CEO and other senior executives. The main principles underlying Bannerman's executive remuneration policy are to:

- provide competitive rewards to attract, retain and motivate executives;
- set levels of performance which are clearly linked to an executive's remuneration;
- structure remuneration at a level which reflects the executive's duties and accountabilities;
- set a competitive level of remuneration that is sufficient and reasonable;
- align executive incentive rewards with the creation of value for Shareholders; and
- comply with applicable legal requirements and appropriate standards of governance.

#### *Executive remuneration structure – FY 2014*

Bannerman's remuneration structure for the CEO and senior executives for the year ended 30 June 2014 was divided into two principal components:

- base pay and benefits, including superannuation; and
- variable annual reward, or "at risk" component, by way of the issue of long term share-based incentives.

#### *Base pay*

The base pay component of executive remuneration comprises base salary, statutory superannuation contributions and other allowances where applicable. It is determined by the scope of each executive's role, working location, level of knowledge, skill and experience along with the executive's individual performance. There is no guarantee of base pay increases included in any executive's contract.

Bannerman benchmarks this component of executive remuneration against appropriate market comparisons using information from similar companies and, where applicable, advice from external consultants.

#### *Short-term incentive component (STI)*

During the year there were no STI awards granted.

#### *Long-term incentive component (LTI)*

The LTI awards are aimed specifically at creating long term shareholder value and the retention of employees. The Company has implemented an Employee Incentive Plan which enables the provision of options or performance rights to executives and employees.

During the 2014 financial year, performance rights which will vest subject to pre-defined performance hurdles were allocated to all executives. The grant of performance rights aims to reward executives in a manner that aligns remuneration with the creation of shareholder wealth and takes into consideration the number of performance rights currently on issue, the capacity for additional issues, the prevailing share price and the performance of the Company. Refer to Table 7 for the number and value of performance rights issued to executives during the year.

*Performance measures to determine vesting*

The vesting of half of the Performance Rights is subject to the Company's relative Total Shareholder Return (TSR) as measured by share price performance (allowing for the reinvestment of dividends), versus a comparator group of uranium development companies. The vesting of the other half is subject to the attainment of defined individual and group performance criteria, chosen to align the interests of employees with shareholders, representing key drivers for delivering long term value. Group and individual performance measures are weighted and specify performance required to meet or exceed expectations.

The performance measures for the 2014 performance rights related to:

- Safety - total recordable incidents and significant environmental incidents.
- Capital - maintaining adequate working capital and achieving operating budgets.
- Regulatory Approvals - obtaining timely renewal of licences.
- Corporate Development - execution of transactions mandated by the Board.

Relative TSR was selected as the LTI performance measure given it ensures an alignment between comparative shareholder return and reward for executives, and minimises the effects of market cycles and commodity price changes.

The comparator group includes the following uranium development companies:

A-Cap Resources Limited	Energy Fuels Inc.	Mega Uranium Limited
Alliance Resources Limited	Energy Ventures Limited	Peninsula Energy Limited
Berkeley Resources Limited	Forsys Metals Corp.	Powertech Uranium Corp.
Black Range Minerals Limited	Impact Minerals Limited	Strateco Resources Inc.
Conico Ltd	Laramide Resources Limited	Toro Energy Limited
Deep Yellow Limited	Marathon Resources Limited	Uranerz Energy Corporation
Energy & Minerals Australia Limited	Marenica Energy Limited	Ur-Energy Inc.

The Board may change the members of the peer group from time to time to ensure it is reflective of the Company's peers. The use of uranium-focused development companies seeks to ensure that the TSR calculation is not materially impacted by price movements of other commodities.

The comparator group is composed of Australian and foreign uranium development companies chosen to reflect the Group's competitors for capital and talent. The Group's performance against the measure is determined according to Bannerman's ranking against the companies in the TSR group over the performance period. The vesting schedule is as follows:

**Table 4 : TSR Vesting Schedule**

Relative TSR performance outcome	Percentage of award that will vest
Below or at the 25 <sup>th</sup> percentile	0%
Between the 25 <sup>th</sup> and 75 <sup>th</sup> percentile	Scale applicable whereby every 1 percentile equates to 2% vesting
At or above the 75 <sup>th</sup> percentile	100%

*Options*

In previous years, options were granted to executives for the purposes of incentivising and retaining them during the significant development phase of the Etango Project. Accordingly, performance hurdles included the finalisation of a Preliminary Feasibility Study and a DFS on the Etango Project, the grant of a mining licence, finalisation of project

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financing and commissioning of the Etango Project. As at the date of this report, only the performance hurdles relating to the Preliminary Feasibility Study and DFS have been satisfied.

