



**NOTICE OF  
EXTRAORDINARY GENERAL MEETING**

**Date: Tuesday, 13 March 2012**  
**Time: 9.00 am (Perth Time)**  
**Place: The Duxton Hotel Perth,**  
**1 St Georges Terrace,**  
**Perth, Western Australia**

The following documents relate to the Extraordinary General Meeting of Shareholders:

- Chairman's letter
- Notice of Meeting for the Extraordinary General Meeting, including the Explanatory Memorandum; and
- Proxy Form and return envelope.

If you are attending the Extraordinary General Meeting in Perth and have not lodged a Proxy Form, please bring the Proxy Form with you to assist with registration.

If you are not attending the Extraordinary General Meeting in Perth, you can lodge a completed Proxy Form by returning it in the enclosed envelope or alternatively by facsimile.

Please be aware that the Proxy Form needs to be received by the Bannerman Share Registrar by no later than 9.00 am (Perth time) on Sunday, 11 March 2012. Further details on how to lodge your Proxy Form can be found on the reverse side of the Proxy Form.

***The Notice of Extraordinary General Meeting and Explanatory Memorandum should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.***



Dear Shareholders

**Extraordinary General Meeting of Shareholders, Tuesday March 13, 2012**

On behalf of the Directors of Bannerman Resources Limited (**Bannerman**), please find enclosed information relevant to the Extraordinary General Meeting of shareholders to be held on Tuesday, March 13, 2012 in Perth, Western Australia.

The meeting relates to the following:

- approval of the issue of 8 million new shares under a placement to raise A\$1.8 million which was completed in February 2012 following on from the recent share purchase plan (**Follow-on Placement**); and
- approval of the previously announced amendment and restatement of the existing convertible note issued to Resource Capital Fund IV LP.

The accompanying documents explain each of the resolutions and I urge you to read them in their entirety.

The transactions contemplated by these resolutions form part of Bannerman's recent financing activities and have significantly strengthened Bannerman's financial position as we seek to complete the Definitive Feasibility Study on the Etango Uranium Project in Namibia.

The directors who are entitled to vote unanimously recommend that you vote in favour of each resolution.

If you have any questions, please contact the Company Secretary of Bannerman, your stockbroker or other professional adviser.

Yours sincerely

Dr David Smith  
Chairman

# NOTICE OF EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting of Shareholders of Bannerman Resources Limited (**Bannerman** or the **Company**) will be held at The Duxton Hotel Perth, Lower Lobby, 1 St Georges Terrace, Perth, Western Australia, on Tuesday, 13 March 2012 at 9.00 am (Perth time).

Terms used in this Notice and Explanatory Memorandum are defined in the Glossary at the end of this document. The Explanatory Memorandum which accompanies and forms part of this Notice describes the matters to be considered at the Extraordinary General Meeting and forms part of this Notice.

## AGENDA

### Special Business

#### 1. Ratification of prior issue of 8 million Shares under the Follow-on Placement

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify and approve the issue by the Company of 8 million Shares, on the terms and conditions set out in the Explanatory Memorandum.”*

#### 2. Amendment and restatement of RCF Existing Convertible Note

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders approve:*

- (a) the amendment and restatement of the Existing Convertible Note;*
  - (b) Bannerman issuing Shares to RCF upon any conversion or prepayment of the Amended and Restated Convertible Note;*
  - (c) Bannerman granting Prepayment Options to RCF upon any prepayment of the Amended and Restated Convertible Note and issuing Shares to RCF on valid exercise of those Prepayment Options;*
  - (d) Bannerman issuing Shares to RCF in satisfaction of interest payable under the Amended and Restated Convertible Note from time to time; and*
  - (e) Bannerman issuing Shares to RCF in satisfaction of the extension fee of A\$400,000 payable as consideration for agreeing to amend and restate the Existing Convertible Note,*
- each as detailed in the Explanatory Memorandum accompanying this Notice of Extraordinary General Meeting.”*

