

Bannerman Resources Limited
NOTICE OF MEETING 2017



Bannerman Resources Limited



Etango Heap Leach Demonstration Plant



Proposed Etango Dynamic Heap Leach Approach

Notice of Annual General Meeting 2017

12noon (AWST), Thursday, 23 November 2017

Bannerman Offices, Unit 1, 2 Centro Avenue, Subiaco, Western Australia

Bannerman Resources Limited

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The 2017 Annual General Meeting of Bannerman Resources Limited (**Bannerman** or the **Company**) will be held at Unit 1, 2 Centro Avenue, Subiaco, Western Australia at **12noon (AWST) Thursday, 23 November 2017**.

16 October 2017

Dear Shareholder

The past year has been another progressive period for Bannerman. Your Company has consistently focussed on cost-effectively maintaining the Etango Project's early mover advantage and low technical risk in anticipation of a rising uranium price environment as demand builds and supply contracts.

The uranium sector has had another challenging year, with very little investment globally in potential new production, further production cutbacks and difficult equity market conditions as a result of the low uranium price. Continuing lack of liquidity in the uranium spot market has maintained downward pressure on the spot uranium price, currently at approximately US\$20/lb U₃O₈. This pricing is broadly acknowledged by most market commentators as being unsustainable - a majority of global uranium supply is viewed as uneconomic at the current spot price. Further supply side disruption is inevitable over time as the favourable long term contracts written during higher prices begin to finish, exposing many uranium producers to spot prices at or below their cost of production. Demand growth, on the other hand, remains strong with ten new reactors connected to the grid globally this year – the most in 25 years – and 56

new reactors in construction, dominated by China, Russia and India. Nuclear utilities have unusually limited contract cover for their uranium requirements from 2020, creating near term buying demand that will coincide with reducing supply and growing demand. Accordingly, your Board believes that the medium-term outlook for uranium is solid and strong.

The Board is delighted with the success of the Demonstration Plant Program, which was completed during the year. The results have confirmed the robustness of the Definitive Feasibility Study processing assumptions and consolidated Etango's advanced position in the future uranium supply chain. They have also generated substantial opportunities to enhance and further de-risk the project.

The Demonstration Plant Program results enabled Bannerman to commence the Etango Processing Optimisation Study, which focusses on capital cost savings and further potential operating cost reduction opportunities. The Processing Optimisation Study will be completed by end of 2017 and will be incorporated with definitive level engineering and procurement to produce an updated DFS during 2018.

The Board formally welcomed two new director appointments during the year. Mr Mike Leech was appointed as a Non-Executive Director of Bannerman and Chairman of the Company's Namibian subsidiary and Ms Twapewa Kadhikwa was appointed as a Non-Executive Director of the Company's Namibian subsidiary.

Mr Leech is a uranium industry veteran and respected statesman of the Namibian mining industry. Most recently, he was Managing Director of the Rössing

Uranium Mine in Namibia for 6 years until retiring in 2011. Prior to that he served as Rössing's Chief Financial Officer and in other executive positions within the Rio Tinto Group. Mr Leech's many other roles in the sector have included President of the Namibian Chamber of Mines, Chairman of the Namibian Uranium Association and Trustee of the Rössing Foundation for 18 years. He was recognised for his singular contribution to Namibia's uranium mining industry by being awarded honorary life membership of the Namibian Uranium Association.

As Chairman of the Company's Namibian subsidiary, Bannerman Mining Resources (Namibia) (Pty) Ltd (Bannerman Namibia), Mr Leech delivers a wealth of experience across the operational, geopolitical and community aspects of the Company's business. Furthermore, Mr Leech will support Bannerman's engineering team as it refines a number of feasibility parameters under the current DFS Update work program.

Ms Kadhikwa is a successful Namibian businesswoman and a role model for young entrepreneurs. In addition to her impressive business track record, Ms Kadhikwa brings to the company a highly respected passion for SME development. Her industry profile and insights will be invaluable in guiding the development of the Etango Project. Ms Kadhikwa's appointment coincided with the resignation of Ms Monica Kalondo, who had served the Company as a director since 2010.

The Board will farewell Mr David Tucker at the conclusion of the Annual General Meeting. Mr Tucker has served the Company as a Non-Executive Director since 2008. He has made an outstanding contribution

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to Bannerman and its Etango Uranium Project over his journey with the Company. Amongst many things, he can take significant credit for the foundational strength of Bannerman's local stakeholder relationships in Namibia.

I would like to take this opportunity to thank David and Monica for their hard work and diligence on behalf of the Company and to wish them all the very best for their future endeavours.

The Company welcomed the One Economy Foundation as a 5% shareholder in Bannerman Namibia. The One Economy Foundation will be loan carried for all future project expenditure including pre-construction and development expenditure, with the loan capital and accrued interest repayable from future dividends. Bannerman Resources Limited owns the remaining 95% of Bannerman Namibia, the holder of the Etango Project. The transaction fulfils an emerging industry-wide requirement for a minimum of 5% Namibian ownership. The satisfaction of this requirement was also a specific condition to the July 2016 renewal of Exclusive Prospecting Licence 3345 on which the Etango Project is situated.