Further details regarding the options issued to executives are outlined in section 9.3 below. No options were granted to executives during the financial reporting period or subsequent to the end of the year (2013: nil).

*Termination and change of control provisions*

Where an executive ceases employment prior to the vesting of an award, the incentives are forfeited unless the Board applies its discretion to allow vesting at or post cessation of employment in appropriate circumstances.

In the event of a change of control of the Group, the performance period end date will generally be brought forward to the date of the change of control and the options and rights will vest in full, subject to ultimate Board discretion.

*No hedging of LTIs*

As part of the Company's Securities Trading Policy, the Company prohibits executives from entering into arrangements to protect the value of unvested LTI awards. This includes entering into contracts to hedge exposure to options, performance rights or shares granted as part of their remuneration package.

#### **8.4. Summary Compensation Table**

The following table (presented in accordance with Form 51-102F6) sets forth the total compensation for services in all capacities to the Company for the financial years ended 30 June 2012, 2013 and 2014 (to the extent required by Form 51-102F6) in respect of each of the individuals comprised of the Chief Executive Officer and the other four most highly compensated executive officers of the Company as at 30 June 2014 whose individual total compensation for the most recently completed financial year of the Company exceeded C\$150,000, or any individual who would have satisfied this condition but for the fact that the individual was not serving as such an officer at the end of the most recently completed financial year.

**Table 5: Named Executive Officers' remuneration**

Table of Named Executive Officers' Remuneration								
	Year	Short-term		Post Employment	Sub-total	Share Based Payments	Total	Performance Related
		Salary & Fees	Other	Superannuation		Options / Performance Rights		
		A\$	A\$	A\$		A\$		
Executive Directors								
Len Jubber CEO	2014	366,133	-	33,868	400,001	(912,754)	(512,753)	-
	2013	437,181	-	39,346	476,527	209,974	686,501	30.6
	2012	379,841	-	33,027	412,868	665,162	1,078,030	61.7
Other Executive Personnel								
Peter Kerr CFO	2014	-	-	-	-	-	-	-
	2013	79,206	-	7,128	86,334	-	86,334	-
	2012	322,752	-	29,047	351,799	(177,513)	174,286	-
John Turney Project Director	2014	-	-	-	-	-	-	-
	2013	-	-	-	-	-	-	-
	2012	187,797	-	49,601	237,398	238,710	476,108	50.6
Matthew Shackleton CFO	2014	-	-	-	-	-	-	-
	2013	141,897	-	12,770	154,667	-	154,667	-
	2012	-	-	-	-	-	-	-
Werner Ewald General Manager Namibia	2014	160,886	47,193	31,478	239,557	115,530	355,087	32.5
	2013	169,838	49,205	32,614	251,657	49,677	301,334	16.5
	2012	161,371	49,781	31,149	242,301	104,243	346,544	30.1

\* Fair value of the stock-based compensation expense was calculated in accordance with applicable accounting standards as at the date of grant.



## 8.5. Employment Contracts, Termination of Employment and Change in Responsibilities

Remuneration and other terms of employment for the CEO and the other executives are also formalised in service agreements. Major provisions of the agreements relating to remuneration are summarised below.

### *Remuneration of the Chief Executive Officer, Len Jubber*

Mr Jubber was appointed on 17 November 2008 as CEO and Managing Director. Under the employment contract with Mr Jubber, he is entitled to receive an annual salary, superannuation, and LTI awards (grant of options or performance rights, which are subject to performance hurdles). Details of Mr Jubber's contract and remuneration are described below and are set out in Table 5 above.

The remuneration provisions of Mr Jubber's employment contract as it applied for 2013/14 provided for the following:

### *Annual Salary*

Following completion of the Board-approved DFS on the Etango Project, Mr Jubber's annual salary increased from A\$400,000 per annum to A\$462,500 per annum (rate set in 2008), inclusive of 9% superannuation, effective 10 April 2012. This amount will increase to A\$525,000 upon attainment of development finance for the Etango Project. No short term incentive is payable.

In recognition of the current adverse uranium and capital markets and the resultant low share price, Mr Jubber voluntarily implemented a 13.5% reduction in his personal remuneration, down to his current salary of \$400,000, with effect from 1 July 2013.