## **Voting Prohibitions and Voting Exclusion Statements**

### ***Voting Exclusion Statements***

#### **Resolution 1 – Ratification of prior issue of 8 million Shares under the Follow-on Placement**

As required by the ASX Listing Rules, the Company will disregard any votes cast by or on behalf of a person who participated in the Follow-on Placement and any associate of those persons. However, the Company need not disregard a vote cast if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **Resolution 2 – Amendment and restatement of RCF Existing Convertible Note**

As required by the ASX Listing Rules, the Company will disregard any votes cast by or on behalf of RCF and any of its associates and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the resolution is passed and any associates of those persons.

However, the Company need not disregard a vote cast if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Voting Entitlements**

The Directors have determined that, for the purpose of voting at the Meeting, Shareholders eligible to vote at the Meeting are those persons who are the registered holders (**Registered Shareholders**) of Shares at 9.00am (Perth time) on Sunday, 11 March 2012 (**Voting Record Date**) and 9 February 2012 as the record date which entitles Shareholders to receive the Notice of Meeting (**Notice Record Date**).

Shareholders who become Registered Shareholders by acquiring Shares between the Notice Record Date and the Voting Record Date and wish to vote at the Meeting by proxy should contact Computershare Investor Services for further information and a Proxy Form. Shareholders who become beneficial Shareholders (**Beneficial Shareholders**) of Shares by acquiring Shares between the Notice Record Date and the Voting Record Date and wish to vote at the Meeting by proxy should contact their broker or intermediary for instructions on how to do so.

### **How to Vote**

You may vote by attending the Meeting in person, by proxy, or by an authorised representative.

## **Voting in Person**

To vote in person, attend the Meeting on the date and at the place set out above. Shareholders are asked to arrive at the venue 30 minutes prior to the time designated for the Meeting, if possible, so that the Company may check their shareholdings against the Company's share register and note attendances.

## **Voting by Proxy**

New sections 250BB and 250BC of the Corporations Act took effect on 1 August 2011 and apply to voting by proxy on or after 1 August 2011 (whether or not the proxy was appointed before, on or after that date). Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this meeting.

Broadly, the new sections require that:

- (a) if proxy holders vote, they must cast all directed proxies as directed; and
- (b) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

You should seek professional advice if you need any further information on how to vote by proxy.

**A Shareholder has the right to appoint a proxy, who need not be a Shareholder of the Company. A proxy can be an individual or a body corporate. A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.**

If a Shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise.

Details on how to vote by proxy are set out in the accompanying Proxy Form.

If you are a Beneficial Shareholder and have received these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or other intermediary.

## **How the Chairman of the meeting will vote undirected proxies**

The Chairman will vote undirected proxies in favour of all the Resolutions.

## **Corporate Representatives**

A body corporate may elect to appoint an individual to act as its representative in accordance with Section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's Share Registrar, Computershare Investor Services (**Computershare**), before the Meeting or at the registration desk on the day of the Meeting. Certificates of appointment of corporate representatives are available at [www.computershare.com](http://www.computershare.com) or on request by calling Computershare Investor Services on +61 1300 557 010.

**Enquiries**

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.

**By order of the Board**A handwritten signature in black ink, appearing to be 'G. Smith', written in a cursive style.**Glen Smith****Company Secretary**

Dated 10 February 2012

# EXPLANATORY MEMORANDUM

This Explanatory Memorandum and all attachments are important documents. They should be read carefully. If you have any questions regarding the matters set out in this Explanatory Memorandum or the preceding Notice of Extraordinary General Meeting, please contact the Company Secretary of Bannerman, your stockbroker or other professional adviser.

## GENERAL INFORMATION

This Explanatory Memorandum has been prepared for the Shareholders in connection with the Extraordinary General Meeting of the Company to be held on 13 March 2012.

The purpose of this Explanatory Memorandum is to provide Shareholders with information that the Board believes to be material to Shareholders in deciding whether or not to approve the resolutions detailed in the Notice.

## RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF 8 MILLION SHARES UNDER THE FOLLOW-ON PLACEMENT

### Background to the Follow-on Placement

On 14 December 2011 the Company conducted a placement of 36,504,445 Shares (**December Placement**) issued at A\$0.225 per Share (**December Placement Price**) to a range of existing and new institutional shareholders to raise proceeds of approximately A\$8,200,000. These Shares were allotted on 23 December 2011.

The Company's major institutional Shareholder and the holder of the Company's existing A\$10 million convertible note (**Existing Convertible Note**), Resource Capital Fund IV L.P. (**RCF**), subscribed for A\$2 million worth of Shares in the December Placement.

Following the December Placement, on 4 January 2012, the Company offered eligible Shareholders the right to subscribe for new shares under a share purchase plan at the December Placement Price to raise a maximum of A\$4 million (**SPP**). The SPP was fully subscribed and 17,777,350 Shares were allotted under the SPP on 6 February 2012.

On 2 February 2012, the Company conducted a follow-on placement of a further 8 million Shares (**Follow-On Placement**) issued at the December Placement Price to a range of existing and new institutional shareholders to raise proceeds of A\$1.8 million. These Shares were allotted on 8 February 2012.

The proceeds from the December Placement, SPP and the Follow-on Placement will be used by the Company to fund completion of the DFS, associated confirmatory pilot plant testwork, regional exploration and drilling activities, general working capital requirements and A\$2 million has already been used to repay a portion of the Existing Convertible Note (as part of an amendment and restatement of the Existing Convertible Note on the terms described under resolution 2 below).

### Approvals required for ratification of Resolution 1

Subject to certain exceptions, ASX Listing Rule 7.1 provides that a company may not issue more than 15% of its issued capital in any 12 month period without shareholder approval. ASX Listing Rule 7.4 provides that an issue of securities made without approval under ASX Listing Rule 7.1 will be treated

as having been made with shareholder approval for the purposes of ASX Listing Rule 7.1 if shareholders subsequently ratify it and the issue did not breach ASX Listing Rule 7.1.

The issue of 8 million Shares under the Follow-on Placement has been completed and was within the 15% limit permitted by ASX Listing Rule 7.1. However, without Shareholder approval under ASX Listing Rule 7.4, the issue will be counted towards the Company's 15% capacity and will therefore reduce the Company's capacity to issue shares in the future without obtaining Shareholder approval. Accordingly, approval is sought from Shareholders to allow the Company to refresh its 15% capacity and maximise its ability to issue further Shares up to the 15% limit without obtaining Shareholder approval.

#### **Information required by ASX Listing Rule 7.5**

<b>Number of Shares allotted</b>	8 million
<b>Issue price of each Share</b>	A\$0.225 (being the same price as the issue price of the shares issued under the December Placement and the SPP).
<b>Terms of the issue</b>	The Shares are fully paid ordinary shares and are on the same terms as existing fully paid ordinary shares of the Company.
<b>Allottees</b>	Domestic and international institutional investors. None of the allottees were related parties of the Company. All allottees were exempt offerees under the Corporations Act.
<b>Use or intended use of the funds raised</b>	Completion of the DFS by the end of March 2012, associated confirmatory pilot plant testwork, regional exploration and drilling activities, the A\$2 million reduction in the Existing Convertible Note and general working capital requirements. (The funds raised by the Follow-on Placement will be put to the same use as the funds raised by the December Placement and the SPP).

A voting exclusion statement for Resolution 1 is included in the Notice.

#### **Directors' Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 1.

### **RESOLUTION 2 – AMENDMENT AND RESTATEMENT OF RCF EXISTING CONVERTIBLE NOTE**

#### **Background to the RCF Existing Convertible Note**

In November 2008, Bannerman entered into a financing agreement with RCF for A\$20 million through the Existing Convertible Note, with the principal outstanding under the Existing Convertible Note having a maturity date of 16 December 2011. Shareholders approved the terms of the Existing Convertible Note at a general meeting held on 16 April 2009.

