

Bannerman Resources Limited  
**NOTICE OF MEETING 2018**

---



## Bannerman Resources Limited

---



Etango Heap Leach Demonstration Plant



Proposed Etango Dynamic Heap Leach Approach

---

# Notice of Annual General Meeting 2018

9am (AWST), Wednesday, 21 November 2018

Bannerman Offices, Suite 7, 245 Churchill Avenue, Subiaco, Western Australia

---

# Bannerman Resources Limited

## NOTICE OF MEETING 2018

The 2018 Annual General Meeting of Bannerman Resources Limited (**Bannerman** or the **Company**) will be held at Suite 7, 245 Churchill Avenue, Subiaco, Western Australia at **9am (AWST) Wednesday, 21 November 2018**.

**15 October 2018**

### Dear Shareholder

As a result of a productive and disciplined year in which both the Etango Project and your Company's balance sheet has strengthened, I am pleased to report that Bannerman is very well positioned to benefit from the early stages of a recovery in the uranium sector.

The uranium sector has benefitted from several significant developments over the last year, precipitated by decade low prices caused by persistent annual surpluses in the uranium market. Cameco's MacArthur River (the world's largest uranium mine) was placed into indefinite care and maintenance shortly after Paladin Energy put the Langer Heinrich Mine into care and maintenance. KazAtomProm, the world's largest uranium producer, announced a 20% reduction in forecast production. Further, Orano announced supply reductions in Niger and domestic uranium production in the United States has declined dramatically. The combined effect is forecast to put the uranium market into a deficit in 2019 and is expected to have a significant impact on uranium prices in the next year as the reduction in supply starts to take effect.

Demand for uranium continues to strengthen with Japan restarting further reactors and China announcing the intention to commence construction of 6-8 additional reactors during 2018. In the short term, demand has strengthened as financial buyers enter the market, the most notable of which was Yellow Cake plc listing on London's Alternative Investment Market and using the proceeds to acquire 8.1 million pounds of U3O8 from KazAtomProm.

Your Company has remained productive, further enhancing the quality and value of the Etango Project through the ongoing Definitive Feasibility Study (DFS) Update. The Company identified, through its Processing Optimisation Study, estimated capital cost savings of US\$73m, along with significant potential operating cost savings enabling a DFS Improvement target of US\$3+/lb U3O8, compared with the operating costs published in the 2015 Optimisation Study.

The DFS Update will continue in the next year. A number of optimisation opportunities are being prioritised and the Company will progressively undertake enhancement studies that have the potential to be NPV accretive through reducing anticipated capital expenditure and/or operating costs. The first of these studies was the Membrane Study, successfully completed in January 2018. Once the optimisation phase is completed, the Company will conclude the DFS Update by undertaking definitive level engineering to incorporate identified project enhancements and update the procurement process.

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.

Your Company has also remained disciplined, eliminating unnecessary costs and successfully undertaking a capital raising which saw more than a dozen new institutions enter the register. The offer, which raised \$8 million before costs, was undertaken at more than a 50% premium to our previous raising in 2016. The institutional presence on Bannerman's register grew further as a result of private equity substantial shareholder, Resource Capital Funds, disposing in full of its shareholding to Australian and overseas institutions, including specialist uranium investor Tribeca Investment Partners.

Bannerman has operated without incurring a lost time injury since 2009, a record that culminated in Bannerman winning the relevant category of the Namibian Chamber of Mines 2018 Safety Competition. 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.

I am proud to say that your Company has a remarkable reputation for corporate social responsibility and effective community engagement, which continues to add value to the Company's assets. Highlights of the year include endorsement by the Namibian Chamber of Environment for the highest environmental standards and transparency, and reaching a milestone of 2,000 school children

# Bannerman Resources Limited

## NOTICE OF MEETING 2018

benefitting from the Bannerman Learner Assistance Scheme.

My sincere thanks to all of our stakeholders including the Namibian government, the One Economy Foundation (who hold a 5% ownership of the Etango Project) and our supportive host community in Namibia. Finally, I would like to recognise the exceptional talent and dedication of the people in Australia and Namibia working on behalf of the Company.

