



## Bannerman Resources Limited

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Etango Heap Leach Demonstration Plant



Proposed Etango Dynamic Heap Leach Approach

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# Notice of Annual General Meeting 2016

9am (AWST), Thursday, 24 November 2016

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

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# Bannerman Resources Limited

## NOTICE OF MEETING 2016

The 2016 Annual General Meeting of Bannerman Resources Limited (**Bannerman** or the **Company**) will be held at Unit 1, 2 Centro Avenue, Subiaco, Western Australia at **9am (AWST) Thursday, 24 November 2016**.

**17 October 2016**

### Dear Shareholder

Bannerman's Etango project has advanced significantly during the past year, at a time when decade-low uranium prices have otherwise deferred or stalled investment across the sector.

Despite these exceptionally difficult market conditions, your Board is proud of Bannerman's key achievements since November 2015, notably:

- a seamless leadership change which saw Brandon Munro appointed as Chief Executive Officer/Managing Director, Werner Ewald promoted to Managing Director – Namibia and Dustin Garrow appointed as Strategic Uranium Marketing Advisor;
- Bannerman's corporate structure was consolidated resulting in Bannerman owning 100% of the Etango project and eliminating all corporate debt;
- the Etango Optimisation Study was completed, reducing key operating and capital costs for the Etango project, compared with the 2012 Definitive Feasibility Study (**DFS**); and
- successful operation of the Etango Heap Leach Demonstration Plant, which confirmed or exceeded key DFS assumptions, thereby significantly de-

risking the project and demonstrating further opportunities for cost reduction.

The above achievements collectively position Bannerman exceptionally well for an anticipated uranium price recovery, with a world-class scale project boasting an optimised DFS, environmental and social approvals and a successful demonstration plant.

Under the new leadership of Brandon Munro, our focus in the next year will be twofold. Firstly, we will further enhance the Etango project DFS by incorporating the results of the Heap Leach Demonstration Plant and other cost savings our engineering team has identified, with a view to improving operating and capital costs.

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

Bannerman continues to be a leader in Namibia in matters of health, safety, community and environment. For example:

- we have operated without incurring a lost time injury since 2009;
- our community engagement and corporate social responsibility (CSR) program earned us the keynote CSR presentation at the 2016 Namibian Mining Expo; and
- Bannerman continues its excellent environmental track record with superb rehabilitation of the trial

mining site associated with the Heap Leach Demonstration Plant.

My sincere thanks to all of our management, employees, consultants and contractors who continue to work with dedication and without discouragement by current market conditions.

I also acknowledge and appreciate the support and patience of our shareholders during these difficult times, in particular the continued investment and technical support from Resource Capital Funds as our largest shareholder.

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 2016

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 2016.	No resolution	Page 5
<b>2. REMUNERATION REPORT</b>	To adopt the remuneration report for the year ended 30 June 2016.	Non-binding	Page 5
<b>3. ELECTION OF DIRECTORS</b>			
<b>A. IAN BURVILL</b>	That Mr Ian Burvill be re-elected as a Director.	Ordinary Resolution	Page 5
<b>B. DAVID TUCKER</b>	That Mr David Tucker be re-elected as a Director.	Ordinary Resolution	Page 5
<b>SPECIAL BUSINESS</b>			
<b>4. RENEWAL OF EMPLOYEE INCENTIVE PLAN</b>	To renew the Employee Incentive Plan for a period of three years from the date of this Meeting.	Ordinary Resolution	Page 6
<b>5. ISSUE OF SECURITIES TO MR MUNRO</b>	To approve the issue of performance rights to a maximum allocation value of \$220,000 to Mr Munro under the Employee Incentive Plan on the terms described in the Explanatory Notes.	Ordinary Resolution	Page 8
<b>6. RENEWAL OF CAPACITY TO ISSUE SECURITIES</b>	To grant the Company with additional equity raising capacity equivalent to 10% of the Company's ordinary securities, on the terms described in the Explanatory Notes.	Special Resolution	Page 9

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

# Bannerman Resources Limited

## NOTICE OF MEETING 2015

### VOTING

#### Notice Record Date

Shareholders recorded on the Company's register of members at 5.00pm on 19 October 2016 (AWST) will be entitled to receive this notice for the AGM.