Our Etango project continued to enjoy the support of the Namibian Ministry of Mines and Energy. Exclusive Prospecting Licence 3345 was renewed during the year and in October 2017 we announced the grant of Mineral Deposit Retention Licence 3345 with a five year, extendable term. The Retention Licence provides long term security of tenure and covers the Etango Deposit, all future mine infrastructure and our two satellite deposits at Hyena and Ondjamba.

Our business activities continue to be conducted without significant harm. Bannerman has operated without incurring a lost time injury since 2009. The health and safety of all persons operating at our various places of work continue to be of the highest priority to Bannerman's directors and management.

Bannerman has also continued to build on its enviable reputation for corporate social responsibility and effective community engagement. Highlights of the year included endorsement by the Namibian Chamber of Environment for the highest environmental standards and transparency, and reaching a milestone of 2,000 school children benefitting from the Bannerman Learner Assistance Scheme.

Sound capital management remains a priority for the Board. This focus is further sharpened by the current depressed equity market, and capital-constrained environment, for uranium project developers. The Company remains committed to managing its cost base and balance sheet in order to target the most capital efficient outcomes.

My sincere thanks to all of our management, employees, consultants and contractors who continue to work tirelessly on consolidating Bannerman's early mover advantage.

I encourage you to carefully read the attached Notice of Meeting, 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 sincerely



Ronnie Beevor

Chairman



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Items of Business		Type of resolution	Voting exclusions and prohibitions
ORDINARY BUSINESS			
1. DISCUSSION OF FINANCIAL STATEMENTS AND REPORTS	To receive and consider the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2017.	No resolution	Page 5
2. REMUNERATION REPORT	To adopt the remuneration report for the year ended 30 June 2017.	Non-binding	Page 5
3. ELECTION OF DIRECTORS			
A. MIKE LEECH	That Mr Mike Leech be elected as a Director.	Ordinary Resolution	Page 5
B. RONNIE BEEVOR	That Mr Ronnie Beevor be re-elected as a Director.	Ordinary Resolution	Page 5
C. CLIVE JONES	That Mr Clive Jones be re-elected as a Director.	Ordinary Resolution	Page 5
SPECIAL BUSINESS			
4. RENEWAL OF NON-EXECUTIVE DIRECTOR SHARE INCENTIVE PLAN	To renew the Non-Executive Director Share Incentive Plan for a period of three years from the date of this Meeting.	Ordinary Resolution	Page 6
5. ISSUE OF SECURITIES TO MR MUNRO	To approve the issue of performance rights to a maximum allocation value of \$300,000 to Mr Munro under the Employee Incentive Plan on the terms described in the Explanatory Notes.	Ordinary Resolution	Page 8
6. RENEWAL OF CAPACITY TO ISSUE SECURITIES	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 10

Terms used in this Notice, the Explanatory Notes are defined in the Glossary.

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VOTING

Voting Record Date

Shareholders recorded on the Company's register of members at 5.00pm on Tuesday, 21 November 2017 (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 and who 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/ under the help tab, "Printable Forms".

LODGING PROXY FORMS

Deadline

Proxy Forms must be received by 12noon on Tuesday, 21 November 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 info@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

16 October 2017

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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 2017.

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

- its website: www.bannermanresources.com.au;
- the ASX website: www.ASX.com.au; or
- the SEDAR website: 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 2017 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.

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.

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.

ITEMS 3 – ELECTION OF DIRECTORS

Mike Leech is standing for election as a Director, having been appointed on 12 April 2017 in accordance with the Company's Constitution. Ronnie Beevor and Clive Jones are standing for re-election and will retire in accordance with the Company's Constitution and, being eligible, offer themselves for re-election as Directors. Their relevant skills and experience are summarised in this section.

Further information in relation to the Company's directors are set out in the Company's Annual Report. The Company has been advised by Mr David Tucker that he will retire as a director of the Company at the conclusion of this Annual General Meeting.

Board recommendation

The Board (other than the relevant Director in relation to his own election or re-election) recommends that Shareholders vote **in favour** of the election of Mike Leech and re-election of Ronnie Beevor and Clive Jones.

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



Mr Mike Leech
FCIS (Accountancy)

Term of office

Appointed in 2017

Independent

Yes

Skills and experience

Mike is past president of the Namibian Chamber of Mines and past Chairman of the Namibian Uranium Association. Mike was Managing Director of Rössing Uranium, then the largest open pit uranium mine in the world, for 6 years until he retired in 2011. Mike's commitment to corporate social responsibility in Namibia is well known, including as Trustee of Save the Rhino Trust Namibia and having served for 18 years as Trustee of the Rössing Foundation.

Committee memberships

Chairman Bannerman's 95% owned Namibian subsidiary, Bannerman Mining Resources (Namibia)(Pty) Ltd
Member of the Health, Safety and Environment Committee
Member of the Audit Committee

Interests in the Company

None

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Mr Ronnie Beevor
B.A (Hons)

Term of office

Appointed in 2009, Chairman since 2012.

Independent

Yes

Skills and experience

Ronnie has more than 30 years of experience in investment banking, including being the Head of Investment Banking at NM Rothschild & Sons (Australia) Limited between 1997 and 2002.

During his career Ronnie has had an extensive involvement in the natural resources industry, both in Australia and internationally.