### *Share based payments*

Mr Jubber's employment contract provided for the grant of 5,500,000 options, subject to Shareholder approval, which was obtained in April 2009. The options, which are subject to performance hurdles, will lapse if Mr Jubber leaves the employment of the Group and immediately vest in the event of a change of control. During the year, 1,500,000 of these options expired. The remaining 1,500,000 options are scheduled to expire on 17 November 2014 (refer Table 7).

During the year, Mr Jubber was granted 4,166,650 performance rights subject to Shareholder approval, which was obtained in November 2013. The performance rights were offered and the terms and conditions were agreed to and accepted by Mr Jubber on 11 December 2013. The rights are subject to performance hurdles and lapse if Mr Jubber leaves the employment of the Group and immediately vest in the event of a change of control.

### *Termination benefits*

Other than as described below, the Company has not entered into any agreements with any Named Executive Officers which provide for predetermined payments to be made in the event of termination of their employment.

**Table 6 : Summary of contractual provisions for executives engaged at the date of this Circular**

Name and job title	Employing company	Contract duration	Notice period company	Notice period employee	Termination provision
Len Jubber CEO & Managing Director	Bannerman Resources Limited	No fixed term	3 months	3 months	6 months base salary and accrued leave entitlements.
Werner Ewald Project Coordinator	Bannerman Resources Limited	No fixed term	3 months	3 months	6 months base salary and accrued leave entitlements.

## 8.6. Securities authorised for issue under equity compensation plans

Executive Directors and the Named Executive Officers are eligible to participate in the Company's 2013 Employee Incentive Plan (EIP).

### *Outstanding Option and Performance Right based awards*

Other than the Options to Mr Len Jubber (which were approved by Shareholders on 16 April 2009) and the Performance Rights (which were approved by the Shareholders on 22 November 2013), the following gives a brief description of the material terms and conditions of Options issued without the approval of Shareholders, affecting the remuneration of the Named Executive Officers in office at the end of the reporting period or in future reporting periods.

All unvested Options and Performance Rights lapse on cessation of employment, unless otherwise approved by the Board or under special circumstances such as retirement or redundancy.

**Table 7 : Key terms of Options and Performance Rights held by Named Executive Officers as at 30 June 2014**

Grant date (i)	Type of Award	No. of Options/ Perf. Rights Granted	% of Options/ Perf. Rights Granted during the Year	Value per Option/ Perf. Right at 30 June 2014 (ii)	No. of Options/ Perf. Rights Vested	Exercise Price	Fair value per Option/ Perf. Right at Grant Date	Performance Hurdles	Expiry Date
<b>Len Jubber</b>									
17 Apr 2009	Options	1,500,000	-	Nil	1,500,000	1,500,000 @ A\$0.678	A\$0.9160	Project finance finalised for Etango Project	17 Nov 2014
17 Nov 2011	Performance Rights	1,162,376	-	A\$0.07	-	n/a	704,470 @ A\$0.25	Relative TSR	17 Nov 2014
						n/a	457,906 @ A\$0.27	Operational targets	17 Nov 2014
21 Nov 2012	Performance Rights	2,633,310	-	A\$0.07	-	n/a	1,462,950 @ A\$0.07	Relative TSR	21 Nov 2015
						n/a	1,170,360 @ A\$0.08	Operational targets	21 Nov 2015
22 Nov 2013	Performance Rights	4,166,650	44.0%	A\$0.07	-	n/a	2,083,325 @ A\$0.05	Relative TSR	22 Nov 2016
						n/a	2,083,325 @ A\$0.05	Operational targets	22 Nov 2016
<b>Werner Ewald</b>									
21 Dec 2011	Performance Rights	277,878	-	A\$0.07		n/a	159,700 @ A\$0.22	Relative TSR	17 Nov 2014
						n/a	118,178 @ A\$0.25	Operational targets	17 Nov 2014
13 Dec 2012	Performance Rights	869,364	-	A\$0.07		n/a	467,400 @ A\$0.06	Relative TSR	21 Nov 2015
						n/a	401,964 @ A\$0.07	Operational targets	21 Nov 2015
31 Jul 13	Performance Rights	1,750,000	40.1%	A\$0.07		n/a	750,000 @ A\$0.06	Retention Rights	31 Jul 2014
						n/a	1,000,000 @ A\$0.07	Retention Rights	31 Jan 2015
11 Dec 2013	Performance Rights	1,470,650	33.7%	A\$0.07		n/a	735,325 @ A\$0.06	Relative TSR	22 Nov 2016
						n/a	735,325 @ A\$0.07	Operational targets	22 Nov 2016

- (i) The grant date in the table above refers to the actual issue date of the Options or Performance Rights, however for accounting purposes the grant date is recognised as the date that the Company's obligation for the option or performance right arose.
- (ii) The value represents the excess, if any, of the Company's share price over the stated exercise price as at 30 June 2014.
- (iii) The market or payout value of the share based awards detailed above that have not vested is nil.

