

Bannerman Resources Limited

## NOTICE OF EXTRAORDINARY GENERAL MEETING

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**Bannerman Resources Limited**

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Etango Heap Leach Demonstration Plant



Proposed Etango Dynamic Heap Leach Approach

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# Notice of Extraordinary General Meeting

**12 noon (AWST), Monday, 25 July 2016**

Unit 1, 2 Centro Avenue, Subiaco, Western Australia

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# Bannerman Resources Limited

## NOTICE OF EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting of Bannerman Resources Limited (**Bannerman** or the **Company**) will be held at Unit 1, 2 Centro Avenue, Subiaco, Western Australia at **12 noon (AWST), Monday, 25 July 2016.**

**21 June 2016**

### Dear Shareholder

The Board would like to formally welcome Mr Brandon Munro as Chief Executive Officer of the Group and Managing Director of the Company. He was appointed on 9 March 2016 to succeed Mr Len Jubber, who resigned to pursue other business interests.

Brandon returned to Bannerman after serving as General Manager – Corporate Development and General Manager (Namibia) between 2009 and 2011. Since then he was Managing Director of ASX-listed Kunene Resources Limited, a company focused on base metals exploration in Namibia, until completion of a reverse takeover in late 2015.

After living in Namibia for more than 5 years, Brandon has built extensive relationships with the Namibian Government and the wider community. He is a former lawyer with 18 years' experience in leading commercial law firms and executive management roles. Brandon has qualifications in law, economics, finance and corporate governance. His commitment to community includes serving as Trustee of high-profile Namibian NGO, Save the Rhino Trust Namibia.

I am confident that Brandon's knowledge, experience and relationships will be of great benefit to Bannerman and the wider community in moving Etango through development. His willingness to join the company with an executive package heavily weighted towards out-of-the-money share

options demonstrates his confidence in Bannerman and its potential.

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

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

The primary purpose for this meeting is to seek shareholder approval for initiatives that have enabled the Company to significantly reduce its cash spend, namely:

- Employing Chief Executive Officer, Mr Brandon Munro on a package substantially driven by equity incentives (and a modest corresponding salary);
- Enabling your Board to reduce their cash Director Fees by 40%; and
- Empowering the Company to implement an Unmarketable Parcel Sale Facility or Minimum Holding Buy-Back.

Capital management has been a Board priority in the current low share price and capital constrained environment. Further to this the Board has elected to reduce Director Fees by 40%, which are proposed to be replaced by Remuneration Incentives, subject to shareholder approval. This proposal will assist the Company in maintaining cash in the current environment.

The proposed amendments to the Company's constitution will empower your Board to reduce administration costs through implementing a sale or buy-back of "unmarketable parcels" (ie shareholdings worth less than A\$500). Together with the recently implemented de-listing of the Company's shares on Toronto Stock Exchange, such a sale or buy-back

will significantly streamline the Company's administration, further reducing costs.

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

Bannerman is well positioned for a recovery in the uranium price, with the important advantages of further engineering and project optimisation, demonstration of the heap leach process and the ongoing support of Resource Capital Funds as a significant strategic shareholder.

I encourage you to carefully read the attached Notice of Meeting, and either attend the Extraordinary 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**

# NOTICE OF EXTRAORDINARY GENERAL MEETING

Items of Business		Type of resolution	Voting exclusions and prohibitions
<b>AGENDA</b>			
<b>1. ISSUE OF SECURITIES TO MR MUNRO</b>	To approve the issue of 20,000,000 Options to Mr Munro on the terms described in the Explanatory Notes.	Ordinary Resolution	Page 4
<b>2. PARTICIPATION OF MR MUNRO IN A SHARE PLACEMENT</b>	To approve the issue of Shares to Mr Brandon Munro on the terms described in the Explanatory Notes.	Ordinary Resolution	Page 5
<b>3. RENEWAL OF NON-EXECUTIVE DIRECTOR SHARE INCENTIVE PLAN</b>	To renew the Non-Executive Director Share Incentive Plan for a period of three years from the date of this Meeting.	Ordinary Resolution	Page 6
<b>4. AMENDMENT TO THE CONSTITUTION</b>	To approve an amendment to the Company's Constitution.	Special Resolution	Page 8

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

# NOTICE OF EXTRAORDINARY GENERAL MEETING

## VOTING

### Notice Record Date

Shareholders recorded on the Company's register of members at 5.00pm on 16 June 2016 (AWST) will be entitled to receive this notice for the EGM.