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



# Bannerman Resources Limited

## NOTICE OF MEETING 2018

Items of Business		Type of resolution	Voting exclusions and prohibitions
<b>ORDINARY BUSINESS</b>			
<b>1. DISCUSSION OF FINANCIAL STATEMENTS AND REPORTS</b>	To receive and consider the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2018.	No resolution	Page 5
<b>2. REMUNERATION REPORT</b>	To adopt the remuneration report for the year ended 30 June 2018.	Non-binding	Page 5
<b>3. ELECTION OF DIRECTORS</b>			
<b>A. CLIVE JONES</b>	That Mr Clive Jones be re-elected as a Director.	Ordinary Resolution	Page 5
<b>B. IAN BURVILL</b>	That Mr Ian Burvill be re-elected as a Director.	Ordinary Resolution	Page 5
<b>SPECIAL BUSINESS</b>			
<b>4. RATIFICATION OF ISSUE OF SHARES – LR 7.1</b>	To approve and ratify the issue of 125,193,745 Shares by the Company as described in the Explanatory Notes.	Ordinary Resolution	Page 6
<b>5. RATIFICATION OF ISSUE OF SHARES – LR 7.1A</b>	To approve and ratify the issue of 48,719,298 Shares by the Company as described in the Explanatory Notes.	Ordinary Resolution	Page 6
<b>6. ISSUE OF SECURITIES TO MR MUNRO</b>	To approve the issue of performance rights to a maximum allocation value of \$320,000 to Mr Munro under the Employee Incentive Plan on the terms described in the Explanatory Notes.	Ordinary Resolution	Page 8
<b>7. RENEWAL OF CAPACITY TO ISSUE SECURITIES</b>	To grant the Company with additional equity raising capacity equivalent to 10% of the Company's ordinary securities, on the terms described in the Explanatory Notes.	Special Resolution	Page 10
<b>8. RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS</b>	To renew the proportional takeover provisions for a period of three years from the date of this meeting.	Special Resolution	Page 11

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



# Bannerman Resources Limited

## NOTICE OF MEETING 2018

### VOTING

#### Voting Record Date

Shareholders recorded on the Company's register of members at 5.00pm on Monday, 19 November 2018 (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/](http://www.investorcentre.com/) under the help tab, "Printable Forms".

### LODGING PROXY FORMS

#### Deadline

Proxy Forms must be received by 9am on Monday, 19 November 2018 (AWST).

#### How to lodge Proxy Forms

You can lodge your Proxy Forms:

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

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

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

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

### 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](mailto: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

15 October 2018

# Bannerman Resources Limited

## EXPLANATORY NOTES

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

In accordance with the Corporations Act, Shareholders will have a reasonable opportunity to ask questions concerning the Company's Annual Report, which includes the Company's Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2018.

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

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

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

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

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

### ITEM 2 – REMUNERATION REPORT

#### Background

The Remuneration Report for the financial year ended 30 June 2018 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

Clive Jones and Ian Burvill 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.

#### Board recommendation

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

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



**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 Health, Safety and Environment Committee

Member of the Remuneration, Nomination and Corporate Governance 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.

8,327,600 non-executive director options held by Clive Jones for the Alyse Investment Trust.

# Bannerman Resources Limited

## EXPLANATORY NOTES



**Mr Ian Burvill**

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

### Term of office

Appointed in 2012.

### Independent

Yes

### Skills and experience

Ian has over 30 years of mining industry experience. He started his career as a mechanical engineer, then worked as a merchant banker before becoming a senior executive in private equity. He is a former Partner of Resource Capital Funds and a past Associate Director of Rothschild Australia Limited. Ian has sat on the boards of nine mining companies, two mining services groups, a mining venture capital firm and a leading mining private equity firm.

### Committee memberships

Chairman of the Remuneration, Nomination and Corporate Governance Committee

Member of the Audit Committee

### Interests in the Company

5,194,800 non-executive director options held directly.

## ITEMS 4 and 5 – RATIFICATION OF ISSUE OF SHARES

### Background

On 8 June 2018, the Company announced that it has successfully raised A\$8 million through a placement to institutional and sophisticated investors through the issue of 173,913,043 new Bannerman shares at A\$0.046 per share (**Placement**).