#### Voting Record Date

Shareholders recorded on the Company's register of members at 5.00pm on Tuesday, 22 November 2016 (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 Tuesday, 22 November 2016 (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).

Bannerman Resources Limited  
**NOTICE OF MEETING 2016**

By order of the Board of Directors

A handwritten signature in black ink, appearing to read 'Robert Dalton', written over a horizontal line.

**Robert Dalton**  
Company Secretary  
17 October 2016



# 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 2016.

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 2016 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

Ian Burvill and David Tucker 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 Ian Burvill and David Tucker.

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



**Mr Ian Burvill**

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

#### Term of office

Appointed in 2012.

#### Independent

No

#### 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

Member of the Remuneration, Nomination and Corporate Governance Committee

#### Interests in the Company

4,003,600 non-executive Director options (unlisted), held by Resource Capital Funds Management Pty Ltd.

# Bannerman Resources Limited

## EXPLANATORY NOTES



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

### Term of office

Appointed in 2008

### Independent

Yes

### Skills and experience

40 years of experience in mining and exploration, including 20 years working as an exploration geologist, the first 10 of which were within the uranium sector with United Uranium NL, Noranda Australia, the Australian Atomic Energy Commission and Esso Australia Limited.

David was formerly responsible for business development, public affairs and investor relations at Homestake Gold of Australia, Director of Corporate Affairs at Barrick Australia Pacific and a director of Homestake's Australian subsidiaries, Barrick Mining Company (Australia) and Barrick Gold of Australia.

### Committee memberships

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

### Interests in the Company

1,472,100 Shares and 862,100 non-executive Director Share rights (vesting on 15 November 2016) held by Western River Pty Ltd for The DC Tucker Family.

841,175 Shares held by David Cecil Tucker and Jane Frances Tucker for the Tucker Superannuation Fund.

## ITEM 4 – RENEWAL OF EMPLOYEE INCENTIVE PLAN

### Background

At the Annual General Meeting held on 22 November 2013, members approved the Employee Incentive Plan (**EIP**). The Company now proposes to renew the EIP.

The EIP remains materially unchanged from the EIP that was approved by Shareholders at the 2013 AGM. The reason for the renewal of the EIP is due to the three year limitation on approvals under Exception 9(b) of ASX Listing Rule 7.2.

The EIP provides the Company with the flexibility to grant Performance Rights and Options. In contrast to an Option, a Performance Right does not have an exercise price and therefore allows an employee, subject to satisfaction of the relevant vesting conditions and performance hurdles (as applicable), to benefit by their Performance Rights vesting into shares. The adoption of employee incentive plans which allow the grant of Performance Rights (such as the EIP) is a current trend among the Company's ASX listed industry peer group.

The Board believes that the future success of the Company will depend in large part on the skills and motivation of the people employed in the business and the ownership of shares in the Company by its employees.

The EIP is aimed specifically at driving long term performance for Shareholders, a culture of employee share ownership in the business and retention of executives, employees and staff. Accordingly, the EIP will form an important part of a comprehensive remuneration strategy for the Company's employees, aligning their interests with those of Shareholders by linking their rewards to the long term success of the Company.

Non-Executive Directors are not eligible to participate in the EIP.

### Requirement for Shareholder Approval

The Board is seeking Shareholder approval for the EIP in accordance with the ASX Corporate Governance Council's Best Practice Recommendations.

In addition, 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 EIP from the 15% annual limit on the grant of new securities without prior Shareholder approval for a period of three years from the date of the passing this Resolution 6.

In the absence of approval under ASX Listing Rule 7.2, Exception 9(b), grants under the EIP can still occur but is counted as part of the 15% limit which would otherwise apply during a 12 month period.

### Terms of the EIP

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

### Eligible participants

The EIP is targeted at Bannerman's senior management, employees and contractors, including Executive Directors (as determined by the Board from time to time). There are currently approximately eleven employees who will be eligible to participate in the EIP.