### Voting Record Date

Shareholders recorded on the Company's register of members at 5.00pm on Saturday, 23 July 2016 (AWST) will be entitled to vote on Items at the EGM.

### 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 EGM 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 EGM by proxy should contact their broker or intermediary for instructions on how to do so.

### How to Vote

Shareholders can vote in one of two ways:

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

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

Shareholders are asked to arrive at the venue 10 minutes prior to the time designated for the EGM.

## PROXY FORMS

### Proxy Form

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

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

### Appointing proxies

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

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

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

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

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

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

### Appointing the Chair as your proxy

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

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 12 noon on Saturday, 23 July 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.

## ENQUIRIES

### About this Notice

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

### About the Proxy Form

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

### By order of the Board of Directors



**Robert Dalton**  
Company Secretary  
21 June 2016



# Bannerman Resources Limited

## EXPLANATORY NOTES

### ITEM 1 – ISSUE OF SECURITIES TO MR MUNRO

#### Background

The Company seeks Shareholder approval, for the purposes of Listing Rule 10.11, to issue 20,000,000 Options to Mr Munro, the Chief Executive Officer and Managing Director of the Company.

When making an offer of employment to Mr Munro the Board offered, subject to Shareholder approval, to issue Mr Munro 20,000,000 Options (**CEO Incentive Entitlement**), with the vesting conditions and other terms set out below and in **Schedule 1 of this Notice**.

#### Vesting conditions

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

Tranche	# of Options	Exercise Price	Vesting Period <sup>(2)</sup>	Exercise Period
1	5,000,000	\$0.045, being 1.5 times 10 day VWAP <sup>(1)</sup>	3 months from date of commencing employment	3 years
2	7,500,000	\$0.057, being 1.25 times tranche 1 price	1 year from date of commencing employment	3 years
3	7,500,000	\$0.07, being 1.25 times tranche 2 price	2 years from date of commencing employment	3 years
<b>Total</b>	<b>20,000,000</b>			

<sup>(1)</sup> Weighted average price (VWAP) of trading of BMN shares on ASX in the ten days prior to appointment.

<sup>(2)</sup> If continued employment hurdle not met, unvested options will lapse.

#### Reasons for the grant

On 9 March 2016 (**Appointment Date**), the Company announcement the appointment of Mr Brandon Munro as Chief Executive Officer of the Group and Managing Director of the Company, effective the same day. Mr Munro succeeded the Company's former CEO, Mr Len Jubber, who resigned to pursue other business interests.

The Board needed to offer a competitive remuneration package in order to secure an executive of Mr Munro's calibre. Capital management has been a Board priority in the current low share price and capital constrained environment and, consistent with this commitment, the Board negotiated a remuneration package that had a large equity incentive component and a modest cash salary.

The proposed grant of Options to Mr Munro are at exercise prices significantly above the weighted average share price when Mr Munro joined the company. This seeks to further align his interests with those of Shareholders as well as vesting requirements that Mr Munro continue to be employed by the Company for a defined period of time.

#### Purpose of approval

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

It is the view of the Company that the exceptions set out in Listing Rule 10.12 do not apply to the proposed issue of 20,000,000 Options to Mr Munro (or his nominee).

Accordingly, the Company seeks Shareholder approval under Item 1, for the purposes of Listing Rule 10.11, to issue 20,000,000 Options to Mr Brandon Munro (or his nominee).

#### Details required by ASX Listing Rule 10.13

##### Key terms of the grants

<b>Total securities to be issued</b>	Subject to the relevant Shareholder approvals being obtained, the maximum number of Options will be 20,000,000.
<b>Price</b>	The Options will be granted at no cost to Mr Munro. The amount payable upon the exercise of the Options will be as follows:

Tranche	\$
1	A\$225,000
2	A\$427,500
3	A\$525,000
<b>Total</b>	<b>A\$1,177,500</b>

<b>Use of funds</b>	The funds raised from the exercise are intended to be used for general working capital purposes
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<b>Issue date</b>	If Shareholder approval is obtained, it is anticipated that the Options will be granted shortly after the Meeting and in any event, no later than 1 month after the date of the Meeting.
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#### Other information

**Hedging:** Mr Munro is prohibited from hedging the share price exposure in respect of Options during the performance period.

If Shareholder approval is obtained, details of the grant of Options will be provided in the Remuneration Report for the year ending 30 June 2017.

**Listing Rule 7.1:** If this Item 1 is approved, further approval pursuant to ASX Listing Rule 7.1 will not be required in order to issue the Options to Mr Munro.