On 18 June 2018, the Company issued:

- (a) 125,193,745 shares 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**); and
- (b) 48,719,298 shares within 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.

### Key terms of the Shares

The 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\$0.046

### Use of funds

The funds raised from the issue are intended to be used to further optimisation at the Etango Project (targeting reduced operating and capital cost estimates), progress the Definitive Feasibility Study Update, continue product marketing and for general working capital and corporate purposes (including financing and offtake initiatives).

### Allottees

The shares were issued to professional, sophisticated and institutional investors under section 708 of the Corporations Act.

### Board recommendation

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

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

### Voting exclusion statement

The Company will disregard any votes cast in favour of Items 4 and 5 by a person who participated in the issue and 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.

# Bannerman Resources Limited

## EXPLANATORY NOTES

### ITEM 6 – 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\$320,000 (**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 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\$0.04	8,000,000
A\$0.06	5,333,333
A\$0.08	4,000,000

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 0.53% 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

<b>Relationship with Director</b>	The Performance Rights will be granted to Mr Munro or his nominee.
<b>Total securities to be issued</b>	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 6,037,736 based on the 20 Day VWAP of Shares up to 15 October 2018, being A\$0.053.  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.
<b>Price</b>	The Performance Rights will be granted at no cost to Mr Munro and no amount is payable on vesting of the Performance Rights.
<b>Persons entitled to participate in the EIP</b>	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 15 October 2018, 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
6,521,700	17 Dec 2017	15 Nov 2020	Nil

Full details of Mr Munro's holding of Shares, Performance Rights and Options are set out in the Remuneration Report of the 2018 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.



# Bannerman Resources Limited

## EXPLANATORY NOTES

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

The Board may change the members of the peer group from time to time to ensure it is reflective of the Company's peers.

Any of the TSR tranche of the 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.

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 10.15.4A:** 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 2019.

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

## ITEM 7 – 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.

# Bannerman Resources Limited

## EXPLANATORY NOTES

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:

- has a market capitalisation of A\$300 million or less; and
- 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\$44.3 million based on 1,030,805,705 shares on issue and based on the closing price of the Shares of ASX on 15 October 2018, being A\$0.043.

### 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:

- 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:

- 21 November 2019; 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 previous six, including 2017, 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 2017 annual general meeting will expire on 22 November 2018.

#### 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 \$0.022	At current market price \$0.043	At 100% increase in market price \$0.086
Current 1,030,805,705	103,080,571	\$2,216,232	\$4,432,465	\$8,864,929
50% increase 1,546,208,558	154,620,856	\$3,324,348	\$6,648,697	\$13,297,394
100% increase 2,061,611,410	206,161,141	\$4,432,465	\$8,864,929	\$17,729,858

# Bannerman Resources Limited

## EXPLANATORY NOTES

### Assumptions and explanations

1. The market price is A\$0.043, based on the closing price of the Shares on ASX on 15 October 2018.
2. The Company issues the maximum number of equity securities available under the 10% Capacity.
3. No options of other securities are exercised into Shares before the date of the issue of the equity securities.
4. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
5. 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).
6. The table does not show the effect of issues under the 15% share issue capacity under the ASX Listing Rules.
7. The issue of securities under the 10% Capacity consists only of Shares.
8. The issue price of the 10% Capacity used in the table does not take into account discount to market price (if any).

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

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

Reason	Number	Equity security
Issue of incentives under the EIP and NEDSIP	28,429,100	Performance Rights, Share Rights and Share Options
Issue of incentives outside the EIP and NEDSIP	3,200,000	Share Options
Shares issued on vesting of incentives under the EIP and NEDSIP	6,265,040	Shares
Shares issued under a private placement	173,913,043	Shares
<b>Total</b>	<b>211,807,183</b>	

The equity securities issued in the previous 12 months, if converted, would amount to 211,807,183 Shares. On 23 November 2017, the equity securities of the Company constituted, or were convertible into, 1,062,434,805 Shares.