On 15 September 2011, Bannerman and RCF amended the terms of the Existing Convertible Note to extend the maturity date for repayment of the amounts outstanding under the Existing Convertible Note from 16 December 2011 to 31 March 2012 or such later date as Bannerman and RCF may agree, provided that it could not be extended beyond 30 September 2012. In consideration for these amendments, Bannerman agreed to, amongst other things, pay (a) an extension fee of A\$150,000 and (b) interest for the period from 15 December 2011 to 31 March 2012, each to be satisfied by the issue of Shares to RCF. Shareholders approved these amendments at the annual general meeting of the Company held on 17 November 2011.



## **Background to the amendment and restatement of the Existing Convertible Note**

As announced on 15 December 2011, Bannerman has reached agreement with RCF for:

- a reduction in the amount outstanding under the Existing Convertible Note from A\$10 million to A\$8 million, by repayment of A\$2 million;
- an extension of the maturity date from 31 March 2012 to 31 March 2014; and
- the change of the conversion price to A\$0.28125 per Share (being a 25% premium to the issue price of Shares under the December Placement),

subject to a number of conditions, including, in respect of the extension of the maturity date and change of the conversion price, the approval of Bannerman Shareholders.

Bannerman has agreed to pay an extension fee (**Extension Fee**) to RCF of A\$400,000 through the issue of 1,426,025 Shares (based on the 5-day VWAP of Bannerman's shares on the ASX prior to 15 December 2011 (the date on which the amendment and restatement of the Existing Convertible Note was announced)).

These changes will be effected by way of an amendment and restatement of the Existing Convertible Note (**Amended and Restated Convertible Note**).

As outlined above, A\$2 million of the funds raised under the December Placement has been used to repay A\$2 million of the amount outstanding under the Existing Convertible Note.

The coupon interest of 8% per annum is unchanged and is payable quarterly through the issue of Shares or, in certain circumstances, in cash.

### **Reason for seeking Shareholder approval**

Bannerman is seeking shareholder approval of the terms of the Amended and Restated Convertible Note (including the issues of any Shares and grant of any Prepayment Options under the Amended and Restated Convertible Note and in satisfaction of the Extension Fee) for the purposes of ASX Listing Rule 7.1 and all other purposes.

Subject to certain exceptions, ASX Listing Rule 7.1 provides that a company may not issue more than 15% of its issued capital in any 12 month period without shareholder approval. Convertible securities, such as the Amended and Restated Convertible Note are treated as if they have been converted in assessing the impact on the issued capital of the Company for the purposes of ASX Listing Rule 7.1. The number of ordinary shares which may be issued under the Amended and Restated Convertible Note is explained in more detail below, but may exceed the threshold under Listing Rule 7.1.

### **Directors' Recommendation**

The Board (other than Mr Hills, whose employer is a RCF entity and therefore has decided not to make a recommendation) recommends that Shareholders vote in favour of Resolution 2.

## Summary of the Amended and Restated Convertible Note

The key commercial terms of the Amended and Restated Convertible Note are summarised below.