### Other Information

#### Additional Information required by ASX Listing Rule 7.2

In accordance with Listing Rule 7.2, Exception 9(b), the following information is provided to members:

- As at the date of the Meeting, no grants will have yet been made under the renewed EIP.
- The total number of performance rights granted under the EIP since it was approved in November 2013 are:

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## EXPLANATORY NOTES

Number of Performance Rights	Grant Date	Expiry Date
1,476,500	18-Dec-13	22-Nov-15
5,637,300	18-Dec-13	22-Nov-16
170,000	18-Sep-14	11-Nov-15
1,755,825	18-Dec-14	15-Nov-16
6,976,650	18-Dec-14	15-Nov-16
376,190	25-Jun-15	15-Nov-16
752,379	25-Jun-15	15-Nov-17
4,933,800	12-Feb-16	15-Nov-17
21,482,300	12-Feb-16	15-Nov-18

A summary of the terms of the EIP are set out in **Schedule 2** to this Notice.

### Termination benefits and the requirement for Shareholder approval

The Corporations Act restricts the benefits which can be given to certain persons (those who hold a managerial or executive office, as defined in the Corporations Act) on leaving their employment with the Company or a related body corporate (the Group). Under Section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the Group if it is approved by shareholders or an exemption applies.

The provisions of the Corporations Act relating to termination benefits were amended in 2009 to significantly reduce the maximum termination benefits that can be given without prior shareholder approval and to expand the scope of the provisions. The new, lower termination benefits cap applies to all Directors (including Executive Directors of the Company) and, since November 2009, to all Key Management Personnel of the Group (that is, to all persons whose remuneration is required to be disclosed in the Bannerman Remuneration Report), including those who are not Directors. Additionally, persons subject to the restrictions remain subject to them for at least three years after they cease to be a managerial or executive officer.

Under the termination benefits laws, the term “benefit” has a wide operation and relevantly includes the Board exercising

its discretion under the rules of the relevant plan to permit the early vesting of Incentives granted under the EIP.

Circumstances in which the early vesting of Incentives include termination of the employee’s employment or office with the Company due to redundancy or in other circumstances where the Board exercises its discretion to do so.

Item 4 therefore seeks also approval to any “termination benefit” that may be provided to a participant under the EIP who, from time to time, holds a managerial or executive office (as defined in the Corporations Act) in the Group, in addition to any other termination benefits that the Group may provide to that person without Shareholder approval under the Corporations Act.

Specifically, in respect of Item 4, Shareholder approval is being sought to give the Board (or the Board’s delegate) the capacity to exercise certain discretions under the EIP, including the discretion to determine to vest some or all of the unvested Incentive or Options (as relevant) of any relevant participant who is affected by the new termination benefits laws when they leave employment with the Group.

Approval is being sought in respect of any current or future participant who holds:

- a managerial or executive office in the Group at the time of their leaving or at any time in the three years prior to their leaving; and
- Incentives granted under the EIP at the time of their leaving.

Non-Executive Directors are not entitled to participate in the EIP and so none of the approvals will apply to them.

The Company is seeking the approval to assist the Group to meet its existing obligations to Executive Directors and employees of the Group, and to provide the Group with the flexibility to continue to remunerate employees fairly and responsibly.

If the relevant Shareholder approval is obtained and the Board exercises its discretion to vest some or all of an affected participant’s unvested Options (or to provide that the participant’s Incentives do not lapse but will continue and be tested in the ordinary course), the value of the benefit will be disregarded when calculating the relevant participant’s cap for

the purposes of calculating the permissible termination benefits payable under the Corporations Act.

### Section 200E of the Corporations Act

Section 200E requires certain information to be provided to shareholders in approving a termination benefit. Whilst the value of the proposed termination benefits cannot currently be ascertained, the manner in which the value of the proposed termination benefits is calculated, and the matters, events and circumstances that will, or are will likely to, affect the calculation of the value are as follows:

#### Details of the termination benefits

In respect of the Incentives, the EIP contains provisions setting out the treatment of unvested Incentives in situations such as where an employee leaves the Company (in certain circumstances). For example, under the rules of the EIP, where a participant resigns from his or her employment with the Company before his or her Incentives have vested, the Board may exercise its discretion to determine that some or all of the Incentives will vest, and the basis on which vesting may occur (which may include, without limitation, timing and conditions).