### *Other options remuneration information – value vested or earned during the year*

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Further details relating to Options and Performance Rights, and the portion of Named Executive Officers' remuneration related to equity compensation in the 2014 financial year, are set out below.

**Table 8: Value of Options and Performance Rights granted to Named Executive Officers to 30 June 2014**

Table of Value of Options and Performance Rights granted to related persons under the 2006 Plan						
Type		Proportion of remuneration consisting of Options/ Performance Rights for the year <sup>(1)</sup>	Options / Performance Rights granted during the year	Value of Options/ Performance Rights granted during the year <sup>(2)</sup>	Value of Options exercised/ Performance Rights vested during the year	Value of Options/ Performance Rights lapsed/cancelled during the year
		%	#	A\$	A\$	A\$
Len Jubber	Performance Rights	(178%) <sup>(3)</sup>	4,166,650	280,333	7,572	106,645
Werner Ewald	Performance Rights	33%	3,720,650	211,474	47,464	51,592

(1) Calculated based on the option expense for the year as a % of total remuneration.

(2) Based on fair value at time of grant.

(3) Represents the re-evaluation at year end of non-market vesting conditions relating to Mr Jubber's options as per AASB2.

## **8.7. Pension Plan Benefits**

The Company does not have any pension plans or deferred compensation plans.

## **9. Directors' Compensation**

The compensation for the CEO and Managing Director, Mr Len Jubber, is set out in the Summary of Executive Compensation tables above.

### **9.1. Directors' compensation discussion and analysis**

Bannerman's non-executive director remuneration policy aims to reward non-executive directors fairly and responsibly having regard to the:

- level of fees paid to directors relative to other comparatively sized exploration and mining companies;
- size and complexity of Bannerman's operations; and
- responsibilities and work requirements of individual Board members.

Refer to Table 10 for more information.

Fees paid to the non-executive directors of Bannerman are usually reviewed annually by the Remuneration Committee, and based on periodic advice from external remuneration consultants. The Board decided that in light of the current operating environment it was appropriate that non-executive director remuneration remained unchanged for the current year.

#### *Directors' fees limits*

Non-executive directors' fees are determined within an aggregated directors' annual fee limit of A\$750,000, which was last approved by shareholders on 17 September 2008.

#### *Directors' fees framework*

Non-executive directors' remuneration consists of base fees (inclusive of superannuation); annual grants of share rights or options; and audit committee Chair fees, details of which are set out in Table 9 below. Non-executive directors may also receive an initial grant of share rights or options at the time of joining the Board. Board fees are not paid to executive directors as the time spent on Board work and the responsibilities of Board membership are considered in determining the remuneration package provided as part of their normal employment conditions.

**Table 9 : Annual Board and committee fees payable to Non-Executive Directors**

Position	Year end 30 June 2013		Year end 30 June 2014	
	Cash <sup>(i)</sup>	Options/Rights <sup>(ii)</sup>	Cash <sup>(i)</sup>	Options/Rights <sup>(ii)</sup>
	A\$	A\$	A\$	A\$
Chairman of the Board	100,000	50,000	100,000	50,000
Non-Executive Director	50,000	25,000	50,000	25,000
<i>Additional fees for:</i>				
Chairman of the Audit Committee	10,000	-	10,000	-
Member of the Audit Committee	-	-	-	-
Chairman of any other committee	-	-	-	-
Member of any other committee	-	-	-	-

- (i) Mr Ian Burvill elected not to receive a cash salary effective 1 January 2013.  
(ii) Options and rights issued to non-executive directors vest after a 12 month period.

No retirement benefits are paid other than the statutory superannuation contributions of 9.25% required under Australian superannuation guarantee legislation. Effective 1 July 2014, this statutory rate increased to 9.50%. Superannuation amounts are deducted from the directors' overall fee entitlements, where appropriate.