<i>Facility</i>	A facility with a total commitment of A\$8,000,000 ( <b>Amended Facility</b> ) which has already been reduced from the previous A\$10,000,000 convertible note facility ( <b>Existing Facility</b> ).
<i>Use of funds</i>	Bannerman will not receive any new funds under the Amended and Restated Convertible Note as the facility is already fully drawn down.
<i>Effective Date</i>	Subject to the satisfaction of the conditions precedent set out below, the amendments will take effect on 31 March 2012 ( <b>Effective Date</b> ). 31 March 2012 is the maturity date for the Existing Facility.
<i>Maturity Date</i>	The maturity date will be 31 March 2014 or such later date as Bannerman and RCF may otherwise agree ( <b>Maturity Date</b> ).
<i>Conditions Precedent</i>	<p>The following conditions precedent (<b>Conditions Precedent</b>) must be satisfied by the Effective Date in order to give effect to the Amended Facility:</p> <ul style="list-style-type: none"><li>(a) legal documentation satisfactory to RCF;</li><li>(b) payment of all fees and expenses, as contemplated by the term sheet entered into between RCF and Bannerman;</li><li>(c) approval by Shareholders under ASX Listing Rules (the subject of this resolution); and</li><li>(d) no material adverse change in Bannerman's financial condition or operations prior to the Effective Date.</li></ul>
<i>Extension Fee</i>	As consideration for RCF agreeing to the Amended Facility, Bannerman has agreed to pay to RCF an extension fee of A\$400,000, to be satisfied by the issue to RCF of 1,426,025 Shares. The Shares will be issued in one tranche at an issue price equal to the 5-day VWAP of a Share on 14 December 2011 (being A\$0.2805 per share) no later than 2 business days after the satisfaction of the Conditions Precedent.
<i>Interest</i>	<p>Interest is payable on principal outstanding under the Amended and Restated Convertible Note (i.e. A\$8,000,000) (<b>Principal Outstanding</b>) at an unchanged fixed coupon rate of 8% per annum and is paid quarterly in arrears.</p> <p>Under the Existing Convertible Note, Bannerman had the option to satisfy interest in cash or Shares. However under the Amended and Restated Convertible Note, Bannerman must satisfy interest payments by the issue of Shares to RCF except in certain limited circumstances where Bannerman can satisfy interest in cash.</p> <p>The number of Shares to be issued to satisfy interest payments is equal to the amount of interest due on the applicable interest payment date, divided by the 5-day volume weighted average price ending the trading day immediately preceding the relevant interest payment date. The Shares to be issued to satisfy interest payments will be issued progressively on or around the relevant interest payment date. If, in certain circumstances, Bannerman is unable to issue Shares to pay interest, then it can satisfy the interest in cash.</p>
<i>Bannerman repayment of the Amended Facility</i>	On the Maturity Date, if RCF has not elected to convert the Principal Outstanding into equity (see below), Bannerman will repay to RCF the Principal Outstanding, accrued interest and any other amounts which are secured and outstanding in cash under the Amended and Restated Convertible Note.

<i>RCF conversion of Principal Outstanding</i>	<p>RCF may, any time prior to the Maturity Date, elect to convert all or part of the Principal Outstanding into Shares at the conversion price of A\$0.28125 per share (<b>Conversion Price</b>). The Conversion Price is a 25% premium on the share price achieved under the December Placement. The relevant Shares will be issued in one tranche on or around the date of conversion.</p>
<i>Bannerman conversion of Principal Outstanding</i>	<p>Bannerman may, at any time prior to the Maturity Date, elect to convert all or part of the Principal Outstanding to Shares at an issue price per Share equal to the Conversion Price provided that:</p> <ul style="list-style-type: none"> <li>(a) the rolling 20 day VWAP is equal to, or more than, 3 times the amount of the Conversion Price (i.e. A\$0.84375 per Share); and</li> <li>(b) the average daily volume of Shares traded on ASX during that 20 day period is not less than 2% of the total number of Shares to be issued to RCF upon such a conversion.</li> </ul> <p>The relevant Shares will be issued in one tranche on or around the date of conversion.</p>
<i>Bannerman voluntary prepayment</i>	<p>Bannerman may elect to prepay all of the Principal Outstanding under the Amended and Restated Convertible Note (plus any outstanding interest) at any time up to 60 days prior to the Maturity Date.</p> <p>If Bannerman elects to make that prepayment, then it is also required to grant to RCF the number of options that is equal to the Principal Outstanding under the Amended and Restated Convertible Note divided by the Conversion Price (<b>Prepayment Options</b>). The Prepayment Options will be issued in one tranche on or around the date of prepayment.</p> <p>Accordingly, based on the current Conversion Price, if Bannerman elects to make the prepayment, it will be required to issue 28,444,444 Prepayment Options. The Prepayment Options will have an exercise price equal to the Conversion Price, an expiry date of the Maturity Date and otherwise be issued on the terms set out in the Existing Facility (see the schedule to this Notice for further details).</p>
<i>Security</i>	<p>The Amended and Restated Convertible Note will continue to be secured by a fixed and floating charge over the Company's assets and a share mortgage over the Company's shares in Bannerman Namibia. The Amended and Restated Convertible Note contains unchanged provisions to regulate the priority of RCF's interests behind any project finance lender.</p>
<i>Amendment to the Conversion Price</i>	<p>In the event of any reorganisation of Bannerman's issued capital, then the provisions of the Amended and Restated Convertible Note will be amended in accordance with the ASX Listing Rules so that the holder of the Amended and Restated Convertible Note will not receive a benefit that holders of ordinary securities do not receive.</p> <p>The Conversion Price will be subject to an adjustment under an anti-dilution formula should Bannerman raise equity at less than 80% of a rolling 5-day VWAP, in which case there will be a reduction in the Conversion Price which is proportionate to the dilution in value attributable to the amount of equity raised.</p>
<i>Change of control</i>	<p>It will be a review event if:</p> <ul style="list-style-type: none"> <li>(a) a person obtains a relevant interest in 50% or more of Bannerman's securities or Bannerman; or</li> <li>(b) Bannerman Namibia ceases to have an ownership interest of at least 50% in the Etango Project without RCF's prior consent.</li> </ul>