As noted above, the exercise of these discretions will constitute a “benefit” for the purposes of the Corporation Act’s termination benefits provisions.

#### Value of the termination benefits

The value of the termination benefits that the Board may give under the EIP cannot be determined in advance. This is because various matters will or are likely to affect that value.

Specifically, the value of a particular benefit will depend on factors such as the Company’s share price at the time of vesting and the number of Incentives that the Board decides to vest.

Some of the factors that may affect the value of the termination benefits are as follows:

- the participant’s length of service and the portion of any relevant performance periods that have expired at the time they leave employment;
- the participant’s total fixed remuneration at the time grants are made under the EIP and at the time they leave employment; and



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- the number of unvested Incentives that the participant holds at the time they leave employment.

### 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 EIP 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

The Board (other than Mr Munro who does not make a recommendation because he is eligible to participate in the EIP) considers that the EIP remains an appropriate mechanism to assist in the recruitment, reward, retention and motivation of senior executives and employees of the Bannerman Group, therefore the Board recommends that Shareholders vote **in favour** of item 4. 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\$220,000 (**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\$0.02	11,000,000
A\$0.04	5,500,000
A\$0.06	3,666,667

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

5.2% on the Company's current issued and outstanding Shares. The ASX has granted the Company a waiver from the requirement 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 7,333,333, based on the 20 Day VWAP of Shares up to 17 October 2016, being A\$0.03.  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.
<b>Loan scheme</b>	No loans will be made by the Company in relation to the grant of the Performance Rights.
<b>Issue date</b>	If Shareholder approval is obtained, it is anticipated that the Performance Rights will be granted shortly after the Meeting and in any event, no later than 12 months after the date of the Meeting.

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

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## EXPLANATORY NOTES

### Previous grants

As at 17 October 2016, being the last practicable date prior to the date of finalising this Notice, Mr Munro has not been granted any Performance Rights, Options or Shares under the EIP, since the EIP was last approved on 22 November 2013. Mr Munro has however received the following:

Number of Options	Grant date	Vesting date	Exercise price
5,000,000	9 Mar 2016	8 Jun 2016	A\$0.045
7,500,000	9 Mar 2016	8 Mar 2017	A\$0.057
7,500,000	9 Mar 2016	8 Mar 2018	A\$0.07

Full details of Mr Munro's holding of Shares, Performance Rights and Options are set out in the Remuneration Report of the 2016 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 <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

**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 exercise 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

# Bannerman Resources Limited

## EXPLANATORY NOTES

- 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 proceeding 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:

- 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\$21.4 million based on 711,974,393 shares on issue and based on the closing price of the Shares of ASX on 17 October 2016, being A\$0.03.

### 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:

- 24 November 2017; 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;
- cash consideration; or
- to issue the Savanna Shares under the Savanna Settlement Agreement if the Mining Licence is granted in respect of the Etango Project.

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 and 2015 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 2015 annual general meeting will expire on 11 November 2016. As at the date of this Notice, the Company has not issued any securities under this additional 10% Capacity.

#### Allocation policy

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

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

The Company may issue Shares to Savanna under the 10% Capacity in the event that 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

# Bannerman Resources Limited

## EXPLANATORY NOTES

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 \$0.015	At current market price \$0.030	At 100% increase in market price \$0.060
<b>Current</b>				
<b>711,974,393</b>	71,197,439	\$1,067,962	\$2,135,923	\$4,271,846
<b>50% increase</b>				
<b>1,067,961,590</b>	106,796,159	\$1,601,942	\$3,203,885	\$6,407,770
<b>100% increase</b>				
<b>1,423,948,786</b>	142,394,879	\$2,135,923	\$4,271,846	\$8,543,693

### Assumptions and explanations

- The market price is \$0.03, based on the closing price of the Shares of ASX on 17 October 2016.
- The Company issues the maximum number of equity securities available under the 10% Capacity.
- No options of other securities are exercised into Shares before the date of the issue of the equity securities.

- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table does not show an example of dilution that may be caused to a particular Shareholder (taking into account that Shareholder's holding at the date of the AGM).
- The table does not show the effect of issues under the 15% share issue capacity under the ASX Listing Rules.
- The issue of securities under the 10% Capacity consists only of Shares.
- The issue price of the 10% Capacity used in the table does not take into account discount to market price (if any).

