

Bannerman Resources Limited
NOTICE OF MEETING



Bannerman Resources Limited



Etango Heap Leach Demonstration Plant



Proposed Etango Dynamic Heap Leach Approach

Notice of Extraordinary General Meeting

9am (AWST), Tuesday, 10 January 2017

Unit 1, 2 Centro Avenue, Subiaco, Western Australia

Bannerman Resources Limited

NOTICE OF MEETING

The Extraordinary General Meeting of Bannerman Resources Limited (**Bannerman** or the **Company**) will be held at Unit 1, 2 Centro Avenue, Subiaco, Western Australia at **9am (AWST), Tuesday, 10 January 2017**.

12 December 2016

Dear Shareholder

In October 2016, Bannerman successfully completed a A\$4 million placement to institutional and sophisticated investors, to fund internal and external engineering designed to assess and quantify opportunities to reduce Etango project operating and capital cost estimates that have arisen from the Company's Heap leach Demonstration Program.

The Board wishes to thank those participating in the raising for their endorsement of Bannerman's strategy to further enhance the Etango Project's early mover advantage.

In order to retain the flexibility of the Company to raise further capital by issuing equity securities without the delays involved with seeking prior Shareholder approval, the Company is asking Shareholders to ratify the prior issue of Shares pursuant to Items 1 and 2. Item 3 is seeking approval from Shareholders for the participation of Resource Capital Fund VI L.P. in the capital raising, with a placement of 16,666,667 new Bannerman Shares at A\$0.03, raising A\$500,000.

On 15 August 2016, Bannerman announced the appointment of key advisors, Nuclear Fuel Associates and Fivemark Partners to strengthen Bannerman's strategic, uranium marketing and project financing

capabilities. These appointments will continue to build on the marketing and financing initiatives that commenced this year and together bring a depth of experience in uranium marketing and economics, corporate finance and capital markets strategy. These initiatives have already provided Bannerman with the greatly enhanced insights into the nuclear fuel cycle and confidence in an abrupt and sustained recovery in the uranium price to levels that will enable profitable development of the Etango Project.

Bannerman continues to focus on streamlining activities to reduce costs, including successfully completing an unmarketable parcel share sale facility and delisting from the Toronto Stock Exchange. This focus has enabled Bannerman to reduce cash outflows whilst attracting well qualified expertise and supporters of Bannerman through the issue of performance rights and options. The Company is asking shareholders to ratify these prior issues of performance rights and options to enable this focus to be maintained, pursuant to Items 4 to 6.

On behalf of the Directors of Bannerman Resources Limited, please find enclosed the following documents which relate to the Extraordinary General Meeting (**EGM**) of the Company:

- Notice of Meeting for the EGM, including the Explanatory Notes; and
- Proxy Form and return envelope.

I encourage you to carefully read the attached Notice of Meeting and either attend the EGM 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.

In the face of growing demand for uranium and with the strong support of existing shareholders Bannerman continues to advance the Etango Project, which remains one of the very few globally significant uranium projects that can realistically be brought into production in the medium term.

Yours sincerely



Ronnie Beevor
Chairman

Bannerman Resources Limited

NOTICE OF MEETING

Items of Business		Type of resolution	Voting exclusions
BUSINESS			
1. RATIFICATION OF ISSUE OF SHARES – LR 7.1	To approve and ratify the issue of 99,520,918 Shares by the Company as described in the Explanatory Notes.	Ordinary Resolution	Page 5
2. RATIFICATION OF ISSUE OF SHARES – LR 7.1A	To approve and ratify the issue of 17,145,748 Shares by the Company as described in the Explanatory Notes.	Ordinary Resolution	Page 5
3. PARTICIPATION OF RCFVI IN A PLACEMENT	To approve the issue of Shares to RCFVI on the terms described in the Explanatory Notes.	Ordinary Resolution	Page 5
4. RATIFICATION OF ISSUE OF SECURITIES - OPTIONS	To approve and ratify the issue of 4,000,000 Options by the Company as described in the Explanatory Notes.	Ordinary Resolution	Page 6
5. RATIFICATION OF ISSUE OF SECURITIES - PERFORMANCE RIGHTS	To approve and ratify the issue of 1,000,000 Performance Rights by the Company as described in the Explanatory Notes.	Ordinary Resolution	Page 6
6. RATIFICATION OF ISSUE OF SECURITIES - OPTIONS	To approve and ratify the issue of 1,500,000 Options by the Company as described in the Explanatory Notes.	Ordinary Resolution	Page 7

Terms used in this Notice and the Explanatory Notes are defined in the glossary on page 7.