He is a former director of Oxiana Limited which successfully developed the Sapon gold-copper project in Laos as well as the Prominent Hill copper-gold project in South Australia.

He qualified as a chartered accountant in London in 1972.

Committee memberships

Member of Audit Committee

Member of the Remuneration, Nomination and Corporate Governance Committee

Interests in the Company

719,100 Shares and 13,864,800 non-executive director options held directly.

399,620 Shares held by Ronnie Beevor and Fiona Beevor for the Digger Superfund.

1,201,923 Shares held by Onedigger Pty Ltd for the Digger Superfund.



Mr Clive Jones
B.App.Sc (Geol), M.AusIMM

Term of office

Appointed in 2007

Independent

No

Skills and experience

Clive has more than 20 years of experience in mineral exploration, across a diverse range of commodities including gold, base metals, mineral sands, uranium and iron ore.

Clive is the original vendor of the Company's Etango Project in Namibia.

Committee memberships

Chairman of the Remuneration, Nomination and Corporate Governance Committee

Member of the Health, Safety and Environment Committee

Member of the Audit Committee

Interests in the Company

23,995,401 Shares held by Widerange Corporation Pty Ltd and 53,212,267 Shares held by Clive Jones for the Alyse Investment Trust.

6,932,400 non-executive director options held by Clive Jones for the Alyse Investment Trust.

ITEM 4 – RENEWAL OF NEDSIP

Background

The Company seeks a renewal of the Shareholder approval for the NEDSIP for the purposes of ASX Listing Rule 10.14, ASX Listing Rule 7.2, Exception 9(b), and for all other purposes, for the issue of a maximum of 50,000,000 Incentives for a period of three years from the date of this Meeting.

At the Company's 2016 EGM, Shareholders approved the grant of up to 30,000,000 Incentives under the Non-Executive Director Share Incentive Plan (**NEDSIP**). The approval sought at this Annual General Meeting supercedes the 2016 approval and, accordingly, the maximum number of incentives referred to above is not in addition to the remaining unissued securities approved in 2016.

Subject to the rules of the NEDSIP, the Board may grant incentives to eligible individuals or their nominees:

- on the date of their appointment as a non-executive director of the Company (**Initial Allocation**); and
- annually, at any time during the 28 day period following an Annual General Meeting (**Annual Allocation**).

On 1 April 2016, the Board agreed that the cash component of the NED annual base director's fees would be reduced by 40% and replaced by the issue of Incentives under the NEDSIP (**Remuneration Allocation**) in addition to the Annual Allocation. In aggregate compensation, this will increase each NED's total Incentive allocation to 60% of total annual remuneration.

Consequently, the Company envisages reaching the maximum number of Incentives that are permitted to be issued under the NEDSIP in 2017, based on the Company's 2016 EGM Shareholder approval.

If the renewal of the NEDSIP is approved by Shareholders, further Incentives will not be issued under the 2016 EGM Shareholder approval to issue up to 30,000,000 Incentives (granted at the 2016 EGM). All future Incentives will be issued under the new Shareholder approval to issue up to 50,000,000 Incentives.

However, any Incentives previously granted under the NEDSIP will continue in accordance with their individual terms and the terms and conditions of the NEDSIP.

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Mr Munro (being the only executive director of the Company) considers that the issue of the Incentives to NEDs as part of their remuneration package, including the Remuneration Allocation is:

- a cost-effective and efficient reward for service;
- preserves the Company's cash resources and reduces ongoing costs while the Company remains in development phase; and
- aligns remuneration with the future growth and prospects of the Company and the interests of Shareholders by encouraging share ownership among Non-Executive Directors.

Previous grants

As at 16 October 2017, being the last practicable date prior to the date of finalising this Notice, the following grants are the only issues that have been made under the NEDSIP, since the NEDSIP was last approved on 24 July 2016.

Allottee	Number	Exercise price	Grant Date
Options			
Mr Beevor	8,109,600	A\$0.042	21 Dec 2016
Mr Jones	4,054,800	A\$0.042	21 Dec 2016
Mr Burvill	2,973,500	A\$0.042	21 Dec 2016
Mr Tucker	4,460,300	A\$0.042	21 Dec 2016

Requirement for Shareholder Approval

Under ASX Listing Rule 10.14, Shareholder approval is required before the Company is able to issue Incentives to NEDs under an incentive scheme such as the NEDSIP.

Approval is also sought under ASX Listing Rule 7.2, Exception 9(b). Shareholder approval in accordance with ASX Listing Rule 7.2, Exception 9(b) will exempt grants under the NEDSIP from the 15% Capacity, for a period of three years from the date of the passing of Item 4.

Terms of the NEDSIP

Key information regarding the terms of the NEDSIP is set out in **Schedule 2** of this Notice.

Eligible participants

All of the Company's existing NEDs (or their nominees) are eligible to participate in the NEDSIP. Executive Directors cannot participate.

Currently, there are four NEDs who are each eligible to participate, being Mr Ronnie Beevor (Chairman of the Board), Mr Ian Burvill, Mr Clive Jones and Mr Mike Leech. Mr David Tucker has advised the Company of his intention to retire as a director at the conclusion of this Annual General Meeting and, accordingly, will not be eligible to participate.