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

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

Reason	Number	Equity security
Issue of incentives under the EIP and NEDSIP	35,597,400	Performance Rights, Share Rights and Share Options
Issue of incentives outside the EIP and NEDSIP	25,000,000	Share Rights and Share Options
Shares issued on vesting of incentives under the EIP and NEDSIP	12,759,714	Shares
Shares issued in lieu of interest under the RCF Convertible Notes	8,065,753	Shares
Shares issued for conversion of the outstanding amounts under the RCF Convertible Notes	106,666,667	Shares
Shares issued for 20% interest in Etango	123,424,534	Shares
Shares issued under a private placement	65,291,139	Shares

**Total** **376,804,907**

The equity securities issued in the previous 12 months, if converted, would amount to 376,804,907 Shares. On 24 November 2015, the equity securities of the Company constituted, or were convertible into, 552,121,186 Shares.

On this measure, the equity securities issued in the preceding 12 months amount to approximately 68.2% of the equity securities on issue at 24 November 2015.

### Use of funds received

The Company received an amount of \$3.06m in respect of private placement agreements during the previous 12 months. As at 17 October 2016:

- \$727,000 has been used for confirmatory demonstration plant test work; and
- \$1,800,000 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 6.

### Board recommendation

The Board unanimously recommends Shareholders vote **in favour** of granting the Company the additional equity raising capacity equivalent to 10% of the Company's ordinary securities. The Chair intends to vote undirected proxies in favour of Item 6.



# Bannerman Resources Limited

## GLOSSARY

<b>10% Capacity</b>	The additional 10% Share capital the Company may issue on top of the 15% Capacity, subject to Shareholder approval.	<b>Closely Related Party</b>	A closely related party, meaning a spouse or child of the member; a child of the member's spouse, a dependent of the member or the member's spouse; anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member in the member's dealings with the Company; or a company the member controls.	<b>Notice or Notice of Meeting</b>	The notice of Meeting, the Explanatory Notes and Management Information Circular.
<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>Notice Record Date</b>	5.00pm on 19 October 2016 (AWST).
<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>Constitution</b>	The Company's constitution.	<b>Operational Test</b>	The operating and personal performance test undertaken to determine whether the Operational Tranche will be earned.
<b>A\$ or \$</b>	Australian dollars.	<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).	<b>Operational Tranche</b>	The remaining 50% of the Performance Rights which potentially follow the TSR Tranche.
<b>Annual Report</b>	The financial report, Directors' report and auditors report for the Company for the year ended 30 June 2016.	<b>Director</b>	A director of the Company.	<b>Option</b>	An option to acquire a Share, subject to vesting and satisfaction of any performance conditions, granted in accordance with the EIP or the NEDSIP.
<b>AGM or Annual General Meeting</b>	The Annual General Meeting of Shareholders of the Company to be held at Unit 1, 2 Centro Avenue, Subiaco, Western Australia on Thursday, 24 November 2016 at 9am (AWST), or any adjournment thereof.	<b>Employee Incentive Plan or EIP</b>	The Bannerman Resources Limited Employee Incentive Plan as amended from time to time.	<b>Ordinary Resolution</b>	A resolution that must be passed by at least 50% of the votes cast by shareholders being in favour of the resolution.
<b>ASX</b>	ASX Limited (ABN 98 008 624 691), or as the context requires, the financial market operated by it.	<b>Etango Project</b>	The uranium project of the Company located in Namibia.	<b>Performance Right</b>	An entitlement to one Share, subject to vesting and satisfaction of any performance conditions, granted in accordance with the EIP or NEDSIP.
<b>ASX Listing Rules</b>	The listing rules of the ASX.	<b>Explanatory Notes</b>	The Explanatory Notes attached to the Notice of Meeting.	<b>Proxy Form</b>	The proxy form included with this Notice.
<b>AWST</b>	Australian Western Standard Time.	<b>First RCF Convertible Note</b>	The A\$8,000,000 convertible note facility provided to the Company by RCF IV, as amended.	<b>RCF Convertible Notes</b>	The First RCF Convertible Note and/or the Second RCF Convertible Note (as applicable).
<b>Bannerman or Company</b>	Bannerman Resources Limited (ABN 34 113 017 128)	<b>Group</b>	Bannerman and its subsidiaries.	<b>RCF IV</b>	Resource Capital Fund IV L.P.
<b>Board</b>	The board of Directors of the Company.	<b>Incentives</b>	Performance Rights or Options	<b>RCF VI</b>	Resource Capital Fund VI L.P.
<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>Item</b>	Each resolution set out in the Notice of Meeting.	<b>Remuneration Report</b>	The remuneration report forming part of the Directors' report in the Company's 2015/16 financial report.
<b>Chair</b>	The chair of the Annual General Meeting.	<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>Second RCF Convertible Note</b>	The A\$4,000,000 convertible note facility provided by RCF VI.
		<b>NED</b>	A non-executive director of the Company.	<b>Share</b>	A fully paid ordinary share in the capital of the Company.
		<b>NEDSIP</b>	The Bannerman Resources Limited Non-Executive Director Share Incentive Plan as amended from time to time.		