Non-executive directors are also entitled to an initial grant of options or share rights on commencement. Option and share right entitlements are subject to ASX Listing Rules, the Corporations Act and shareholder approvals.

On 22 November 2013, the Company sought and received Shareholder approval for the renewal of the Non-Executive Director Share Incentive Plan (**NEDSIP**) to allow for the provision of either share rights or options to Directors. Under the NEDSIP, the Company's non-executive directors will receive one-third of their director's fees in the form of either share rights or options. The directors consider that the issue of share rights or options to non-executive directors as part of their remuneration package is reasonable and appropriate given:

- it is a cost effective and efficient reward for service. The issue of share rights or options in lieu of cash payments preserves the Company's cash resources and reduces ongoing costs which is a significant aspect while the Company remains in a development phase; and
- in part, it aligns remuneration with the future growth and prospects of the Company and the interests of shareholders by encouraging non-executive director share ownership.

As part of the Company's Securities Trading Policy, the Company prohibits directors from entering into arrangements to protect the value of unvested incentive awards. This includes entering into contracts to hedge exposure to options, share rights or shares granted as part of their remuneration packages.

The Board assesses the appropriateness, nature and amount of remuneration paid to non-executive directors on a periodic basis, including the granting of equity based payments, and considers it appropriate to grant options or share rights to non-executive directors with the overall objective of retaining a high quality Board whilst preserving cash reserves.

## **9.2. Non-Executive Directors Summary Compensation Table**

Details on the nature and amount of remuneration of Bannerman's Non-Executive Directors for the years ended 30 June 2013 and 2014 are as follows.

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**Table 10 : Non-Executive Directors' remuneration**

	Year	Short-term		Post Employment	Sub-total	Share Based Payments	Total	Performance Related
		Base Fees	Other	Superannuation		Options / Rights		
		A\$	A\$	A\$	A\$	A\$	\$	%
<b>Non-Executive Directors</b>								
Ronnie Beevor	2014	100,000	-	-	100,000	45,925	145,925	-
	2013	80,547	3,973	-	84,520	48,485	133,005	-
Ian Burvill (i)	2014	-	-	-	-	25,018	25,018	-
	2013	25,000	-	-	25,000	37,591	62,591	-
Clive Jones	2014	45,767	-	4,233	50,000	25,018	75,018	-
	2013	45,872	-	4,128	50,000	37,591	87,591	-
David Tucker	2014	21,002	10,000	28,998	60,000	25,018	85,018	-
	2013	25,571	6,027	24,983	56,581	39,659	96,240	-
David Smith (ii)	2014	-	-	-	-	-	-	-
	2013	36,946	-	3,440	40,386	50,164	90,550	-
Geoff Stanley (iii)	2014	-	-	-	-	-	-	-
	2013	50,000	-	-	50,000	50,082	100,082	-
<b>Total</b>	<b>2014</b>	<b>263,936</b>	<b>10,000</b>	<b>32,551</b>	<b>306,487</b>	<b>263,573</b>	<b>570,060</b>	<b>-</b>
	<b>2013</b>	<b>263,936</b>	<b>10,000</b>	<b>32,551</b>	<b>306,487</b>	<b>263,573</b>	<b>570,060</b>	<b>-</b>

- (i) Mr Ian Burvill elected not to receive a cash salary effective 1 January 2013.  
(ii) Dr David Smith retired on 21 November 2012.  
(iii) Mr Geoff Stanley retired on 28 June 2013.

The category of "All Other" includes payments for Chairman of the Audit Committee as well as extra services and consultancy fees for specific duties.

### 9.3. Incentive awards

The terms and conditions of Options or Performance Rights affecting the remuneration of the Non-Executive Directors in office at the end of the reporting period or in future reporting periods, are set out below. The grant of Options or Performance Rights to each Director has been made with approval of Shareholders.