Accordingly, the issue of Options 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 Options 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 Options 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 Options to Mr Munro and any issue of Shares upon the exercise of the Options, constitutes part of the reasonable remuneration of Mr Munro.

# Bannerman Resources Limited

## EXPLANATORY NOTES

In reaching this conclusion, the Board has had regard to a variety of factors including market practice for 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 1 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 1 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 1; or
- the vote is cast by the Chair in accordance with the express authorisation on the Proxy Form.

### Board recommendation – Item 1

The Board (other than Mr Munro who is unable to make a recommendation) unanimously recommend that Shareholders vote **in favour** of Item 1.

The Chair intends to vote undirected proxies in favour of Item 1.

## ITEM 2 – PARTICIPATION OF MR MUNRO IN A SHARE PLACEMENT

### Background

As part of Mr Munro's appointment, the Company agreed to place 2,000,000 ordinary shares (**Director Placement Shares**) to Mr Munro (or his nominee) at the 10 day volume weight average price (**VWAP**) prior to the Appointment Date, subject to obtaining all necessary Shareholder approvals. Mr Munro (or his nominee) will be required to subscribe in cash for those securities.

### Purpose of approval

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

It is the view of the Company that the exceptions set out in Listing Rule 10.12 do not apply to the proposed issue of Shares to Mr Brandon Munro (or his nominee).

Accordingly, the Company seeks Shareholder approval under Item 2, for the purposes of Listing Rule 10.11, to issue 2,000,000 Shares to Mr Brandon Munro (or his nominee).

### Key terms of the Shares

Subject to obtaining Shareholder approval, each of the Director Placement Shares will be issued on the same terms, as set out below:

<b>Issue date</b>	As soon as practicable and in any event within one month of the Meeting.
<b>Issue price of each Share</b>	A\$0.03, being the 10 day VWAP prior to Mr Munro's appointment.
<b>Terms of securities</b>	The shares are to be issued on the same terms and conditions as the Company's existing ordinary shares and will rank equally in all respects with all other ordinary shares on issue.
<b>Use of funds</b>	The funds raised from the issue are intended to be used for general working capital purposes

### Amount paid for the Director Placement Shares

Subject to Shareholder approval being obtained, the Director Placement Shares are to be issued for A\$60,000.

### Listing Rule 7.1

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

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

If Shareholders do not approve the issue of Director Placement Shares to Mr Munro, the proposed placement will not take place.

### 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 Brandon Munro is considered to be a related party of the Company and the placement of the Director Placement Shares may constitute a financial benefit.

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

The Board (other than Mr Munro), considers that the issue of the Director Placement Shares satisfies this exception and constitutes arm's length terms.

In reaching this conclusion, the Board has had regard to a variety of factors including that the Director Placement Shares are to be placed at a subscription price identical to the 10 day VWAP prior to Mr Munro's appointment and therefore no value is being transferred from the Company to Mr Munro.

### Voting exclusion statement

In accordance with ASX Listing Rules the Company will disregard any votes cast on Item 2 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

# Bannerman Resources Limited

## EXPLANATORY NOTES

- 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 2 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 2; or
- the vote is cast by the Chair in accordance with the express authorisation on the Proxy Form.

### Board Recommendation – Item 2

The Board (other than Mr Munro, who is unable to make a recommendation) unanimously recommend that Shareholders vote **in favour** of Item 2.

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

## ITEM 3 – RENEWAL OF NEDSIP

### Background

At the Company's 2015 AGM, Shareholders approved the grant of up to 20,000,000 Incentives under the Non-Executive Director Share Incentive Plan (**NEDSIP**).

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

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

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

The Remuneration Allocation for 2016 will be pro-rated for the period of time for which the Non-Executive Director has forgone 40% of the cash component of their director fees, i.e from 1 April 2016.

Consequently, the Company envisages reaching the maximum number of Incentives that are permitted to be issued under the NEDSIP in 2016, based on the Company's 2015 AGM Shareholder approval.

Therefore, the Company seeks a renewal of the Shareholder approval for the NEDSIP for the purposes of ASX Listing Rule 10.14, ASX Listing Rule 7.2, Exception 9(b), and for all other purposes, for the issue of a maximum of 30,000,000 Incentives for a period of three years from the date of this Meeting.

If the renewal of the NEDSIP is approved by Shareholders, further Incentives will not be issued under the 2015 AGM Shareholder approval to issue up to 20,000,000 Incentives (granted at the 2015 AGM). All future Incentives will be issued under the new Shareholder approval to issue up to 30,000,000 Incentives.