On this measure, the equity securities issued in the preceding 12 months amount to approximately 24.9% of the equity securities on issue at 23 November 2017.

### Use of funds received

The Company received an amount of \$8m in respect of a placement mandate with institutional and sophisticated investors during the previous 12 months. As at 15 October 2018:

- \$111,000 has been used for DFS Update work; and
- \$547,000 has been used for general working capital requirements.

The remaining \$7.342m will be used to further optimisation opportunities at the Etango Project, progress the current Definitive Feasibility Study Update, continue product marketing and for general working capital and corporate purposes.

### Voting exclusions

The Company will disregard any votes cast in favour of Item 7 by or on behalf of (including by proxy) a person who is expected participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Shares) if Item 7 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 7.

### 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 7.

## ITEM 8 – RENEWAL OF PROPORTIONAL TAKEOVERS PROVISIONS

### Background

The Constitution currently contains proportional takeover approval provisions requiring Shareholders to approve any takeover offer for only a proportion of each Shareholder's Shares (clause 26). These provisions are designed to assist Shareholders to receive proper value for their Shares if a proportional takeover bid is made for the Company.

In accordance with the Corporations Act and the Constitution, the proportional takeover approval provisions expire three years from their adoption, or if renewed, from the date of renewal.

The Company last renewed its proportional takeover provisions on 11 November 2015. Accordingly, clause 26 of the Constitution will cease to operate from 11 November 2018 unless it is renewed prior to that time.

Renewal of the proposed proportional takeover provisions 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).

If renewed, the proposed proportional takeover provisions will be in exactly the same terms as the existing provisions and will have effect for a three year period commencing on 11 November 2015.

Clause 26 is set out in full in **Schedule 3** of this Notice.

### What is a proportional takeover?

A proportional takeover bid is a takeover offer sent to all Shareholders, but only in respect of a specified portion of each Shareholder's shares. Accordingly, if a Shareholder accepts in full the offer under a proportional takeover bid, the Shareholder will dispose of the specified portion of their shares in the Company and retain the balance of the shares.

### Effect

If a proportional takeover bid is made, the Directors must:

- convene a general meeting no less than 14 days before the end of the bid period; and

# Bannerman Resources Limited

## EXPLANATORY NOTES

- allow Shareholders to vote on a resolution to approve the proportional takeover bid.

The bidder and its associates are not allowed to vote on the resolution.

If the bid is rejected, binding acceptances are required to be rescinded, and all unaccepted offers and offers failing to result in binding contracts are taken to have been withdrawn.

If the bid is approved, the transfers resulting from the bid may be registered provided they comply with other provisions of the Corporations Act and the Constitution.

If no resolution is voted on by the above deadline, a resolution approving the bid is taken to have been passed.

The proportional takeover provisions do not apply to full takeover bids and will only apply until 21 November 2021, unless again renewed by shareholders.

### Knowledge of acquisition proposals

As at 15 October 2018, being the last date prior to the finalisation of this Notice, other than to the extent previously approved by Shareholder, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

### Reasons for Renewal

As a proportional takeover bid involves an offer for only a proportion of each Shareholder's Shares, a bidder may acquire control of the Company:

- without Shareholders having the chance to sell all their Shares, leaving them as part of a minority interest in the Company; and
- without payment of an adequate control premium.

The Board considers that the proportional takeover provisions should be renewed as they lessen the risk of a bidder obtaining control without adequately compensating existing Shareholders as they allow Shareholders to decide collectively whether a proportional takeover bid is acceptable and appropriately priced.

### Impact of existing proportional takeover provisions

As far as the Directors are aware, while the existing proportional takeover provisions have been in effect, no takeover bids for the Company have been made, either proportional or otherwise.

Accordingly, no actual advantages or disadvantages of the existing proportional takeover provisions, for the Directors or the Shareholders, could be reviewed.

The Directors are not aware of any potential takeover bid that was discouraged by the inclusion of proportional takeover provisions in the Company's constitution.