ASX has granted a waiver of ASX Listing Rule 10.15A.5 which means that this notice of meeting is only required to include the names of all persons referred to in ASX Listing Rule 10.14 who are currently NEDs and entitled to participate in the NEDSIP.

ASX has also granted a waiver of ASX Listing Rule 10.15A.8, which, if Item 4 is passed, will enable additional people who become Non-Executive Directors thereafter to be able to participate in the NEDSIP without the need for further Shareholder approval.

Indicative number of Incentives

The exact number of Incentives to be issued to NEDs cannot be calculated at this time as it depends upon the future VWAP of the Company's Shares.

The number of Incentives to be issued to a NED is determined by the Board based on their total allocation (Annual Allocation and Remuneration Allocation), divided by the Incentive unit value.

A NED has a choice whether to be issued Options or Share Rights, in accordance with the NEDSIP, up to the amount of their total allocation as determined by the Board.

Details of any securities issued under the NEDSIP will be published in each annual report of the Company relating to the period in which the securities have been issued, and that approval for the issue of securities was obtained under ASX Listing Rule 10.14.

The tables below sets out the proposed NED remuneration structure, the total allocation that each NED would be due to receive if approved and an indication of the number of Incentives in total that may be issued to NEDs based on three different VWAPs.

Annual and Remuneration Allocations (Annual Basis)

	Approved Annual Allocation	Approved Remuneration Allocation	Total Allocation ¹
Non-Executive Director	\$25,000	\$20,000	\$45,000
Non-Executive Chairman	\$50,000	\$40,000	\$90,000
Chairman of the Audit Committee	-	\$6,000	\$6,000

¹ This is included within the total annual director fees.

Indicative number of Share Rights (Annual Basis)

	Total Allocation	VWAP of Shares	Share Rights
Non-Executive Director	\$45,000	\$0.02	2,250,000
		\$0.04	1,125,000
		\$0.06	750,000
Non-Executive Chairman	\$90,000	\$0.02	4,500,000
		\$0.04	2,250,000
		\$0.06	1,500,000
Chairman of the Audit Committee	\$6,000	\$0.02	300,000
		\$0.04	150,000
		\$0.06	100,000

Indicative number of Options (Annual Basis)

	Total Allocation	VWAP of Shares	Indicative exercise price	Options
Non-Executive Director	\$45,000	\$0.02	\$0.03	5,119,500
		\$0.04	\$0.06	2,559,800
		\$0.06	\$0.09	1,706,500
Non-Executive Chairman	\$90,000	\$0.02	\$0.03	10,239,000
		\$0.04	\$0.06	5,119,500
		\$0.06	\$0.09	3,413,000
Chairman of the Audit Committee	\$6,000	\$0.02	\$0.03	682,600
		\$0.04	\$0.06	341,300
		\$0.06	\$0.09	227,500

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Incentives will be valued by reference to the market price of the Company's Shares and, specifically for Options, to accepted Black Scholes or binomial option valuation methods and assumptions.

If a Share Right is issued with a minimum vesting period and no other performance hurdles, it will be valued at a valuation equal to the 20 Day VWAP up to the day prior to:

- the date of their appointment as a NED (for the **Initial Allocation**); or
- the date of the AGM (for the **Annual Allocation and Remuneration Allocation**).

The total of the Annual Allocation and Remuneration Allocation amount is presently A\$45,000 per annum for Non-Executive Directors, A\$90,000 per annum for the Non-Executive Chairman and A\$6,000 per annum for the Chairman of the Audit Committee.

Further details of the NEDs' current remuneration and shareholdings are set out in the Company's 2017 Annual Report.

The Board has determined that a maximum of 50,000,000 Incentives will be issued under the NEDSIP within the 3 year period after the date of this Meeting without the requirement for further Shareholder approval.

Other Implications for the Company

Corporate governance

ASX set out best practice recommendations for ASX-listed companies, including a suggestion that non-executive directors should not receive options or bonus payments. These guidelines are not prescriptive and do not require a "one size fits all" approach to corporate governance.

In the Board's view, the guideline is inappropriate considering the Company's circumstances, where the preservation of the Company's cash resources is paramount and the retention of high quality and well-credentialed non-executive directors is considered important to the ongoing development of the Company and its Etango Uranium Project.

Dilution

The issue of Incentives to NEDs will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Incentives are exercised or vest. In the event the maximum number of Incentives is issued and exercised

(i.e. 50,000,000 Incentives) the diluting effect amounts to approximately 5.9% of the Company's current undiluted issued Share capital.

Other Information

The purpose of the grant of the Incentives to the NEDs is to form part of their remuneration package. No funds will be raised from the grant of Incentives. Any funds raised from the exercise of Options will be used for general working capital purposes.

There are no significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentives upon the terms of the NEDSIP.

Each NED must contribute his own money to the Company to fund any exercise price of the Options. The amount payable to the Company to exercise all of the Options currently on issue is A\$2,974,980.

No loans will be made by the Company in connection with the acquisition of any Incentives proposed to be granted to any NEDs under Item 4.

If Shareholders do not approve the renewal of the NEDSIP, then Non-Executive Directors will continue to receive the Annual Allocation of Incentives as per previous Shareholder approval and Non-Executive Directors will have the opportunity to re-consider their election to reduce the cash component of their director fees.