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

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

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

### Previous grants

As at [16 June 2016], being the last practicable date prior to the date of finalising this Notice, the following grants are the only issues that have been made under the NEDSIP, since the NEDSIP was last approved on 11 November 2015.

Allottee	Number	Exercise price	Grant Date
<b>Options</b>			
Mr Beevor	3,923,000	A\$0.089	12 Feb 2016
Mr Jones	1,961,500	A\$0.089	12 Feb 2016
Mr Burvill	1,961,500	A\$0.089	12 Feb 2016
<b>Share Rights</b>			
Mr Tucker	862,100	Nil	12 Feb 2016

### Requirement for Shareholder Approval

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

Approval is also sought under ASX Listing Rule 7.2, Exception 9(b). Shareholder approval in accordance with ASX Listing Rule 7.2, Exception 9(b) will exempt grants under the NEDSIP from the 15% Capacity, for a period of three years from the date of the passing of Item 3.

### Terms of the NEDSIP

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

### Eligible participants

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

Currently, there are four NEDs who are each eligible to participate, being Mr Ronnie Beevor (Chairman of the Board), Mr Ian Burvill, Mr Clive Jones and Mr David Tucker.

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

ASX has also granted a waiver of ASX Listing Rule 10.15A.8, which, if Item 3 is passed, will enable additional people who become Non-Executive Directors thereafter to be able to participate in the NEDSIP without the need for further Shareholder approval.

# Bannerman Resources Limited

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### Indicative number of Incentives

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

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

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

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

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

### Current Annual Directors Fees Structure

	Total Allocation	Cash Component	Total Annual Director Fees <sup>1</sup>
Non-Executive Director	\$25,000	\$50,000	\$75,000
Non-Executive Chairman	\$50,000	\$100,000	\$150,000
Chairman of the Audit Committee	-	\$10,000	\$10,000

### Proposed Annual Directors Fees Structure

	Total Allocation	Cash Component	Total Annual Director Fees <sup>1</sup>
Non-Executive Director	\$45,000	\$30,000	\$75,000
Non-Executive Chairman	\$90,000	\$60,000	\$150,000
Chairman of the Audit Committee	\$6,000	\$4,000	\$10,000

<sup>1</sup>Details of the NED's current remuneration are set out in the Company's 2015 Annual Report. It is not proposed to increase the Total Annual Directors Fees, simply to change the allocation between cash and Incentive allocation.

### Annual and Remuneration Allocations (Annual Basis)

	Approved Annual Allocation	Proposed Remuneration Allocation <sup>2</sup>	Total Allocation <sup>3</sup>
Non-Executive Director	\$25,000	\$20,000	\$45,000
Non-Executive Chairman	\$50,000	\$40,000	\$90,000
Chairman of the Audit Committee	-	\$6,000	\$6,000

<sup>2</sup> Note that the value of the Remuneration Allocation for 2016 will be pro-rated for the period of time for which the Non-Executive Director has forgone 40% of the cash component of their director fees.

<sup>3</sup> This is included within the total annual director fees.

### Indicative number of Share Rights (Annual Basis)

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

### Indicative number of Options (Annual Basis)

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

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

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

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

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

Further details of the NEDs' current remuneration and shareholdings are set out in the Company's 2015 Annual Report.

The Board has determined that a maximum of 30,000,000 Incentives will be issued under the NEDSIP within the 3 year period after the date of this Meeting without the requirement for further Shareholder approval.

### Other Implications for the Company

#### Corporate governance

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

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

#### Dilution

The issue of Incentives to NEDs will have a diluting effect on the percentage interest of existing Shareholders holdings if the Incentives are exercised or vest. In the event the maximum number of Incentives is issued and exercised (i.e. 30,000,000 Incentives) the diluting effect amounts to



# Bannerman Resources Limited

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approximately 4.2% of the Company's current undiluted issued Share capital.

### Other Information

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

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

Each NED must contribute his own money to the Company to fund any exercise price of the Options. The amount payable to the Company to exercise all of the Options currently on issue is A\$995,644.

No loans will be made by the Company in connection with the acquisition of any Incentives proposed to be granted to any NEDs under Item 3.

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

### Voting exclusion statement

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Item 3 by or on behalf of (including by proxy) any Director who is eligible to participate in the NEDSIP and any of their associates.