# Bannerman Resources Limited

## GLOSSARY

**Shareholder** Any people holding a Share in the Company's share register.

**Special Resolution** A resolution that must be passed by at least 75% of the votes cast by Shareholders being in favour of the resolution.

**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.

**TSR Tranche** The initial 50% of the Performance Rights, to potentially be followed by the Operational Tranche.

**Voting Record Date** 9am on Tuesday, 22 November 2016 (AWST).

**VWAP** Volume Weighted Average Price.

# Bannerman Resources Limited

## SCHEDULE 1 – SECURITIES ISSUED IN PRIOR 12 MONTHS

Brief Details	Date of Issue	Number of Securities	Class / Type of Security	Summary of Terms	Investor / Recipient	Price	Amount paid	Value of non-cash consideration
Shares issued upon vesting of share rights pursuant to the EIP.	21-Dec-15	4,033,165	Shares <sup>1</sup>	Same as existing Shares.	Eligible employees under the EIP	Nil	Issued on vesting of share rights.	\$120,995 <sup>2</sup>
Shares issued upon vesting of share rights pursuant to the NEDSIP.	21-Dec-15	423,700	Shares	Same as existing Shares.	Eligible non-executive Directors under the NEDSIP	Nil	Issued on vesting of share rights.	\$12,711
Shares issued upon vesting of performance rights pursuant to the EIP.	21-Dec-15	262,644	Shares	Same as existing Shares.	Eligible employees under the EIP	Nil	Issued on vesting of share rights.	\$7,879
Issued in satisfaction of the December 2015 quarter interest payment under the First RCF Convertible Note. <sup>3</sup>	31-Dec-15	5,377,169	Shares	Same as existing Shares.	RCF IV	\$0.03 per Share (7.1% premium to closing price on 31-Dec-15)	Issued in satisfaction of interest.	\$161,315 <sup>4</sup>
Issued in satisfaction of the December 2015 quarter interest payment under the Second RCF Convertible Note. <sup>5</sup>	31-Dec-15	2,688,584	Shares	Same as existing Shares.	RCF VI	\$0.03 per Share (7.1% premium to closing price on 31-Dec-15)	Issued in satisfaction of interest.	\$80,658
Issued in satisfaction for the conversion of the outstanding amounts under the First RCF Convertible Note.	31-Dec-15	66,666,667	Shares	Same as existing Shares.	RCF IV	\$0.075 per share (167.9% premium to closing price on 31-Dec-15)	Issued in satisfaction debt conversion.	\$2,000,000
Issued in satisfaction for the conversion of the outstanding amounts under the First RCF Convertible Note.	31-Dec-15	40,000,000	Shares	Same as existing Shares.	RCF VI	\$0.075 per share (167.9% premium to closing price on 31-Dec-15)	Issued in satisfaction debt conversion.	\$1,200,000
Shares placed to RCF VI under a private placement agreement.	31-Dec-15	63,291,139	Shares	Same as existing Shares.	RCF VI	\$0.0474 per share	\$3,000,000	n/a
Issued in satisfaction for the acquisition of 20% interest in Etango.	31-Dec-15	123,424,534	Shares	Same as existing Shares	Clive Jones (and his nominee)	\$0.0474 per share (69.3% premium to closing price on 31-Dec-15)	Issued in acquisition of asset interest	\$3,702,736
Performance rights pursuant to the EIP.	12-Feb-16	26,416,100	Performance rights <sup>6</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.	\$792,483 <sup>7</sup>
Share rights granted pursuant to terms similar to the EIP.	12-Feb-16	473,200	Share rights	Unlisted share rights with a vesting date of 15 November 2016.	Eligible service provider on similar terms to the EIP	Nil	Issued as service provider incentives.	\$14,196
Non-executive Director Share rights granted pursuant to the NEDSIP.	12-Feb-16	862,100	Share rights <sup>8</sup>	Unlisted share rights vesting on 16 November 2015 subject to continuous service.	Eligible non-executive Directors under the NEDSIP	Nil	Issued as Director remuneration.	\$25,863
Non-executive Director Share rights granted pursuant to the NEDSIP.	12-Feb-16	7,846,000	Unlisted options <sup>9</sup>	Exercise price of A\$0.044 per share and an expiry date of 15 November	Eligible non-executive Directors under the	Nil	Issued as Director remuneration.	\$100,000 <sup>10</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 17 October 2016, being \$0.03.