Voting exclusion statement

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) any Director who is eligible to participate in the NEDSIP and any of their 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.

Voting prohibition statement

In accordance with the Corporations Act, a vote on Item 4 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 4; or
- the vote is cast by the Chair in accordance with the express authorisation on the Proxy Form.

Director's Recommendation – Item 4

Mr Munro considers that the NEDSIP remains an appropriate mechanism to assist in the recruitment, reward, retention and motivation of NEDs, and therefore recommends that Shareholders vote **in favour** of item 4.

The other members of the Board do not make a recommendation because they are eligible to participate in the NEDSIP.

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

ITEM 5 – ISSUE OF SECURITIES TO MR MUNRO

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 Munro, 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 Munro to apply for Performance Rights under the EIP, to 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 Munro seeks to further align his interests with those of Shareholders by linking Mr Munro's rewards to long term performance for

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Shareholders by imposing performance-related conditions, as well as a requirement that Mr Munro continue to be employed by the Company for a defined period of time.

Formulae for determining Performance Rights

If the Performance Rights are granted to Mr Munro, 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 Performance Rights that would be granted at various 20 Day VWAP levels, based upon the CEO Incentive Entitlement.

20 Day VWAP	Indicative Number of Performance Rights
A\$0.02	15,000,000
A\$0.04	7,500,000
A\$0.06	5,000,000

Whilst the indicative numbers of Performance Rights set out above may be different to the actual number of 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 Munro is granted the maximum indicative number of Performance Rights set out in the table above, and all of them vest, it may have a diluting effect of up to approximately 1.8% on the Company's current issued and outstanding Shares. The ASX has granted the Company a waiver from the requirement in ASX Listing Rule 10.15.2 to set out the maximum number of Performance Rights that may be acquired by the CEO.

Details required by ASX Listing Rule 10.15

Key terms of the grants

Relationship with Director	The Performance Rights will be granted to Mr Munro or his nominee.
Total securities to be issued	Subject to the relevant Shareholder approvals being obtained, the maximum number of Performance Rights will be determined in accordance with the

formulae set out above.

The indicative maximum is 8,571,429, based on the 20 Day VWAP of Shares up to 16 October 2017, being A\$0.035.

The number of Performance Rights proposed to be granted to Mr Munro will be announced by the Company to ASX prior to the AGM, as well as to Shareholders at the AGM.

Price	The Performance Rights will be granted at no cost to Mr Munro and no amount is payable on vesting of the Performance Rights.
Persons entitled to participate in the EIP	Mr Munro is the only Director of the Company (or associate of any Director) entitled to participate in the EIP.
Loan scheme	No loans will be made by the Company in relation to the grant of the Performance Rights.
Issue date	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.

Further details of the EIP are set out in **Schedule 3**.

Previous grants

As at 16 October 2017, being the last practicable date prior to the date of finalising this Notice, Mr Munro has been granted the following Performance Rights, Options or Shares under the EIP, since the EIP was last approved on 24 November 2016:

Number of Rights	Grant date	Vesting date	Exercise price
7,857,100	21 Dec 2016	15 Nov 2019	Nil

Full details of Mr Munro's holding of Shares, Performance Rights and Options are set out in the Remuneration Report of the 2017 Annual Report.

Performance hurdles

The 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 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 th percentile	0%
Between the 25 th and 75 th percentile	Scale applicable whereby every 1 percentile above the 25 th percentile equates to 2% vesting
At or above the 75 th 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 Performance Rights that do not vest will be cancelled at the end of three years.

Operational performance

The remaining 50% of the 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 Munro'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.

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Any of the Operating Tranche of 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 Munro continues to be continuously employed for a period of two years after the 12 month testing point.

Other information

Listing Rule 10.15.4: Since the last approval by Shareholders of the EIP on 24 November 2016.

Listing Rule 10.15.4A: Mr Munro is the only person referred to in ASX Listing Rule 10.14 entitled to participate in the EIP.

Hedging: Mr Munro 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 2017.

Listing Rule 7.1: If this Item 5 is approved, further approval pursuant to ASX Listing Rule 7.1 will not be required in order to issue the Performance Rights to Mr Munro.

Accordingly, the issue of Performance Rights to Mr Munro will not be included in the 15% of the Company's issued Share capital that the Company is able to issue in any 12 month period without obtaining Shareholder approval (**15% Capacity**).

What if Shareholders do not approve the grant?

If Shareholders do not approve the issue of Performance Rights to Mr Munro, the Board will propose an alternative remuneration structure for Mr Munro. 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 Munro is considered to be a related party and the 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 Munro), considers that the grant of Performance Rights to Mr Munro and any issue of Shares upon the vesting of the Performance Rights, constitutes part of the reasonable remuneration of Mr Munro.

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 the ASX Listing Rules, the Company will disregard any votes cast on Item 5 by or on behalf of (including by proxy) Mr Munro 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.

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 Munro) 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 preceding this Meeting (**10% Capacity**).

The 10% Capacity would be in addition to the existing Company's existing 15% Capacity.

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.

A Company is eligible to seek shareholder approval for this additional placement capacity if it satisfies both of the following criteria at the date of the Annual General Meeting:

- a) has a market capitalisation of A\$300 million or less; and
- b) not included in the S&P/ASX 300 Index.