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

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

### Voting prohibition statement

In accordance with the Corporations Act, a vote on Item 3 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 3; or

- the vote is cast by the Chair in accordance with the express authorisation on the Proxy Form.

### Director's Recommendation – Item 3

Mr Munro considers that the NEDSIP remains an appropriate mechanism to assist in the recruitment, reward, retention and motivation of NEDs, and therefore recommends that Shareholders vote **in favour** of item 3.

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

**The Chair intends to vote undirected proxies in favour of the item 3.**

## ITEM 4 – AMENDMENT TO THE CONSTITUTION

### Background

Item 4 is a special resolution proposing amendments to the Company's Constitution ("**Constitution**") in the manner set out below. A special resolution requires the approval of 75% of those Shareholders present and voting (in person, by proxy or representative) and entitled to vote on the resolution.

### Purpose of the amendment

The proposed changes to the Constitution would reduce the required numbers of days to serve notices to Shareholders and would allow the Company to implement an Unmarketable Parcel Sale Facility or Minimum Holding Buy-back.

In relation to the required service days, the changes to Clause 19.2 would in effect eliminate the deemed service days when serving notices by post. These days were in addition to the 28 days required by the Corporations Act. Eliminating these days would align the Constitution with current commercial practice.

In relation to the Unmarketable Parcel Sale Facility and Minimum Holding Buy-back, whilst the Company values all of its Shareholders, it incurs significant administrative costs in maintaining many small shareholdings, including the costs of preparing and mailing shareholder statements, the annual report and other forms of communications. The cost of maintaining small shareholder accounts can be disproportionately high. In addition, the Company recognises that small shareholders may find it difficult or expensive to dispose of their shares. Under the proposed changes to the

Constitution, the Company would have the ability, no more than once in any 12 month period, to establish an Unmarketable Parcel Sale Facility or Minimum Holding Buy-back and notify shareholders who hold an Unmarketable Parcel (being shares in the Company valued at less than A\$500) that it intends to sell or buy their Shares unless they elect to retain them. All transaction costs in relation to the Unmarketable Parcel Sale Facility and Minimum Holding Buy-back would be borne by the Company. Shareholders would not have to participate in the Unmarketable Parcel Sale Facility or Minimum Holding Buy-back. Though, in order to retain their Shares, the Shareholder would have to confirm this to the Company, buy more Shares, or if relevant, amalgamate their holdings.

### Proposed amendments

The proposed changes to the Constitution are set out in full in **Schedule 3** of this Notice. To assist shareholders, a mark-up version of the Constitution showing the proposed amendments will be available on the Company's website at: [www.bannermanresources.com.au](http://www.bannermanresources.com.au)

### Board Recommendation – Item 4

The Board unanimously recommends that Shareholders vote **in favour** of item 4.

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

# Bannerman Resources Limited

## GLOSSARY

<b>10 Day VWAP</b>	The VWAP of the Company's Shares traded on the ASX during the 10 trading days prior to Mr Munro's appointment.	<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).	<b>Option</b>	An option to acquire a Share, subject to vesting and satisfaction of any performance conditions, granted by the Company.
<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>Director</b>	A director of the Company.	<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>A\$ or \$</b>	Australian dollars.	<b>EGM or Extraordinary General Meeting</b>	The Extraordinary General Meeting of Shareholders of the Company to be held at Unit 1, 2 Centro Avenue, Subiaco, Western Australia on Monday, 25 July 2016 at 12 noon (AWST), or any adjournment thereof.	<b>Proxy Form</b>	The proxy form included with this Notice.
<b>Annual Report</b>	The financial report, Directors' report and auditors report for the Company for the year ended 30 June 2015.	<b>Etango Project</b>	The uranium project of the Company located in Namibia.	<b>Remuneration Report</b>	The remuneration report forming part of the Directors' report in the Company's financial report.
<b>ASX</b>	ASX Limited (ABN 98 008 624 691), or as the context requires, the financial market operated by it.	<b>Explanatory Notes</b>	The Explanatory Notes attached to the Notice of Meeting.	<b>Share</b>	A fully paid ordinary share in the capital of the Company.
<b>ASX Listing Rules</b>	The listing rules of the ASX.	<b>Group</b>	Bannerman and its subsidiaries.	<b>Share Right</b>	An entitlement to one Share, subject to vesting and satisfaction of any performance conditions, granted in accordance with the NEDSIP.
<b>AWST</b>	Australian Western Standard Time.	<b>Incentives</b>	Share Rights or Options.	<b>Shareholder</b>	A holder of Shares in the Company's share register.
<b>Bannerman or Company</b>	Bannerman Resources Limited (ABN 34 113 017 128)	<b>Item</b>	Each resolution set out in the Notice of Meeting.	<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>Board</b>	The board of Directors of the Company.	<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>	12 noon on Saturday, 23 July 2016 (AWST).
<b>CEO Incentive Entitlement</b>	The number of Options to which Mr Munro is to be issued in accordance with his appointment to the Company.	<b>NED</b>	A non-executive director of the Company.	<b>VWAP</b>	Volume Weighted Average Price of trading of the Company's Shares on ASX.
<b>Chair</b>	The chair of the Extraordinary General Meeting.	<b>NEDSIP</b>	The Bannerman Resources Limited Non-Executive Director Share Incentive Plan as amended from time to time.		
<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 and the Explanatory Notes.		
<b>Constitution</b>	The Company's constitution.	<b>Notice Record Date</b>	5.00pm on Thursday, 16 June 2016 (AWST).		