Upon the happening of a review event, Bannerman and RCF will consult each other as to the effect of that event, upon which RCF may elect to:

- (a) convert all amounts outstanding under the Amended and Restated Convertible Note into Shares; or
- (b) on 120 days' notice, require the repayment of all amounts outstanding under the Amended and Restated Convertible Note.

*Bannerman's undertakings*

Under the terms of the Amended and Restated Convertible Note, Bannerman will give customary representations, warranties, undertakings and indemnities. In addition, it will also give warranties and undertakings in respect of:

- (a) the maintenance of:
  - I. not less than a 50% interest in the Etango Project (either indirectly or through its holding in Bannerman Namibia); and
  - II. the tenements of the Etango Project;
- (b) ensuring that any Shares issued under the terms of the Amended and Restated Convertible Note (either as a new issue or on the exercise of the Prepayment Options) are freely tradeable on ASX; and
- (c) the maintenance of a minimum cash balance of A\$1.25 million.

*Default*

If Bannerman defaults under the Amended and Restated Convertible Note and the default continues, then Bannerman would require RCF's prior consent in order to exercise its rights to convert the Principal Outstanding and/or interest to Shares.

In addition, upon the occurrence of an event of default, all amounts owing under the Amended and Restated Convertible Note would become immediately due and payable.

Under the terms of the Amended and Restated Convertible Note, there will be certain customary events of default, including:

- (a) failure by Bannerman to pay or repay any amounts outstanding under the Amended and Restated Convertible Note and Bannerman not remedying that failure within 2 business days of the due date;
- (b) breach of the Amended and Restated Convertible Note, including where specified security documents or consents or a representation, warranty or statement is or proves to be incorrect in a material respect, and the breach is not rectified within 7 days;
- (c) Bannerman or Bannerman Namibia implement a merger, demerger or scheme of arrangement without RCF's approval;
- (d) the Etango Project is abandoned or placed on care and maintenance;
- (e) any event or series of events, whether related or not, occurs which has or is likely to have a material adverse effect on Bannerman;
- (f) Bannerman's securities are suspended from trading on ASX for an aggregate period in excess of 5 days over any rolling 12 month period; and
- (g) any material part of the Etango Project or the relevant tenements is nationalised, confiscated or requisitioned.

*Mining Licence Approvals*

Bannerman is required to use reasonable endeavours to obtain a Mining Licence in respect of the Etango Project before the Maturity Date.