The Company currently satisfies both the above criteria, and it anticipated that it will satisfy both these criteria at the date of the Annual General Meeting. The Company's current market capitalisation is A\$29.7 million based on 849,627,622 shares on issue and based on the closing price of the Shares of ASX on 16 October 2017, being A\$0.035.

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 on which trades in that class were recorded immediately before:

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- 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:

- 23 November 2018; 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 or other securities may be issued under the 10% Capacity for the following purposes:

- non-cash consideration for the acquisition of new resources assets or other investments; or
- cash consideration.

If the Company issues equity securities for non-cash consideration, the Company will provide a valuation of the non-cash consideration in accordance with ASX Listing Rule 7.1A.3.

If the Company raises funds through the issue of equity securities, 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.

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, 2013, 2014, 2015 and 2016 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 2016 annual general meeting will expire on 24 November 2017.

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 a Mining Licence is granted in respect of the Etango Project.

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:

- 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%.

	10% voting dilution (Shares)	At 50% decrease in market price \$0.018	At current market price \$0.035	At 100% increase in market price \$0.070
Current				
849,627,622	84,962,762	\$1,486,848	\$2,973,697	\$5,947,393
50% increase				
1,274,441,433	127,444,143	\$2,230,273	\$4,460,545	\$8,921,090
100% increase				
1,699,255,244	169,925,524	\$2,973,697	\$5,947,393	\$11,894,787

Assumptions and explanations

- The market price is A\$0.035, based on the closing price of the Shares on ASX on 16 October 2017.
- 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**.

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Reason	Number	Equity security
Issue of incentives under the EIP and NEDSIP	44,198,900	Performance Rights, Share Rights and Share Options
Shares issued on vesting of incentives under the EIP and NEDSIP	5,319,896	Shares
Shares issued under a private placement	16,666,667	Shares
Total	66,185,463	

The equity securities issued in the previous 12 months, if converted, would amount to 66,185,463 Shares. On 23 November 2016, the equity securities of the Company constituted, or were convertible into, 890,741,117 Shares.

On this measure, the equity securities issued in the preceding 12 months amount to approximately 7.4% of the equity securities on issue at 23 November 2016.

Use of funds received

The Company received an amount of \$0.5m in respect of a private placement agreement with RCFVI during the previous 12 months. As at 16 October 2017:

- \$364,000 has been used for confirmatory demonstration plant test work and DFS Update work; and
- \$136,000 has been used for 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 a 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 **Error! Reference source not found..**

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 **Error! Reference source not found.**

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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.				
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.				
20 Day VWAP	The VWAP of the Company's Shares traded on the ASX during the 20 trading days prior to the AGM.				
A\$ or \$	Australian dollars.				
Annual Report	The financial report, Directors' report and auditors report for the Company for the year ended 30 June 2017.				
AGM or Annual General Meeting	The Annual General Meeting of Shareholders of the Company to be held at Unit 1, 2 Centro Avenue, Subiaco, Western Australia on Thursday, 23 November 2017 at 12noon (AWST), or any adjournment thereof.				
ASX	ASX Limited (ABN 98 008 624 691), or as the context requires, the financial market operated by it.				
ASX Listing Rules	The listing rules of the ASX.				
AWST	Australian Western Standard Time.				
Bannerman or Company	Bannerman Resources Limited (ABN 34 113 017 128)				
Board	The board of Directors of the Company.				
CEO Incentive Entitlement	The value of Performance Rights to which Mr Munro is entitled on an annual basis in accordance with the EIP and the Board's current policy thereunder.				
Chair	The chair of the Annual General Meeting.				
Closely Related Party	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				
		Constitution	The Company's constitution.		
		Corporations Act	<i>Corporations Act 2001</i> (Cth).	Ordinary Resolution	A resolution that must be passed by at least 50% of the votes cast by shareholders being in favour of the resolution.
		Director	A director of the Company.	Performance Right	An entitlement to one Share, subject to vesting and satisfaction of any performance conditions, granted in accordance with the EIP or NEDSIP.
		Employee Incentive Plan or EIP	The Bannerman Resources Limited Employee Incentive Plan as amended from time to time.	Proxy Form	The proxy form included with this Notice.
		Etango Project	The uranium project of the Company located in Namibia.	RCF VI	Resource Capital Fund VI L.P.
		Explanatory Notes	The Explanatory Notes attached to the Notice of Meeting.	Remuneration Report	The remuneration report forming part of the Directors' report in the Company's 2016/17 financial report.
		Group	Bannerman and its subsidiaries.	Share	A fully paid ordinary share in the capital of the Company.
		Incentives	Performance Rights or Options	Shareholder	Any people holding a Share in the Company's share register.
		Item	Each resolution set out in the Notice of Meeting.	Special Resolution	A resolution that must be passed by at least 75% of the votes cast by Shareholders being in favour of the resolution.
		Key Management Personnel	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.	TSR	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.
		NED	A non-executive director of the Company.	TSR Tranche	The initial 50% of the Performance Rights, to potentially be followed by the Operational Tranche.
		NEDSIP	The Bannerman Resources Limited Non-Executive Director Share Incentive Plan as amended from time to time.	Voting Record Date	5pm on Tuesday, 21 November 2017 (AWST).
		Notice or Notice of Meeting	The notice of Meeting, the Explanatory Notes and Management Information Circular.	VWAP	Volume Weighted Average Price.
		Operational Test	The operating and personal performance test undertaken to determine whether the Operational Tranche will be earned.		
		Operational Tranche	The remaining 50% of the Performance Rights which potentially follow the TSR Tranche.		
		Option	An option to acquire a Share, subject to vesting and satisfaction of any		