**Table 11 : Key terms over Options held by Non-Executive Directors as at 30 June 2014**

Name	Grant Date <sup>(i)</sup>	Type of Award	No. of Options / Rights Granted	% of Options / Rights Granted during the Year	Value per option / right at 30 June 2014	No. of Options / Rights Vested	Exercise Price	Accounting fair value per Option / Right at Grant Date	Expiry Date
<b>Non-Executive Directors</b>									
Ronnie Beevor	11 Dec 2013	Options	2,252,000	100%	Nil	-	A\$0.072	A\$0.02	22 Nov 2016
Ian Burvill <sup>(ii)</sup>	21 Dec 2011	Options	394,000	-	Nil	394,000	A\$0.36	A\$0.15	17 Nov 2014
	13 Dec 2012	Options	683,800	-	Nil	683,800	A\$0.12	A\$0.04	21 Nov 2015
	11 Dec 2013	Options	1,126,000	51.1%	Nil	-	A\$0.072	A\$0.02	22 Nov 2016
Clive Jones	21 Dec 2011	Options	394,000	-	Nil	394,000	A\$0.36	A\$0.15	17 Nov 2014
	13 Dec 2012	Options	683,800	-	Nil	683,800	A\$0.12	A\$0.04	21 Nov 2015
	11 Dec 2013	Options	1,126,000	51.1%	Nil	-	A\$0.072	A\$0.02	22 Nov 2016
David Tucker	11 Dec 2013	Rights	520,800	100%	A\$0.07	-	n/a	A\$0.05	22 Nov 2014

- (i) The grant date in the table above refers to the actual issue date of the Options, however for accounting purposes the grant date is recognised as the date that the Company's obligation for the Option arose.  
(ii) These options are held by Resource Capital Funds Management Pty Ltd, and are noted against the relevant RCF representative director.



#### 9.4. Value Vested or Earned During the Year

Further details relating to Options and Performance Rights, and the portion of non-executive directors remuneration related to equity compensation in the 2014 financial year, are set out below.

**Table 12 : Value of Options and Performance Rights granted to Non-Executive Directors to 30 June 2014**

	Type	Proportion of remuneration consisting of options/ rights for the year <sup>(1)</sup>	Options/ rights granted during the year	Value of options/ rights granted during the year <sup>(2)</sup>	Value of options exercised/ rights vested during the year	Value of options/ rights lapsed/ cancelled during the year
		%	#	A\$	A\$	A\$
Ronnie Beevor	Rights	31%	2,252,000	50,000	25,390	6,413
Ian Burvill	Options	100%	1,126,000	25,000	34,190	6,413
Clive Jones	Options	100%	1,126,000	25,000	34,190	6,413
David Tucker	Rights	29%	520,800	25,000	15,815	6,413

(1) Calculated based on the option expense for the year as a % of total remuneration.

(2) Based on fair value at time of grant.

#### 9.5. Composition of the Remuneration, Nomination & Corporate Governance Committee

The role of the Remuneration, Nomination and Corporate Governance Committee is to assist the Board by reviewing and approving Bannerman's remuneration policies and practices, the appointment of Non-Executive Directors to the Board and oversight of the Company's Corporate Governance System.

The members of the Committee include Mr Clive Jones (Chairman of the Committee), Mr Ronnie Beevor and Mr Ian Burvill.

#### 10. Performance Graph

The overall level of compensation takes into account the share performance of the Company. The following graph compares, assuming an initial investment of A\$100, the yearly change in the cumulative shareholder return on the Shares against the total cumulative return of the ASX All Ordinaries Index for the five most recently completed financial years.

No dividends have been declared on the Shares. The Share price as set out in the graph does not indicate future performance.

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Note: the Canadian “Indexed TSX Composite” is approximately the same as the ASX All Ordinaries index.

## 11. Securities Authorised for Issuance Under Equity Compensation Plans

The following table provides an aggregate summary of all equity compensation plans previously approved by Shareholders as at 30 June 2014. The Company does not have any equity compensation plans not previously approved by Shareholders.

**Table 13 : Aggregate Summary of all equity compensation plans previously approved by Shareholders**

Plan Category	Number of securities to be issued upon exercise of outstanding Options, warrants and Perf. Rights	Weighted-average exercise price of outstanding Options, warrants and Perf. Rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
<b>Executive Directors &amp; Employees – Equity compensation plans approved by Shareholders</b>			
Options	1,500,000	A\$0.678	Refer Note
Rights	13,994,222	n/a	Refer Note
<b>Non-Executive Directors – Equity compensation plans approved by Shareholders</b>			
Options	6,659,600	A\$0.12	
Rights	520,800	n/a	
	7,180,400		5,496,000
<b>Equity issues not approved by Shareholders</b>			
Options	542,100	A\$0.17	Refer Note
Rights	258,161	N/A	Refer Note
<b>Total</b>	<b>23,474,883</b>	<b>A\$0.22</b>	<b>5,496,000</b>

Note: The number of Equity Securities issuable under employee share and option plans is not capped by law but is typically limited to 5% of issued capital on a rolling 5-year look-back basis so that issues under such plans comply with Australian securities law relating to relief from the requirement for prospectus disclosure.