## SCHEDULE 1 – KEY TERMS OF OPTIONS ISSUED TO MR MUNRO

Description of key terms	Description of key terms	Description of key terms
<p>a) Each Option entitles the holder, on exercise to one Share.</p> <p>b) The Options expiry dates and exercise prices are set out in Item 1 of the explanatory memorandum above.</p> <p>c) Subject to paragraph (d) below, the Options are exercisable at any time on or prior to the Expiry Date at 5.00pm (WDT) by completing an Option exercise form and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company.</p> <p>d) An Option Holder may exercise some of that person's Options, which does not affect that holder's right to exercise the remainder of their Options by the deadline in paragraph (b) above. Options must be exercised in multiples of 100 at a time, unless the Option Holder exercises all Options able to be exercised at that time.</p> <p>e) Only Options that have vested are transferable save for the provisions of clause (f) hereof.</p> <p>f) Subject to the Corporations Act, the ASX Listing Rules and the Company's Constitution, the Options are transferable to a nominee of the Option Holder. Application will not be made to ASX for official quotation of the Options.</p> <p>g) All Shares issued upon exercise of the Options will, from the date they are issued, rank pari passu in all respects with the Company's then issued Shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the Options.</p> <p>h) Option Holders cannot participate in new issues of capital offered to Shareholders of the Company during the currency of the Options without exercising the Options. However, the Company will ensure that for the purpose of determining entitlements to any such issue, the books closing date will be at least 10 business days after the issue is announced. This</p>	<p>will give Option Holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.</p> <p>i) Subject to paragraph (j), if the Company makes a bonus share issue, a rights issue or any other similar issue of rights or entitlements, there will be no adjustment to the exercise price, the number of Shares per Option or any other terms of those Options.</p> <p>j) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry dates of the Options, the rights of Option Holders, including the number of Options or the exercise price of the Options or both will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.</p> <p>k) Option Holders will be sent all communications sent to Shareholders of the Company, but Options do not confer any rights to attend or vote at meetings of Shareholders of the Company. Notice may be given by the Company to Option holders in the manner provided by the Company's Constitution for the giving of notices to shareholders, and the relevant provisions of the Company's Constitution apply with all necessary modification to notices to Option Holders.</p> <p>l) If the Option Holder ceases to be an Employee;</p> <p>a) because of Total and Permanent Disablement, death or any other circumstances approved by the Board, unvested Options may be exercised within 30 days (or 3 months, in the case of death) after ceasing to be an Employee or any longer period permitted by the Board. If not exercised within that period, the Options lapse; and</p>	<p>b) in circumstances specified in the Company's Executive Severance Policy in place at the time of issue of the Options, unvested Options will be dealt with as provided for in that Policy.</p> <p>m) If the Option Holder ceases to be an Employee and clause (l) does not apply, Options issued in relation to the Option Holder lapse.</p> <p>n) If the Board determines that, acting reasonably after due process:</p> <p>a) the Option Holder has acted fraudulently, dishonestly or in breach of the Option Holder's obligations to any company in the Group; and</p> <p>b) Options issued in relation to the Option Holder are to be forfeited,</p> <p>the unvested Options will immediately lapse.</p> <p>o) In the event of a Change of Control (as defined in the Company's Employee Incentive Plan) then all tranches of Options will immediately vest and may be exercised by the holder.</p> <p>p) Notwithstanding the terms and conditions in this Appendix B the Options may only be issued or exercised within the limitations imposed by the Corporations Act 2001 and the Australian Stock Exchange Listing Rules.</p>