Bannerman Resources Limited

NOTICE OF MEETING

VOTING

Voting Record Date

Shareholders recorded on the Company's register of members at 9.00am on 8 January 2017 (AWST) will be entitled to vote on Items at the EGM.

Becoming a Shareholder

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

Shareholders who become beneficial shareholders of Shares by acquiring Shares before the Voting Record Date wish to vote at the EGM 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 EGM and voting; or
- by appointing a proxy to attend and vote on their behalf.

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

Shareholders are asked to arrive at the venue 15 minutes prior to the time designated for the EGM.

PROXY FORMS

Proxy Form

Enclosed with this Notice is a personalised Proxy Form. The Proxy Form allows Shareholders who are not attending the EGM 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 EGM 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 EGM 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.

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/ under the help tab, "Printable Forms".

LODGING PROXY FORMS

Deadline

Proxy Forms must be received by 9am on 8 January 2017 (AWST).

How to lodge Proxy Forms

You can lodge your Proxy Forms:

Electronically: by visiting 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.

CANADIAN SECURITIES LEGISLATION

Disclosure required by National Instrument 71-102

The Company is a "designated foreign issuer" as such item is defined by Canadian National Instrument 71-102. The Company is subject to the foreign regulatory requirements of the ASX and Australian Securities & Investments Commission. As such, the Company is exempt from certain requirements otherwise imposed on reporting issuers in Canada, including in connection with meetings of shareholders.

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 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
12 December 2016

Bannerman Resources Limited

EXPLANATORY NOTES

ITEMS 1 and 2 – RATIFICATION OF ISSUE OF SHARES

Background

On 28 October 2016, the Company announced that it has successfully raised A\$4 million through a placement to institutional and sophisticated investors and existing shareholder, Resource Capital Fund VI L.P (RCFVI) through the issue of 133,333,333 new Bannerman shares at A\$0.03 per share (**Placement**).

The Placement was split into two tranches. Tranche 1, of approximately 116.6 million shares, was issued pursuant to the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A (**Tranche 1 Shares**). The shares subscribed for RCFVI are the subject of Item 3.

On 3 November, the Company issued the Tranche 1 Shares. 99,520,918 of the Tranche 1 Shares were within the Company's annual capacity to issue equity securities equivalent to 15% of the Company's ordinary securities, under Listing Rule 7.1 (**15% Capacity**). The remaining 17,145,748 of Tranche 1 Shares were issued with the Company's approved additional 10% capacity, under Listing Rule 7.1A (**10% Capacity**).

Purpose of approval

Listing Rule 7.1 provides that the Company must not issue more than the 15% Capacity and 10% Capacity within a 12 month period unless a specified exception applies or the issue is made with prior Shareholder approval.

Listing Rule 7.4 allows an issue made by the Company (without Shareholder approval) to be treated as having been made with approval for the purposes of Listing Rule 7.1 and Listing Rule 7.1A, provided that:

- it is subsequently ratified by Shareholders at a general meeting; and
- the issue did not breach Listing Rule 7.1 or Listing Rule 7.1A at the time it was made.

Approval of Items 1 and 2 will provide the Company with greater available capacity to raise further capital by issuing equity securities, without the delays involved with seeking prior Shareholder approval.

The Board will only undertake further issues of equity securities if they consider it is in the best interests of the Company to do so.

Board Recommendation – Items 1 and 2

The Board unanimously recommends that Shareholders vote **in favour** of the Placement.

The Chair intends to vote undirected proxies in favour of Items 1 and 2.

Key terms of the Shares

The Tranche 1 Shares issued under the Placement were issued on the same terms and for the same purposes, as set out below:

Terms of securities	The shares were issued on the same terms and conditions as the Company's existing ordinary shares and rank equally in all respects with all other ordinary shares on issue
Issue price of each Share	A\$0.03
Use of funds	The funds raised from the issue are intended to be used internal and external engineering designed to assess and quantify opportunities to reduce Etango project operating and capital cost estimates that have arisen from the Company's successful Heap Leach Demonstration Program, and for general working capital.