### **11.1. Employee - Equity Compensation Plans**

Shareholders have previously approved the Incentive Plan. The above number sets out the numbers of Performance Rights granted to current employees.

### **11.2. Directors – Equity Compensation Plans**

Shareholders have previously approved the grant of Options to Directors. The above number sets out the numbers of options approved and granted to current Directors.

## **12. Indebtedness of Directors and Executive Officers**

To the knowledge of the Directors and executive officers of the Company, none of the current or former Directors, executive officers or employees of the Company, nominees for election as Directors of the Company, or associates of the foregoing are currently, or were during the year ended 30 June 2014, (i) indebted to the Company (ii) or indebted to another entity and such indebtedness is subject to a guarantee made by the Company.

## **13. Interest of Informed Persons In Material Transactions**

Other than disclosed below or elsewhere in this Management Information Circular, Management of the Company is not aware of any material interest, direct or indirect, of any Director or executive officer of the Company, any proposed Director of the Company or any associate or affiliate of any Director or executive officer or proposed Director in any transaction since the commencement of the last completed financial year of the Company, or in any proposed transaction, which has materially affected or will materially affect the Company or any of its subsidiaries.

### **13.1. Bannerman Namibia – Mr Clive Jones**

On 12 May 2005, pursuant to a Heads of Agreement and a subsequent Share Sale Agreement, Bannerman acquired 80% of Bannerman Namibia from Mr Jones (who was not a Director of the Company at the time of the transaction). The acquisition was approved by Shareholders in November 2005.

Mr Jones is presently a Non-Executive Director of Bannerman and a Director of Bannerman Namibia and the registered shareholder of the 20% interest in Bannerman Namibia not held by Bannerman. Bannerman understands that this shareholding is held by Mr Jones equally for himself and a business associate.

Under the terms of the Share Sale Agreement, Bannerman is obligated to be solely responsible for providing the funding of Bannerman Namibia to the extent determined by the Board of directors of Bannerman Namibia. This obligation continues until Bannerman Namibia completes a bankable feasibility study, as defined, on one of its projects and may cease in other circumstances.

In addition to the interest in Bannerman Namibia, Mr Clive Jones holds a relevant interest in 15,206,940 Shares representing 4.61% of the current voting Share capital of Bannerman, and 2,203,800 Options (394,000 Options exercisable at A\$0.36 per Share on or before 17 November 2014, 683,800 Options exercisable at A\$0.12 per Share on or before 21 November 2015 and 1,126,000 Options exercisable at A\$0.072 per share, vesting on 22 November 2014 and expiring 22 November 2016).

The address of Mr Jones is c/- Bannerman Resources Limited, Unit 1, 2 Centro Avenue, Subiaco, 6008, Western Australia, Australia.

### **13.2. RCF – Mr Ian Burvill**

Mr Ian Burvill is an employee of Resource Capital Funds, a resources-focused funds management firm based in Denver, Colorado, and Perth, Australia. RCF IV and RCF VI, which have a management agreement with RCF's parent company, holds 49,462,064 Bannerman shares representing 15.0% of the voting capital in Bannerman, 2,203,800 options over unissued Bannerman shares, and the two convertible notes.

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*RCF IV A\$8 million convertible note*

The RCF IV Convertible Note, which has a face value of A\$8 million, is repayable by Bannerman in cash on 30 September 2016. The conversion price is A\$0.095. If converted, this would represent a maximum number of 84,210,526 Shares. Mr Burvill was not a Director of Bannerman at the time the Company entered into the First Convertible Note.

*RCF VI A\$4 million convertible note*

The Second RCF Convertible Note, which has a face value of A\$4 million, is repayable by Bannerman in cash on 30 September 2016. The conversion price is A\$0.095. If converted, this would represent a maximum number of 42,105,263 Shares. The note was drawn down in full on June 26, 2014. Mr Burvill is considered to be independent given that he brings independent judgement to all Board deliberations and that RCF VI's investments in Bannerman are not controlled by Mr Burvill.

If the Convertible Notes are converted, RCF IV and RCF VI will control approximately 38.5% of Bannerman (based on Bannerman's issued Shares as at the date of this Management Information Circular). However, Shareholders have approved RCF to increase its collective voting power up to a maximum of 43.0% by conversion of the RCF Convertible Notes, the related Share issues thereunder and the exercise of existing options held by Resource Capital Funds Management Pty Ltd.