### Advantages and disadvantages for Shareholders

Advantages	Disadvantages
Renewal of the proportional takeover provisions provide Shareholders: <ul style="list-style-type: none"><li>the right to decide whether a proportional takeover bid should proceed;</li><li>protection from being locked in as a minority Shareholder;</li><li>increased bargaining power; and</li><li>the view of majority of Shareholders which may assist individual Shareholders to decide whether to accept or reject an offer under proportional takeover bid.</li></ul>	Renewal of the proportional takeover provisions may: <ul style="list-style-type: none"><li>discourage proportional takeover bids;</li><li>reduce Shareholders' opportunities to sell Shares at a premium;</li><li>restrict the ability of individual Shareholders to deal with their Shares as they see fit; and</li><li>reduce the likelihood of a proportional takeover bid succeeding.</li></ul>

### Advantages and disadvantages for Directors

The re-insertion of the proportional takeover approval provision will enable the Directors to formally ascertain the views of shareholders in respect of a proportional takeover bid. Without such provisions, the Directors are dependent upon their perception of the interests and views of shareholders.

Other than this advantage, the Directors consider that insertion of such a provision has no potential advantages or potential disadvantages for them as they remain free to make a recommendation on whether a proportional takeover offer should be accepted.

### Board recommendation

The Board considers that the potential advantages for Shareholders of the proportional takeover approval provisions outweigh the potential disadvantages.

The Board unanimously recommends that Shareholders vote **in favour** of the renewal of the proportional takeover provisions.

The Chair intends to vote undirected proxies in favour of Item 8.



# Bannerman Resources Limited

## GLOSSARY

<b>10% Capacity</b>	The additional 10% Share capital the Company may issue on top of the 15% Capacity, subject to Shareholder approval.				
<b>15% Capacity</b>	The restriction on the Company to issue securities up to 15% of its issued Share capital in any 12 month period without obtaining Shareholder approval.				
<b>20 Day VWAP</b>	The VWAP of the Company's Shares traded on the ASX during the 20 trading days prior to the AGM.				
<b>A\$ or \$</b>	Australian dollars.				
<b>Annual Report</b>	The financial report, Directors' report and auditors report for the Company for the year ended 30 June 2018.				
<b>AGM or Annual General Meeting</b>	The Annual General Meeting of Shareholders of the Company to be held at Suite 7, 245 Churchill Avenue, Subiaco, Western Australia on Wednesday, 21 November 2018 at 9am (AWST), or any adjournment thereof.				
<b>ASX</b>	ASX Limited (ABN 98 008 624 691), or as the context requires, the financial market operated by it.				
<b>ASX Listing Rules</b>	The listing rules of the ASX.				
<b>AWST</b>	Australian Western Standard Time.				
<b>Bannerman or Company</b>	Bannerman Resources Limited (ABN 34 113 017 128)				
<b>Board</b>	The board of Directors of the Company.				
<b>CEO Incentive Entitlement</b>	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.				
<b>Chair</b>	The chair of the Annual General Meeting.				
<b>Closely Related Party</b>	A closely related party, meaning a spouse or child of the member; a child of the member's spouse, a dependent of the member or the member's spouse; anyone else who is one of the				
		<b>Constitution</b>	member's family and may be expected to influence the member or be influenced by the member in the member's dealings with the Company; or a company the member controls.	<b>Option</b>	An option to acquire a Share, subject to vesting and satisfaction of any performance conditions, granted in accordance with the EIP.
		<b>Corporations Act</b>	The Company's constitution.	<b>Ordinary Resolution</b>	A resolution that must be passed by at least 50% of the votes cast by shareholders being in favour of the resolution.
			<i>Corporations Act 2001</i> (Cth).	<b>Performance Right</b>	An entitlement to one Share, subject to vesting and satisfaction of any performance conditions, granted in accordance with the EIP.
		<b>Director</b>	A director of the Company.	<b>Proxy Form</b>	The proxy form included with this Notice.
		<b>Employee Incentive Plan or EIP</b>	The Bannerman Resources Limited Employee Incentive Plan as amended from time to time.	<b>Remuneration Report</b>	The remuneration report forming part of the Directors' report in the Company's 2017/18 financial report.
		<b>Etango Project</b>	The uranium project of the Company located in Namibia.	<b>Share</b>	A fully paid ordinary share in the capital of the Company.
		<b>Explanatory Notes</b>	The Explanatory Notes attached to the Notice of Meeting.	<b>Shareholder</b>	Any people holding a Share in the Company's share register.
		<b>Group</b>	Bannerman and its subsidiaries.	<b>Special Resolution</b>	A resolution that must be passed by at least 75% of the votes cast by Shareholders being in favour of the resolution.
		<b>Incentives</b>	Performance Rights or Options	<b>TSR</b>	Total Shareholder Return, being the total before tax investment return achieved by the holder of a Share over a defined period based on Share price movement over that period and the reinvestment of dividends, if any.
		<b>Item</b>	Each resolution set out in the Notice of Meeting.	<b>TSR Tranche</b>	The initial 50% of the Performance Rights, to potentially be followed by the Operational Tranche.
		<b>Key Management Personnel</b>	Key management personnel, which has the same meaning as in the Australian accounting standards. Broadly, this includes those persons with the authority for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Directors.	<b>Voting Record Date</b>	5pm on Monday, 19 November 2018 (AWST).
		<b>NED</b>	A non-executive director of the Company.	<b>VWAP</b>	Volume Weighted Average Price.
		<b>Notice or Notice of Meeting</b>	The notice of Meeting, the Explanatory Notes and Management Information Circular.		
		<b>Operational Test</b>	The operating and personal performance test undertaken to determine whether the Operational Tranche will be earned.		
		<b>Operational Tranche</b>	The remaining 50% of the Performance Rights which potentially follow the TSR Tranche.		