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

Key term	Description of term
<b>Permitted grants</b>	<p>Permitted grants of Incentives, which includes options and share rights.</p> <p>Reference to the 'Board' in this schedule 1 refers to the Board not including the NEDs.</p>
<b>Minimum vesting period</b>	<p>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.</p> <p>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>).</p> <p>For Incentives granted under the NEDSIP in the form of Share 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 Share Right will vest automatically into a Share upon completion of the Minimum Vesting Period.</p> <p>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.</p>
<b>Incentives</b>	The NEDSIP allows the Board to grant Share Rights and Options to eligible participants.
<b>Grants of Incentives</b>	<p>The NEDSIP will provide the following issues of Incentives (which may be changed by the Board from time to time):</p> <ol style="list-style-type: none"> <li>upon being appointed, Non-Executive</li> </ol>

Key term	Description of term
	<p>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</p> <ol style="list-style-type: none"> <li>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.</li> </ol> <p>Incentives issued under the NEDSIP are to be issued for no consideration.</p>
<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>	<p>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.</p> <p>In 2012, 2013, 2014 and 2015, 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 date of the AGM (for the Annual Allocation).</p>

Key term	Description of term
	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>	<p>If a Non-Executive Director ceases to be a Director of or provide services to Bannerman or its subsidiary entities, then:</p> <ol style="list-style-type: none"> <li>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</li> <li>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.</li> </ol> <p>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.</p> <p>The Board will consider any applicable limitations under the termination benefit rules in</p>



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

Key term	Description of term
	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 Bannerman to an arrangement whereby Incentives will become exercisable into acquirer

Key term	Description of term
	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 3 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 Option grants) are set out in the Company's 2015 Annual Report.</p>

Key term	Description of term
<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.

# Bannerman Resources Limited

## SCHEDULE 3 – AMENDMENTS TO THE CONSTITUTION

The Constitution is amended by adding the following into Clause 1.1:

### PART 1 DEFINITIONS

#### Definitions

“**Buy-Back Notice**” means the written notice given to Minority Members in accordance with Clause 28.1.

“**Buy-Back Notice Date**” means the date of the Buy-Back Notice sent by the Company to a Minority Member advising that the Company intends to buy-back that Minority Member’s securities under Clause 28.1.

“**Buy-Back Price**” means the volume weighted average price of the securities to be bought back under Clause 28.1 for the five trading days prior to the Buy-Back Notice Date.

“**Marketable Parcel**” has the meaning ascribed to it by the Listing Rules.

“**Minority Member**” means the holder of less than a Marketable Parcel of the relevant securities.

“**Purchaser**” means the person or persons (including a Member or Members) to whom the relevant securities are disposed or sold in accordance with Clause 27.1.

“**Sale Consideration**” means the proceeds of any sale or other disposal of the relevant securities of a Minority Member pursuant to Clause 27.

“**Sale Notice**” means the written notice given to Minority Members in accordance with Clause 27.1.

“**Sale Notice Date**” means the date of the Sale Notice sent by the Company to a Minority Member advising that the Company intends to sell that Minority Member’s securities on that Member’s behalf under Clause 27.1.

The Constitution is amended by deleting Clause 19.2 and replacing it with the following:

### PART 19 NOTICES

#### Services of notices

19.2 If a notice is sent by post, service of the notice is deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and the notice is deemed to have been served on the date of its posting.

The Constitution is amended by inserting as a new clause the following Clause 27:

### PART 27 SALE UNMARKETABLE PARCELS

27.1 Subject to the Listing Rules, the Company is entitled to sell securities of a Minority Member on the following conditions:

- (a) the Company must give to the Minority Member a Sale Notice;
- (b) the Minority Member must be given at least 6 weeks from the Sale Notice Date in which to advise the Company that the Minority Member wishes to retain the Minority Member’s security holding;
- (c) if the Minority Member advises the Company under Clause 27.1(b) that the Minority Member wishes to retain the Minority Member’s security holding, the Company must not sell it pursuant to the Sale Notice; and
- (d) subject to Clause 27.1(c), at the expiry of the 6 week period, the Company is entitled to sell all of the Minority Member’s securities in the Company which are, at the Sale Notice Date, less than a Marketable Parcel.