The address of Mr Burvill is c/- Resource Capital Funds Management, Level 3, 24 Kings Park Road, West Perth, 6005, Western Australia, Australia.

#### **14. Auditor**

The auditors of the Company are Ernst & Young of 11 Mounts Bay Road, Perth, Western Australia, 6000, Australia which were appointed as auditors of the Company effective 30 November 2007.

#### **15. Management Contracts**

Management of the Company is not aware of any management contracts with any Director or executive officer of the Company, any proposed director of the Company or any associate or affiliate of any Director or executive officer or proposed Director.

#### **16. Statement of Corporate Governance Practices**

Bannerman, as a listed entity, must comply with the Corporations Act, the Australian Securities Exchange Listing Rules, other Australian securities laws, the Toronto Stock Exchange Listing Rules, other Canadian securities law and the Namibian Stock Exchange Listing Rules.

On 30 June 2005, the Canadian Securities Administrators introduced National Instrument 58-101 - *Disclosure of Corporate Governance Practices* and National Policy 58-201 - *Corporate Governance Guidelines* (collectively, the **National Policy**). The National Policy sets out a series of guidelines for effective corporate governance which address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members.

ASX Listing Rule 4.10.3 requires ASX listed companies to report on the extent to which they have followed the Corporate Governance Principles and Recommendations (**ASX Principles**) released by the ASX Corporate Governance Council. The ASX Principles require the Board to consider carefully the development and adoption of appropriate corporate governance policies and practices founded on the ASX Principles.

In respect to the disclosure requirements in Canada under the National Policy relating to disclosure of corporate governance practices of the Company, the Company has previously made this disclosure in its 2014 Annual Report. The Corporate Governance Statement contained in the 2014 Annual Report, a copy of which is available on SEDAR at [www.sedar.com](http://www.sedar.com) and will be mailed to shareholders free of charge upon request to [admin@bannermanresources.com.au](mailto:admin@bannermanresources.com.au), is incorporated by reference into this Management Information Circular.

**17. Additional Information**

**IT IS THE INTENTION OF THE CHAIR OF THE MEETING TO, WHERE PERMITTED, VOTE UNDIRECTED PROXIES IN FAVOUR OF THE RESOLUTIONS SET FORTH IN THE NOTICE OF MEETING.**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com), on the website of the Australian Securities Exchange at [www.asx.com.au](http://www.asx.com.au) and on the website of the Company at [www.bannermanresources.com](http://www.bannermanresources.com).

Financial information is provided in the Company's Annual Report for the year ended 30 June 2014. Shareholders may contact the Company to request a copy of the Company's 2014 Annual Report at (+61) 8 9381 1436 or at [admin@bannermanresources.com.au](mailto:admin@bannermanresources.com.au).

**Voting Exclusion Note:** Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Should any Shareholder be in doubt as to how they should vote on the Resolutions described herein and/or as to how such Resolutions may affect them, they should seek advice from their stockbroker, accountant, solicitor or other professional adviser as soon as possible. Queries as to the lodgement of proxies and other formalities in relation to the Meeting should be directed to (i) in Australia, to the Company Secretary at (+61) 8 9381 1436, or (ii) in Canada to Computershare at +1 (416) 263-9524.



## Lodge your vote:

 **Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)

 **By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

— 000001 000 BMN  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form



### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

**Control Number: 999999**

**SRN/HIN: I9999999999 PIN: 99999**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 9:00am (AWST) Sunday, 2 November 2014**

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form →**

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1

#### Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Bannerman Resources Limited hereby appoint



the Chairman  
of the Meeting **OR**



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Bannerman Resources Limited to be held at Level 2, 1 Altona Street, West Perth, Western Australia on Tuesday, 4 November 2014 at 9:00am (AWST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related items:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 2 and 5 (except where I/we have indicated a different voting intention below) even though Items 2 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 2 and 5 by marking the appropriate box in step 2 below.

### STEP 2

#### Items of Business



**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Item 2	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3a	Election of Director - Ian Burvill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3b	Election of Director - David Tucker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Renewal of Capacity to Issue Shares to Savanna	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Issue of Securities to Len Jubber	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6	Renewal of Capacity to Issue Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### SIGN

#### Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date / /

\_\_\_\_\_

BMN

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