Allottees

The shares were issued to professional, sophisticated and institutional investors under section 708 of the Corporations Act, and including clients of Morgan Financial Limited and Patersons Securities Limited.

Voting exclusion statement

The Company will disregard any votes cast on Items 1 and 2 by a person who participated in the issue and any of their associates.

However, in respect of Items 1 and 2, 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 Chairman of the meeting in accordance with a direction on the Proxy Form to vote as the proxy decides.

ITEMS 3 – PARTICIPATION OF RCFVI IN A PLACEMENT

Background

On 28 October 2016, the Company announced that it has successfully raised A\$4 million through a placement to institutional and sophisticated investors and existing shareholder, Resource Capital Fund VI L.P (RCFVI) through the issue of 133,333,333 new Bannerman shares at A\$0.03 per share (**Placement**).

The Placement was split into two tranches. Tranche 2 of the Placement, the issue of 16,666,667 shares to RCFVI, is subject to Shareholder approval.

Purpose of approval

Listing Rule 10.11 requires the Company to obtain Shareholder approval to issue, or agree to issue, securities to a 'related party' (which includes RCFVI) unless an exception in Listing Rule 10.12 applies.

It is the view of the Company that the exceptions set out in Listing Rule 10.12 do not apply to the proposed issue of Shares to RCFVI.

Accordingly, the Company seeks Shareholder approval under Item 3 for the purposes of Listing Rule 10.11, to issue 16,666,667 Shares to RCFVI (**Tranche 2 Shares**).

Key terms of the Shares

Subject to obtaining Shareholder approval, each of the Tranche 2 Shares will be issued on the same terms and for the same purposes, as set out below:

Issue date	As soon as practicable and in any event within one month of the Meeting.
Issue price of each Share	A\$0.03
Terms of securities	The shares are to be issued on the same terms and conditions as the Company's existing ordinary shares and will rank equally in all respects with all other ordinary shares on issue.

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EXPLANATORY NOTES

Use of funds The funds raised from the issue are intended to be used internal and external engineering designed to assess and quantify opportunities to reduce Etango project operating and capital cost estimates that have arisen from the Company's successful Heap Leach Demonstration Program, and for general working capital.

Amount paid for the Tranche 2 Shares

Subject to Shareholder approval being obtained, the Tranche 2 Shares are to be issued to RCFVI for the consideration of A\$500,000.

Listing Rule 7.1

If Shareholder approval is given under ASX Listing Rule 10.11 (as is being sought under Item 3), additional approval will not be required pursuant to ASX Listing Rule 7.1 in order to issue the Tranche 2 Shares. Accordingly, the issue of Tranche 2 Shares will not count towards the Company's 15% Capacity.

What if Shareholders do not approve the issue?

If Shareholders do not approve the issue of Tranche 2 Shares to RCFVI, the Board may consider whether it should place any of the Tranche 2 Shares to alternative placees.

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, RCFVI are considered to be related parties of the Company and the placement of the Tranche 2 Shares may constitute a financial benefit.

An exception to the requirement to obtain shareholder approval in accordance with Chapter 2E applies where the financial benefit would be reasonable in the circumstances if the company and RCFVI were dealing at arm's length.

The Board (other than Mr Burvill whom is the representative of RCFVI), considers that the issue of the Tranche 2 Shares satisfies this exception and constitutes arm's length terms.

In reaching this conclusion, the Board has had regard to a variety of factors including that the Tranche 2 Shares were

placed on the same terms as the Tranche 1 Shares offered under the Placement.

Voting exclusion statements

In accordance with ASX Listing Rules the Company will disregard any votes cast by or on behalf of (including by proxy) RCFVI and any of their associates;

However, in respect of each of Item 3, 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 – Item 3

The Board (other than Mr Burvill, who are unable to make a recommendation) unanimously recommend that Shareholders vote **in favour** of Item 3.

The Chair intends to vote undirected proxies in favour of Item 3.

ITEMS 4 and 5 – RATIFICATION OF ISSUE OF SECURITIES

Background

On 15 August 2016, the Company announced that it had appointed Nuclear Fuel Associates and Fivemark Partners to strengthen Bannerman's strategic, uranium marketing and project financing capabilities (**Advisor Services**).

The Company issued the following 4,000,000 unlisted options and 1,000,000 performance rights as consideration for services to Nuclear Fuel Associates and Fivemark Partners (**Incentives**).