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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	Value of non-cash consideration
Shares issued upon vesting of share rights pursuant to the EIP.	24-Nov-16	2,234,596	Shares ¹	Same as existing Shares.	Eligible employees under the EIP	Nil	Issued on vesting of share rights.	\$78,211 ²
Shares issued upon vesting of share rights pursuant to the NEDSIP.	24-Nov-16	862,100	Shares	Same as existing Shares.	Eligible non-executive Directors under the NEDSIP	Nil	Issued on vesting of share rights.	\$30,174 ²
Shares issued upon vesting of performance rights pursuant to the EIP.	24-Nov-16	473,200	Shares	Same as existing Shares.	Eligible employees under the EIP	Nil	Issued on vesting of share rights.	\$16,562 ²
Performance rights pursuant to the EIP.	21-Dec-16	24,000,700	Performance rights ³	Unlisted performance rights assessed for vesting based on performance hurdles determined by the Board	Eligible employees under the EIP	Nil	Issued as employee incentives.	\$840,025 ⁴
Non-executive Director Share rights granted pursuant to the NEDSIP.	21-Dec-16	19,598,200	Unlisted options ⁵	Exercise price of A\$0.042 per share and an expiry date of 15 November 2019	Eligible non-executive Directors under the NEDSIP	Nil	Issued as Director remuneration.	\$100,000 ⁶
Shares issued upon vesting of share rights pursuant to the EIP.	2-Feb-17	500,000	Shares	Same as existing Shares.	Eligible employees under the EIP	Nil	Issued on vesting of share rights.	\$17,500 ²
Shares placed to RCF VI under a private placement agreement.	2-Feb-17	16,666,667	Shares	Same as existing Shares.	RCF VI	\$0.03 per share	\$500,000	n/a ⁹
Shares issued upon vesting of share rights pursuant to the EIP.	23-Mar-17	250,000	Shares	Same as existing Shares.	Eligible employees under the EIP	Nil	Issued on vesting of share rights.	\$8,750 ²

¹ 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.

² The value of the vesting performance and share rights are calculated based upon the number of Shares issued multiplied by the Share price as at 16 October 2017, being \$0.035.

³ Performance rights are issued under the terms of the EIP, the terms of which are contained in Schedule 3.

⁴ The value of the performance and share rights are calculated based upon the number of Shares that could be issued multiplied by the Share price as at 16 October 2017, being \$0.035.

⁵ These unlisted options are issued under the terms of the NEDSIP, the terms of which are contained in Schedule 2.

⁶ Valuation of unlisted options is based on the black-scholes pricing methodology.

SCHEDULE 2 – KEY TERMS OF THE EMPLOYEE INCENTIVE PLAN

Key term	Description of term
Permitted grants	Permits grants of Incentives, which includes options and performance rights. Reference to the 'Board' in this schedule 3 refer to the Board not including the NEDs.
Minimum vesting period	Under the NEDSIP, the Board may impose a minimum vesting period and performance hurdles on the terms and conditions of an issue of an Incentive. The Board's current policy is for Incentives to be issued with a minimum vesting period of 12 months from the date of grant (Minimum Vesting Period). For Incentives granted under the NEDSIP in the form of Performance Rights no exercise price will be payable. However, there will be performance conditions attached which require the NED to continue in their role for 12 months from the date of grant whereupon the Performance Right will vest automatically into a Share upon completion of the Minimum Vesting Period. If the Board decides to issue Options, then, under the Board's current policy (which the Board may change at any time), Options will vest only upon completion of the Minimum Vesting Period and may then be exercised upon payment of the exercise price.
Incentives	The NEDSIP allows the Board to grant Performance Rights and Options to eligible participants.
Grants of	The NEDSIP will provide the following issues of

Key term	Description of term
Incentives	Incentives (which may be changed by the Board from time to time): a. upon being appointed, Non-Executive Directors may be entitled to receive an initial grant of Incentives with a total value of one times their annual base Director fee (Initial Allocation); and b. thereafter, Non-Executive Directors are each entitled to receive one third of their annual Director fees (excluding fees paid for services as a member to a Board Committee and extra exertion fees) in the form of Incentives (Annual Allocation), with the other two thirds being paid in cash. Incentives issued under the NEDSIP are to be issued for no consideration.
Entitlement to Incentives	Subject to the terms of the NEDSIP, vesting and the satisfaction of any performance conditions, each Incentive entitles the holder to receive one Share.
Exercise price	The Board may grant Options under the NEDSIP. If it chooses to do so, the exercise price of any Options granted under the NEDSIP is at the absolute discretion of the Board (in accordance with applicable securities regulations) and the Board will determine the exercise price from time to time. In 2012, 2013 and 2014, under the NEDSIP the Board granted Options which had an exercise price that was equal to a 50% premium to the