# Bannerman Resources Limited

## SCHEDULE 1 – SECURITIES ISSUED IN PRIOR 12 MONTHS

Brief Details	Date of Issue	Number of Securities	Class / Type of Security	Summary of Terms	Investor / Recipient	Price	Amount paid	Value of non-cash consideration
Shares issued upon vesting of performance rights pursuant to the EIP.	24-Nov-17	234,300	Shares <sup>1</sup>	Same as existing Shares.	Eligible employees under the EIP	Nil	Issued on vesting of share rights.	\$10,075 <sup>2</sup>
Shares issued upon vesting of share rights pursuant to the EIP.	24-Nov-17	4,496,382	Shares	Same as existing Shares.	Eligible employees under the EIP	Nil	Issued on vesting of share rights.	\$193,344 <sup>2</sup>
Performance rights pursuant to the EIP.	24-Nov-17	600,000	Performance rights <sup>3</sup>	Unlisted performance rights assessed for vesting based on performance hurdles determined by the Board	Eligible employees under the EIP	Nil	Issued as employee incentives.	\$25,800 <sup>4</sup>
Share options granted pursuant to terms similar to the EIP.	24-Nov-17	800,000	Unlisted options	Exercise price of A\$0.045 per share and an expiry date of 25 July 2019	Eligible service provider on similar terms to the EIP	Nil	Issued as service provider incentives.	\$22,704 <sup>5</sup>
Share options granted pursuant to terms similar to the EIP.	24-Nov-17	1,200,000	Unlisted options	Exercise price of A\$0.057 per share and an expiry date of 25 July 2019	Eligible service provider on similar terms to the EIP	Nil	Issued as service provider incentives.	\$29,119 <sup>5</sup>
Share options granted pursuant to terms similar to the EIP.	24-Nov-17	1,200,000	Unlisted options	Exercise price of A\$0.07 per share and an expiry date of 25 July 2019	Eligible service provider on similar terms to the EIP	Nil	Issued as service provider incentives.	\$24,883 <sup>5</sup>
Performance rights pursuant to the EIP.	19-Dec-17	14,097,900	Performance rights	Unlisted performance rights assessed for vesting based on performance hurdles determined by the Board	Eligible employees under the EIP	Nil	Issued as employee incentives.	\$606,210 <sup>5</sup>
Non-executive Director Share rights granted pursuant to the NEDSIP.	19-Dec-17	13,731,200	Unlisted options <sup>6</sup>	Exercise price of A\$0.069 per share and an expiry date of 15 November 2020	Eligible non-executive Directors under the NEDSIP	Nil	Issued as Director remuneration.	\$278,171 <sup>5</sup>
Shares issued upon vesting of share rights pursuant to the EIP.	16-Mar-18	600,000	Shares	Same as existing Shares.	Eligible employees under the EIP	Nil	Issued on vesting of share rights.	\$25,800 <sup>2</sup>
Shares placed under a private placement mandate.	18-Jun-18	173,913,043	Shares	Same as existing Shares.	Institutional and Sophisticated Investors	\$0.046 per share <sup>7</sup>	\$8,000,000	n/a
Shares issued upon vesting of share rights pursuant to the EIP.	31-Jul-18	934,358	Shares	Same as existing Shares.	Eligible employees under the EIP	Nil	Issued on vesting of share rights.	\$40,177 <sup>2</sup>