- 500,000 performance rights vesting on 1 January 2017;
- 250,000 performance rights vesting on 1 March 2017;
- 250,000 performance rights vesting on 1 June 2017;
- 1,000,000 unlisted options, exercisable at A\$0.045, expiring on 25 July 2019;
- 1,500,000 unlisted options, exercisable at A\$0.057, expiring on 25 July 2019;

- 1,500,000 unlisted options, exercisable at A\$0.07, expiring on 25 July 2019;

The Incentives were issued within the Company's annual capacity to issue equity securities equivalent to 15% of the Company's ordinary securities, under Listing Rule 7.1 (**15% Capacity**).

Purpose of approval

Listing Rule 7.1 provides that the Company must not issue more than the 15% Capacity within a 12 month period unless a specified exception applies or the issue is made with prior Shareholder approval.

Listing Rule 7.4 allows an issue made by the Company (without Shareholder approval) to be treated as having been made with approval for the purposes of Listing Rule 7.1, provided that:

- it is subsequently ratified by Shareholders at a general meeting; and
- the issue did not breach Listing Rule 7.1 at the time it was made.

Approval of Items 4 and 5 will provide the Company with greater available capacity to raise further capital by issuing equity securities, without the delays involved with seeking prior Shareholder approval.

The Board will only undertake further issues of equity securities if they consider it is in the best interests of the Company to do so.

Technical information required by ASX Listing 7.4

Pursuant to and in accordance with ASX Listing 7.5, the following information is provided in relation to Items 4 and 5;

- 4,000,000 unlisted options and 1,000,000 performance rights were issued pursuant to ASX Listing Rule 7.1;
- The Incentives were issued for nil cash consideration as they were issued in satisfaction of Advisor Services;
- The Incentives were issued to Fivemark Partners and Nuclear Fuel Associates. None of these parties were related parties of the Company;
- The Incentives were issued on terms and conditions set out in Schedule 1 and 2 respectively;

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- No funds were raised from the issue as Incentives were issued in satisfaction of Advisor Services.

Voting exclusion statement

The Company will disregard any votes cast on Items 4 and 5 by the participants in the issue or any of their associates.

However, in respect of Items 4 and 5, 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 Chairman of the meeting in accordance with a direction on the Proxy Form to vote as the proxy decides.

Board Recommendation – Items 4 and 5

The Board unanimously recommends that Shareholders vote **in favour** of the Incentives.

The Chair intends to vote undirected proxies in favour of Items 4 and 5.

ITEMS 6 – RATIFICATION OF ISSUE OF SECURITIES

Background

On 9 November 2016, the Company announced that the Unmarketable Parcel Share Sale Facility had closed (the **Facility**). As part of the Facility, the Company agreed to issue options to certain participants to enable a co-ordinated and timely sale process.

The Company issued 1,500,000 unlisted options, exercisable at A\$0.045 and expiring on 25 July 2019 as consideration for services to nominees of Cadex Petroleum Pty Limited (**Options**).

The Options were issued within the Company's annual capacity to issue equity securities equivalent to 15% of the Company's ordinary securities, under Listing Rule 7.1 (**15% Capacity**).

Purpose of approval

Listing Rule 7.1 provides that the Company must not issue more than the 15% Capacity within a 12 month period unless

a specified exception applies or the issue is made with prior Shareholder approval.

Listing Rule 7.4 allows an issue made by the Company (without Shareholder approval) to be treated as having been made with approval for the purposes of Listing Rule 7.1, provided that:

- it is subsequently ratified by Shareholders at a general meeting; and
- the issue did not breach Listing Rule 7.1 at the time it was made.

Approval of Item 6 will provide the Company with greater available capacity to raise further capital by issuing equity securities, without the delays involved with seeking prior Shareholder approval.

The Board will only undertake further issues of equity securities if they consider it is in the best interests of the Company to do so.

Technical information required by ASX Listing 7.4

Pursuant to and in accordance with ASX Listing 7.5, the following information is provided in relation to Item 6;

- 1,500,000 unlisted options were issued pursuant to ASX Listing Rule 7.1;
- The Options were issued for nil cash consideration as they were issued in satisfaction of services;
- The Options were issued to nominees of Cadex Petroleum Pty Limited. This party is not a related party of the Company;
- The Options were issued on terms and conditions set out in Schedule 1;
- No funds were raised from the issue as Options were issued in satisfaction of services.