Key term	Description of term
	20 Business Day VWAP up to the day prior to the date of issue or, if approval is required, the date of the AGM (for the Annual Allocation). In 2011, under the NEDSIP the Board granted Options which had an exercise price that was equal to a 25% premium to the 20 Business Day VWAP up to the day prior to the date of issue or, if approval is required, the date of the AGM (for the Annual Allocation).
Expiry Date	The NEDSIP provides that the expiry date will be not later than 5 years after the date of issue. Current policy is that the expiry date for Options is the date 3 years after the date of issue.
Effect of ceasing to be a director or death	If a Non-Executive Director ceases to be a Director of or provide services to Bannerman or its subsidiary entities, then: a. if all relevant vesting conditions have been met or if no vesting condition is imposed, the Incentive continues and may be exercised by the Non-Executive Director in the 30 day period starting on the date of such cessation or any longer period permitted by the Board, after which time the Incentive will automatically lapse; or b. if any relevant vesting condition has not been met, the Incentive will automatically lapse on the date of such cessation, unless the Board determines otherwise. Unless the Incentives have otherwise lapsed, if a Non-Executive Director dies then their

SCHEDULE 2 – KEY TERMS OF THE NON-EXECUTIVE DIRECTOR SHARE INCENTIVE PLAN

Key term	Description of term
	<p>Incentives may be exercised in full up to 12 months after his or her death.</p> <p>The Board will consider any applicable limitations under the termination benefit rules in the Corporations Act when making any determination or allowing any extension following a Non-Executive Director ceasing to be a Director of or provide services to Bannerman.</p>
Dividend and voting rights	Incentives granted under the NEDSIP do not carry any dividend or voting rights.
Vesting on change of control	<p>Incentives automatically vest, and may become transferable, in the event that a takeover bid is made for Bannerman, or another corporate transaction is pursued (such as a scheme of arrangement or selective capital return) which results in the bidder acquiring voting power to more than 50% of Bannerman.</p> <p>The Board also has a general discretion to allow Incentives to vest if the Board determines, acting in good faith and consistent with its fiduciary duties, that a person has obtained sufficient voting rights to control the composition of the Board.</p> <p>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 winding up of Bannerman.</p> <p>Once vested, the Incentives will lapse on their</p>

Key term	Description of term
	expiry date.
Exercise into bidder shares	The NEDSIP provides flexibility for Bannerman to agree with any successful acquirer of Bannerman to an arrangement whereby Incentives will become exercisable into acquirer shares as opposed to Bannerman shares.
Transferability	Incentives are transferable only in the event that a change of control of Bannerman occurs or by force of law upon the death of the participant or upon the bankruptcy of the participant, or otherwise with the consent of the Board.
Bonus issues, rights issues, reconstruction	The NEDSIP contains standard rules providing for adjustments to Incentives granted under the NEDSIP in the event of a bonus issue, rights issue or reorganisation of Bannerman's issued capital.
Listing	The Incentives will not be listed.
Board discretion	The Board has absolute discretion (in accordance with applicable securities regulations) to determine the exercise price, the expiry date and vesting conditions of any grants made under the NEDSIP, without the requirement of further Shareholder approval.
Timing of issues	If Item 4 is approved by Shareholders, Incentives will not be issued under the NEDSIP at any stage after 3 years from the date of the Meeting without obtaining further Shareholder approval.
Details of prior issues	Details of existing Options granted to Non-Executive Directors under the NEDSIP to date

Key term	Description of term
	<p>are set out in the Explanatory Memorandum.</p> <p>Details of the current interest of Non-Executive Directors in Shares and Options (including prior Option grants) are set out in the Company's 2017 Annual Report.</p>
Future issues	Details of any Incentives granted to Non-Executive Directors in the future under the NEDSIP will be published in each annual report of the Company relating to the period in which the Incentives have been granted, with a statement that approval for the issue of the Incentives to the Non-Executive Directors under the NEDSIP was obtained under ASX Listing Rule 10.14 or under a waiver granted by ASX.

Bannerman Resources Limited

SCHEDULE 3 – KEY TERMS OF THE EMPLOYEE INCENTIVE PLAN

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, 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.	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 of 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 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.	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 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.	Board discretion	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.	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 under the EIP to determine what (if any) vesting conditions need to be satisfied before the incentives become capable of exercise.				

SCHEDULE 3 – KEY TERMS OF THE EMPLOYEE INCENTIVE PLAN

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	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.	Termination for cause (e.g. fraud, dishonesty, material breach of obligations)	Immediately lapse unless Board determines otherwise	Immediately lapse unless Board determines otherwise
	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.	Termination by consent (e.g. resignation)	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
	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.	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

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Proxy Form

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Vote and view the annual report 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 12noon (AWST) Tuesday, 21 November 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
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 Unit 1, 2 Centro Avenue, Subiaco, Western Australia on Thursday, 23 November 2017 at 12noon (AWST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: 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, 4 and 5 (except where I/we have indicated a different voting intention below) even though Items 2, 4 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, 4 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 – Mike Leech	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3b	Re-election of Director – Ronnie Beevor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3c	Re-election of Director – Clive Jones	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Renewal of Non-Executive Director Share Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Issue of Securities to Brandon Munro	<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

2 3 1 1 1 7 A

Computershare +