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

<sup>2</sup> 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 15 October 2018, being \$0.043.

<sup>3</sup> Performance rights are issued under the terms of the EIP, the terms of which are contained in Schedule 2.

<sup>4</sup> 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 15 October 2018, being \$0.043.

<sup>5</sup> Valuation of unlisted options is based on the black-scholes pricing methodology.

<sup>6</sup> These unlisted options are issued under the terms of the NEDSIP.

<sup>7</sup> These shares were issued at a 9.2% discount to the 10-day volume weighted average price, up to and including Tuesday 5 June 2018.

# Bannerman Resources Limited

## SCHEDULE 2 – KEY TERMS OF THE EMPLOYEE INCENTIVE PLAN

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

## SCHEDULE 2 – 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
<b>Adjustment for rights Issues</b>	The exercise price of incentives (if applicable) will be adjusted in the manner provided by the ASX Listing Rules in the event of the Company conducting a rights issue prior to the lapse of the relevant Incentive.			
<b>Other rights to participate in bonus issues, reorganisations and new issues etc</b>	<p>If the Company completes a bonus issue during the term of an Incentive, the number of Shares the holder is then entitled to will be increased by the number of Shares which the holder would have been issued in respect of incentives if they were exercised (in the case of options) or are vested and are received (in the case of performance rights) immediately prior to the record date for the bonus issue.</p> <p>In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Incentives to which the holder is entitled or the exercise price of the incentives (if applicable), or both as appropriate, will be adjusted in the manner provided for in the ASX Listing Rules.</p> <p>Subject to the terms of the EIP and as otherwise set out above, during the currency of the incentives and prior to their exercise (in the case of options) or vesting and receipt (in the case of performance rights), the holder is not entitled to participate in any new issue of securities of the Company as a result of their holding the incentives.</p>	<b>Termination for ill health or death</b>	Immediately lapse unless Board determines otherwise	May be exercised (in the case of ill health) by the participant, or (in the case of death) by the participant's personal representative, until the incentive lapses
		<b>Termination for cause (e.g. fraud, dishonesty, material breach of obligations)</b>	Immediately lapse unless Board determines otherwise	Immediately lapse unless Board determines otherwise
		<b>Termination by consent (e.g. resignation)</b>	Immediately lapse unless Board determines otherwise	Are able to be exercised during the period 30 days after cessation of employment or a longer period allowed by the Board
		<b>Redundancy, constructive dismissal, other termination by Company not dealt with above</b>	Incentives automatically vest and are able to be exercised during the period 30 days after cessation of employment or a longer period allowed by Board	Are able to be exercised during the period 30 days after cessation of employment or a longer period allowed by the Board



# Bannerman Resources Limited

## SCHEDULE 3 – PROPORTIONAL TAKEOVER RULE

### PART 26 PROPORTIONAL TAKEOVER RULE

#### 26.1 Definitions

The following words have these meanings in this clause 26 unless the contrary intention appears:

*"approving resolution"* has the same meaning as in section 648D of the Corporations Act;

*"approving resolution deadline"* has the same meaning as in section 648D of the Corporations Act;

*"associate"* has the meaning specified in section 9 of the Corporations Act for the purposes of Chapter 6 of the Corporations Act; and

*"proportional takeover bid"* has the meaning specified in section 9 of the Corporations Act.