<sup>3</sup> These shares are issued at a price being equal to the 5-day VWAP (rounded) up to and including the last day of the relevant quarter, in accordance with the First RCF Convertible Note Facility Agreement.

<sup>4</sup> This value is calculated based upon the number of Shares issued multiplied by the Share price as at 17 October 2016, being \$0.03.

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

<sup>6</sup> Performance rights are issued under the terms of the EIP, the terms of which are contained in Schedule 2.

<sup>7</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 17 October 2016, being \$0.03.

<sup>8</sup> These Share rights are issued under the terms of the NEDSIP, the terms of which are contained in Schedule 3.

# 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
				2018	NEDSIP			
Shares issued upon vesting of share rights pursuant to the EIP.	29-Apr-16	8,040,205	Shares	Same as existing Shares.	Eligible employees under the EIP	Nil	Issued on vesting of share rights.	\$241,206
Shares placed under a private placement agreement. <sup>11</sup>	15-Aug-16	2,000,000	Shares	Same as existing Shares.	Brandon Munro	\$0.03 per share	\$60,000.00	n/a
Director Options granted as remuneration.	15-Aug-16	5,000,000	Unlisted options	Exercise price of A\$0.045 per share, vesting on 8 June 2018 subject to continuous service and an expiry date of 25 July 2019	Brandon Munro	Nil	Issued as Director remuneration.	\$52,950
Director Options granted as remuneration.	15-Aug-16	7,500,000	Unlisted options	Exercise price of A\$0.057 per share, vesting on 8 March 2017 subject to continuous service and an expiry date of 25 July 2019	Brandon Munro	Nil	Issued as Director remuneration.	\$68,700
Director Options granted as remuneration.	15-Aug-16	7,500,000	Unlisted options	Exercise price of A\$0.07 per share, vesting on 8 March 2018 subject to continuous service and an expiry date of 25 July 2019	Brandon Munro	Nil	Issued as Director remuneration.	\$59,700
Share options granted pursuant to terms similar to the EIP.	15-Aug-16	1,000,000	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.	\$10,590
Share options granted pursuant to terms similar to the EIP.	15-Aug-16	1,500,000	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.	\$13,740
Share options granted pursuant to terms similar to the EIP.	15-Aug-16	1,500,000	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.	\$11,940
Performance rights granted pursuant to terms similar to the EIP.	15-Aug-16	500,000	Performance rights	Unlisted share rights with a vesting date of 1 January 2017 subject to continuous service	Eligible service provider on similar terms to the EIP	Nil	Issued as service provider incentives.	\$15,00
Performance rights granted pursuant to terms similar to the EIP.	15-Aug-16	250,000	Performance rights	Unlisted share rights with a vesting date of 1 March 2017 subject to continuous service	Eligible service provider on similar terms to the EIP	Nil	Issued as service provider incentives.	\$7,500
Performance rights granted pursuant to terms similar to the EIP.	15-Aug-16	250,000	Performance rights	Unlisted share rights with a vesting date of 1 June 2017 subject to continuous service	Eligible service provider on similar terms to the EIP	Nil	Issued as service provider incentives.	\$7,500

<sup>9</sup> These unlisted options are issued under the terms of the NEDSIP, the terms of which are contained in Schedule 3.