Voting exclusion statement

The Company will disregard any votes cast on Item 6 by the participants in the issue or any of their associates.

However, in respect of Item 6, 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 Chairman of the meeting in accordance with a direction on the Proxy Form to vote as the proxy decides.

Board Recommendation – Item 6

The Board unanimously recommends that Shareholders vote **in favour** of the Options.

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

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GLOSSARY

10% Capacity	The additional 10% Share capital the Company may issue on top of the 15% Capacity, subject to Shareholder approval.	Notice or Notice of Meeting	The Notice of Meeting and the Explanatory Notes.
15% Capacity	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.	Option	An option to acquire a Share, subject to vesting and satisfaction of any performance conditions, granted by the Company.
A\$ or \$	Australian dollars.	Ordinary Resolution	A resolution that must be passed by at least 50% of the votes cast by shareholders being in favour of the resolution.
ASX	ASX Limited (ABN 98 008 624 691), or as the context requires, the financial market operated by it.	Performance Right	An entitlement to one Share, subject to vesting and satisfaction of any performance conditions.
Listing Rules	The listing rules of the ASX.	Proxy Form	The proxy form included with this Notice.
AWST	Australian Western Standard Time.	RCF VI	Resource Capital Fund VI L.P.
Bannerman or Company	Bannerman Resources Limited (ABN 34 113 017 128)	Share	A fully paid ordinary share in the capital of the Company.
Board	The board of Directors of the Company.	Shareholder	Any people holding a Share in the Company's share register.
Chair	The chair of the EGM.	Voting Record Date	9.00am on 8 January 2017 (AWST).
Constitution	The Company's constitution.		
Corporations Act	<i>Corporations Act 2001</i> (Cth).		
Director	A director of the Company.		
EGM or Extraordinary General Meeting	The Extraordinary General Meeting of Shareholders of the Company to be held at Unit 1, 2 Centro Avenue, Subiaco, Western Australia on 10 January 2017 at 9am (AWST), or any adjournment thereof.		
Employee Incentive Plan or EIP	The Bannerman Resources Limited Employee Incentive Plan as amended from time to time.		
Etango Project	The uranium project of the Company located in Namibia.		
Explanatory Notes	The Explanatory Notes attached to the Notice of Meeting.		
Incentives	Performance Rights or Options.		
Item	Each resolution set out in the Notice of Meeting.		

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SCHEDULE 1 – KEY TERMS OF OPTIONS ISSUED

Description of key terms	Description of key terms	Description of key terms
<p>a) Each Option entitles the holder, on exercise to one Share.</p> <p>b) The Options expiry dates and exercise prices are set out in Items 4 and 6 of the explanatory memorandum above.</p> <p>c) Subject to paragraph (d) below, the Options are exercisable at any time on or prior to the Expiry Date at 5.00pm (WDT) by completing an Option exercise form and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company.</p> <p>d) An Option Holder may exercise some of that person's Options, which does not affect that holder's right to exercise the remainder of their Options by the deadline in paragraph (b) above. Options must be exercised in multiples of 100 at a time, unless the Option Holder exercises all Options able to be exercised at that time.</p> <p>e) Only Options that have vested are transferable save for the provisions of clause (f) hereof.</p> <p>f) Subject to the Corporations Act, the ASX Listing Rules and the Company's Constitution, the Options are transferable to a nominee of the Option Holder. Application will not be made to ASX for official quotation of the Options.</p> <p>g) All Shares issued upon exercise of the Options will, from the date they are issued, rank pari passu in all respects with the Company's then issued Shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the Options.</p> <p>h) Option Holders cannot participate in new issues of capital offered to Shareholders of the Company during the currency of the Options without exercising the Options. However, the Company will ensure that for the purpose of determining entitlements to any such issue, the books closing date will be at least 10 business days after the issue is announced. This will give Option Holders the opportunity to exercise their</p>	<p>Options prior to the date for determining entitlements to participate in any such issue.</p> <p>i) Subject to paragraph (j), if the Company makes a bonus share issue, a rights issue or any other similar issue of rights or entitlements, there will be no adjustment to the exercise price, the number of Shares per Option or any other terms of those Options.</p> <p>j) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry dates of the Options, the rights of Option Holders, including the number of Options or the exercise price of the Options or both will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.</p> <p>k) Option Holders will be sent all communications sent to Shareholders of the Company, but Options do not confer any rights to attend or vote at meetings of Shareholders of the Company. Notice may be given by the Company to Option holders in the manner provided by the Company's Constitution for the giving of notices to shareholders, and the relevant provisions of the Company's Constitution apply with all necessary modification to notices to Option Holders.</p> <p>l) If the Board determines that, acting reasonably after due process:</p> <p style="padding-left: 40px;">a) the Option Holder has acted fraudulently, dishonestly or in breach of the Option Holder's obligations to any company in the Group; and</p> <p style="padding-left: 40px;">b) Options issued in relation to the Option Holder are to be forfeited,</p> <p style="padding-left: 40px;">the unvested Options will immediately lapse.</p> <p>m) In the event of a Change of Control (as defined in the Company's Employee Incentive Plan) then all tranches of</p>	<p>Options will immediately vest and may be exercised by the holder.</p> <p>n) Notwithstanding the terms and conditions in this Schedule 1, the Options may only be issued or exercised within the limitations imposed by the Corporations Act 2001 and the Australian Stock Exchange Listing Rules.</p>