27.2 For the purposes of the sale of securities under Clause 27.1 each Minority Member;

- (a) appoints the Company as the Minority Member’s agent to sell, as soon as practicable after the expiry of the 6 week period after the Sale Notice Date, all of the Minority Member’s relevant securities at a price or for a consideration which in the opinion of the Directors, has a value not less than the market value and to receive the Sale Consideration on behalf of the Minority Member; and
- (b) appoints the Company and each of its Directors jointly and severally as the Minority Member’s attorneys in that Minority Members name and on that Minority Member’s

behalf to effect all transfer documents, deed or other documents or instruments necessary to transfer the relevant securities from the Minority Member to the Purchaser.

27.3 The Company must bear all costs of and incidental to the sale of security holdings under this Clause 27.

27.4 The Purchaser is not bound to see to the regularity of the actions and proceedings of the Company under this Clause 27 or to the application of the Sale Consideration in respect of a Minority Member’s relevant securities. After the Purchaser’s name is entered in the Register in respect of the relevant securities the validity of the sale or other disposal may not be impeached by any person and the remedy of any person aggrieved by the sale or other disposal is in damages only and against the Company exclusively. The title of the Purchaser is not affected by any irregularity in connection with the sale or disposal of the relevant securities to the Purchaser.

27.5 With respect to the receipt and payment of the Sale Consideration:

- (a) the Sale Consideration must be received by the Company and paid by the Company to the Minority Member or as that Minority Member may direct;
- (b) the Sale Consideration received by the Company must be paid into a bank account opened and maintained by the Company for that purpose only;
- (c) the Company must hold the Sale Consideration in trust for the Minority Members whose securities are sold under this Clause 27 pending distribution of the Sale Consideration;
- (d) the Company must as soon as practicable after the sale of securities of Minority Members, and to the extent that it may reasonably do so, distribute the Sale Consideration; and
- (e) the provisions of the applicable legislation dealing with unclaimed moneys apply to any Sale Consideration unable to be distributed by the Company for any reason.

27.6 This Clause 27 may be invoked only once in any 12 month period.

27.7 The power to sell in this Clause 27 lapses following the announcement of a takeover offer or the making of a takeover announcement. However, despite this Clause 27.7, the procedure provided in this Clause 27 may be recommenced after the close of the offers made under the takeover offer or takeover announcement.

# Bannerman Resources Limited

## SCHEDULE 3 – AMENDMENTS TO THE CONSTITUTION

The Constitution is amended by inserting as a new clause the following Clause 28:


### PART 28 MINIMUM HOLDING BUY-BACK OF UNMARKETABLE PARCELS

- 28.1 Subject to the Listing Rules and the Corporations Act, the Company is entitled to buy-back securities of a Minority Member on the following conditions:
- (a) the Company must give to the Minority Member a Buy-Back Notice;
  - (b) the Minority Member must be given at least 6 weeks from the Buy-Back Notice Date in which to advise the Company that the Minority Member wishes to retain the Minority Member's security holding;
  - (c) if the Minority Member advises the Company under Clause 28.1(b) that the Minority Member wishes to retain the Minority Member's security holding, the Company must not buy it back pursuant to the Buy-Back Notice; and
  - (d) subject to Clause 28.1(c) and the Corporations Act, at the expiry of the 6 week period, the Company is entitled to buy-back all of the Minority Member's securities in the Company in consideration for the Buy-Back Price.
- 28.2 The Company must as soon as practicable after the buy-back of securities of Minority Members, and to the extent that it may reasonably do so, pay the Buy-Back Price to those Minority Members. The provisions of the applicable legislation dealing with unclaimed moneys apply to any Buy-Back Price unable to be distributed by the Company for any reason.
- 28.3 The Company must bear all costs of and incidental to the buy-back of security holdings under this Clause 28.
- 28.4 This Clause 28 may be invoked only once in any 12 month period.
- 28.5 The power to buy-back in this Clause 28 lapses following the announcement of a takeover offer or the making of a takeover announcement. However, despite this Clause 28.5, the procedure provided in this Clause 28 may be recommenced after the close of the offers made under the takeover offer or takeover announcement.

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 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 12:00pm (WST) Saturday, 23 July 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

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



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I ND

# Proxy Form

Please mark ☒ to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

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

☐ the Chairman of the Meeting

OR

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Bannerman Resources Limited to be held at Unit 1, 2 Centro Avenue, Subiaco, Western Australia on Monday, 25 July 2016 at 12:00pm (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 1, 2 and 3 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 2 and 3 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 1, 2 and 3 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 1	Issue of Securities to Mr Munro	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Participation of Mr Munro in a Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Renewal of Non-Executive Director Share Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Amendment to the Constitution	<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