<sup>10</sup> Valuation of unlisted options is based on the black-scholes pricing methodology.

<sup>11</sup> The issue of Shares to Brandon Munro was approved by Shareholders on 25 July 2016, with the notice of that extraordinary general meeting containing further details regarding this issue of Shares.

# 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>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>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 cause (e.g. fraud, dishonesty, material breach of obligations)</b>  <b>Termination by consent (e.g. resignation)</b>	<p>Immediately lapse unless Board determines otherwise</p> <p>Immediately lapse unless Board determines otherwise</p>	<p>Immediately lapse unless Board determines otherwise</p> <p>Are able to be exercised during the period 30 days after cessation of employment or a longer period allowed by the Board</p>
		<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



# SCHEDULE 3 – KEY TERMS OF THE NON-EXECUTIVE DIRECTOR SHARE INCENTIVE PLAN

Key term	Description of term
<b>Permitted grants</b>	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.
<b>Minimum vesting period</b>	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 ( <b>Minimum Vesting Period</b> ).  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.
<b>Incentives</b>	The NEDSIP allows the Board to grant Performance Rights and Options to eligible participants.
<b>Grants of Incentives</b>	The NEDSIP will provide the following issues of Incentives (which may be changed by the Board

Key term	Description of term
	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.
<b>Entitlement to Incentives</b>	Subject to the terms of the NEDSIP, vesting and the satisfaction of any performance conditions, each Incentive entitles the holder to receive one Share.
<b>Exercise price</b>	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 20 Business Day VWAP up to the day prior to the date of issue or, if approval is required, the

Key term	Description of term
	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).
<b>Expiry Date</b>	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.
<b>Effect of ceasing to be a director or death</b>	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 Incentives may be exercised in full up to 12 months after his or her death.  The Board will consider any applicable

# SCHEDULE 3 - TERMS OF THE NON-EXECUTIVE DIRECTOR SHARE INCENTIVE PLAN

Key term	Description of term
	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.
<b>Dividend and voting rights</b>	Incentives granted under the NEDSIP do not carry any dividend or voting rights.
<b>Vesting on change of control</b>	<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 expiry date.</p>
<b>Exercise into bidder shares</b>	The NEDSIP provides flexibility for Bannerman to agree with any successful acquirer of

Key term	Description of term
	Bannerman to an arrangement whereby Incentives will become exercisable into acquirer shares as opposed to Bannerman shares.
<b>Transferability</b>	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.
<b>Bonus issues, rights issues, reconstruction</b>	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.
<b>Listing</b>	The Incentives will not be listed.
<b>Board discretion</b>	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.
<b>Timing of issues</b>	If Item <b>Error! Reference source not found.</b> 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.
<b>Details of prior issues</b>	<p>Details of existing Options granted to Non-Executive Directors under the NEDSIP to date are set out in the Explanatory Memorandum.</p> <p>Details of the current interest of Non-Executive Directors in Shares and Options (including prior</p>

Key term	Description of term
	Option grants) are set out in the Management Information Circular accompanying this Notice and in the Company's 2015 Annual Report.
<b>Future issues</b>	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.

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

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### 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: 9999999**

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

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



 **For your vote to be effective it must be received by 9:00am (WST) Tuesday, 22 November 2016**

## 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

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

☐

the Chairman  
of the Meeting **OR**



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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Bannerman Resources Limited to be held at Unit 1, 2 Centro Avenue, Subiaco, Western Australia on Thursday, 24 November 2016 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 Resolutions 2, 4 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 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 Resolutions 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
Resolution 2	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3a	Election of Director – Ian Burvill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3b	Election of Director – David Tucker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Renewal of Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Securities to Brandon Munro	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Renewal of Capacity to Issue Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

### SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date

\_\_\_\_/\_\_\_\_/\_\_\_\_

BMN

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Computershare +