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SCHEDULE 2 – KEY TERMS OF PERFORMANCE RIGHTS ISSUED

Key term	Description of term	Key term	Description of term	Key term	Description of term
Eligible employees	Full and part time employees of any Bannerman Group company (wherever they reside), but excluding non-executive Directors, will be eligible to be granted incentives. However, there may be some further regulatory requirements for executive Directors or employees residing outside Australia.	Vesting in other circumstances	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.	Vesting on change of control	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.
Entitlement for performance rights	Subject to the terms similar to the EIP, vesting and the satisfaction of any performance conditions, each performance right entitles the holder to receive one Share in Bannerman.	Expiry date	The Board may set out in an invitation to participate, the date and times when any incentives lapse. The expiry date will be no later than 10 years after the date of grant.	Transferability	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.
Exercise price for performance rights	There is no consideration payable upon the grant or exercise of a performance right.	Exercise into acquirer shares	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.	Right to participate in dividends	Incentives will not entitle the holder to any dividends (or Shares or rights in lieu of dividends) declared or issued by the Company.
Entitlement for options	Subject to the terms similar to 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.	Board discretion	Under the terms similar to the EIP, the Board has absolute discretion to determine the exercise price, the expiry date and vesting conditions of any grants made, without the requirement for further Shareholder approval.	Listing	The Incentives will not be listed.
Exercise price for options	The exercise price of an option will be determined by the Board in its absolute discretion.				
Vesting conditions	The Board has the discretion at the time of the grant of an incentive to determine what (if any) vesting conditions need to be satisfied before the incentives become capable of exercise.				


SCHEDULE 2 – KEY TERMS OF PERFORMANCE RIGHTS ISSUED

Key term	Description of term	Incentives on cessation of employment		
		Cause	Incentives which have not vested	Incentives which have vested
Adjustment for rights Issues	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.	Termination for ill health or death	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
Other rights to participate in bonus issues, reorganisations and new issues etc	<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 similar to 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>	Termination for cause (e.g. fraud, dishonesty, material breach of obligations) Termination by consent (e.g. resignation)	<p>Immediately lapse unless Board determines otherwise</p> <p>Immediately lapse unless Board determines otherwise</p>	<p>Immediately lapse unless Board determines otherwise</p> <p>Are able to be exercised during the period 30 days after cessation of employment or a longer period allowed by the Board</p>
		Redundancy, constructive dismissal, other termination by Company not dealt with above	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

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

Lodge your vote:

 **Online:**
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

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

Proxy Form

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Vote online

- Go to 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: 9999999

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 (WST) Sunday, 8 January 2017**

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 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
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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

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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 Extraordinary General Meeting of Bannerman Resources Limited to be held at Unit 1, 2 Centro Avenue, Subiaco, Western Australia on Tuesday, 10 January 2017 at 9:00am (WST) and at any adjournment or postponement of that meeting.

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
Resolution 1	Ratification of Issue of Shares - LR 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Issue of Shares - LR 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Participation of RCFVI in a Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Issue of Securities - Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Issue of Securities - Performance Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Issue of Securities - Options	<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

1 0 0 1 1 7 A

Computershare +