#### 26.2 Prohibition on registration of transfers without approval

Where a proportional takeover bid in respect of shares included in a class of shares in the Company has been made:

- (a) the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the proportional takeover bid is prohibited unless and until a resolution to approve the proportional takeover bid is passed in accordance with this Constitution;
- (b) a person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under the proportional takeover bid was made, held shares included in that class is entitled to vote on an approving resolution and, for the purposes of so voting, is entitled to 1 vote for each such share;
- (c) neither the bidder nor an associate of the bidder may vote on an approving resolution;
- (d) an approving resolution must be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the resolution under the Corporations Act; and

- (e) an approving resolution is taken to have been passed if the proportion which the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.

Subject to the Corporations Act, the Directors may determine that the provisions of this clause 26 apply to the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under a proportional takeover bid that is made prior to the date that this Constitution is adopted or this clause 26 is renewed.

#### 26.3 Meetings

- (a) The provisions of this Constitution relating to a general meeting of the Company apply, with such modifications as the circumstances require (including, without limitation, to the requisite notice period to ensure that the meeting is convened on or before the approving resolution deadline), in relation to a meeting that is convened for the purposes of this clause 26.
- (b) Where takeover offers have been made under a proportional takeover bid, then the Directors must ensure that a resolution to approve the proportional takeover bid is voted on in accordance with this clause 26 before the approving resolution deadline in relation to the proportional takeover bid.
- (c) Where a resolution to approve a proportional takeover bid is voted on in accordance with this clause 26 before the approving resolution deadline in relation to the proportional takeover bid, the Company must, on or before the approving resolution deadline:
  - (i) give to the bidder; and
  - (ii) serve on the Exchange, a written notice stating that a resolution to approve the proportional takeover bid has been voted on and that the resolution has been passed or has been rejected, as the case requires.

#### 26.4 Approving resolution deemed to have been passed

Where, as at the end of the day before the approving resolution deadline in relation to a proportional takeover bid under which offers have been made, no resolution to approve the proportional takeover bid has been voted on in accordance with this clause 26, then a resolution to approve the proportional takeover bid is, for the purposes of this clause 26, deemed to have been passed in accordance with this clause 26.

#### 26.5 Proportional takeover bid rejected

Where an approving resolution is voted on and is rejected then:


- (d) despite section 652A of the Corporations Act, all offers under the proportional takeover bid that have not, as at the end of the approving resolution deadline, resulted in binding contracts are deemed to be withdrawn at the end of the approving resolution deadline;
- (e) the bidder must immediately, after the end of the approving resolution deadline, return to each Member any documents that were sent by the Member to the bidder with the acceptance of the offer;
- (f) the bidder may rescind and must, as soon as practicable after the end of the approving resolution deadline, rescind each contract resulting from the acceptance of an offer made under the proportional takeover bid; and
- (g) a Member who has accepted an offer made under the proportional takeover bid is entitled to rescind the contract (if any) resulting from that acceptance.


#### 26.6 Effect of this clause 26

This clause 26 ceases to have effect on the third anniversary of the later of the date of its adoption or of its most recent renewal.

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](http://www.investorvote.com.au)

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

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

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

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

## Proxy Form

XX



### Vote and view the annual report online

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

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

**Control Number: 999999**

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

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



 **For your vote to be effective it must be received by 9:00am (WST) Monday, 19 November 2018**

### How to Vote on Items of Business

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

#### Appointment of Proxy

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

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

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

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

### Signing Instructions for Postal Forms

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

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

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

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

### Attending the Meeting

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

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

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

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

☐

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



I 9999999999

IND

# 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 in Suite 7 at 245 Churchill Avenue, Subiaco, Western Australia on Wednesday, 21 November 2018 at 9:00am (WST) 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 and 6 (except where I/we have indicated a different voting intention below) even though Items 2 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 2 and 6 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	Re-election of Director – Clive Jones	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3b	Re-election of Director – Ian Burvill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Ratification of Issue of Shares – LR7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Ratification of Issue of Shares – LR7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6	Issue of Securities to Brandon Munro	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7	Renewal of Capacity to Issue Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 8	Renewal of Proportional Takeover Provisions	<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 / /