The terms of the Amended and Restated Convertible Note will generally require Bannerman to ensure that it has all required shareholder approvals (if any) before it issues any Shares or Prepayment Options under the Amended and Restated Convertible Note.

### **Break Fee**

If, prior to satisfaction of the Conditions Precedent:

(a) Bannerman announces a corporate transaction such as a scheme of arrangement, takeover or asset sale that has the effect that Shareholders may receive a price per Share (**Transaction Price**) greater than the Conversion Price on completion of that transaction; and

(b) Bannerman repays the Existing Convertible Note prior to its conversion,

then Bannerman must pay to RCF a fee equal to the difference between the Transaction Price and the Conversion Price multiplied by the number of Shares calculated by dividing the principal amount outstanding under the Existing Convertible Note by the Conversion Price. Payment of the fee is to occur within 2 business days of completion of the relevant corporate transaction.

### **Waiver**

As noted above, Shares and/or Prepayment Options may be issued under the Amended and Restated Convertible Note on a number of different dates, some of which may be more than three months after the usual three month period required by ASX Listing Rule 7.3.2 (for example, the Company may satisfy interest in Shares up until the Maturity Date, or Bannerman or RCF may convert the principal outstanding under the Amended and Restated Convertible Note into Shares).

Accordingly, the Company has sought a waiver from the ASX extending the usual three month period required by ASX Listing Rule 7.3.2 to the current maturity date, being 31 March 2014. There is no guarantee that the waiver will be granted.

### **Effect on Issued capital**

The table below sets out the indicative number of Shares and Prepayment Options RCF would acquire in Bannerman (on the basis of the assumptions set out in the notes) as a result of the various transactions contemplated by the Amended and Restated Convertible Note.

The actual number of Shares and Prepayment Options is likely to vary based on the application of the terms of the Amended and Restated Convertible Note.

<b>Capital structure<sup>1, 8</sup></b>			
	<b>Number of Shares</b>	<b>Shareholding<sup>2</sup> (%)</b>	<b>Shareholding (Fully Diluted)<sup>2</sup> (%)</b>
Shares held by Shareholders other than RCF as at 8 February 2012 (being the last practicable date prior to the date of finalising this Explanatory Memorandum)	273,905,443	89.8	77.0
Shares held by RCF as at 8 February 2012 (being the last practicable date prior to the date of finalising this Explanatory Memorandum)	23,338,765	7.7	6.6
Shares issued to RCF in satisfaction of the Extension Fee of A\$400,000	1,426,025	0.5	0.4
Shares issued to RCF as payment of all interest on the Amended and Restated Convertible Note by the issue of Shares <sup>3</sup>	6,226,144	2.0	1.7
<b>Total Undiluted Shares</b>	<b>304,896,377</b>	<b>100.0</b>	<b>85.7</b>
RCF's shares upon conversion of the Principal Outstanding <sup>4, 8</sup>	28,444,444	-	8.0
Options and Performance Rights held by parties other than RCF <sup>5</sup>	21,880,866	-	6.1
Options held by RCF <sup>6, 7</sup>	614,550	-	0.2
<b>Total Diluted Shares</b>	<b>355,836,237</b>	<b>-</b>	<b>100.0</b>

Explanatory notes and assumptions:

- References to "Shares held" refers to Shares in which the relevant parties have a "relevant interest" known to Bannerman at the last practicable date before the completion of this Explanatory Memorandum.
- Assumes that before the Maturity Date, Bannerman will not issue any other Shares, options or Performance Rights other than in respect of the Amended and Restated Convertible Note.
- Assumes that the relevant conversion price is A\$0.236 per Share, based on the 5-day VWAP as at 5 February 2012. The relevant conversion price (and therefore the number of Shares to be issued) may vary as the conversion price is determined based on the 5-day VWAP calculated on the last trading day before the applicable Interest Payment Date. Also includes the 8% interest payable under the terms of the Existing Convertible Note for the period 15 December 2011 to 31 March 2012 (using the same assumed relevant conversion price is A\$0.236).
- Assumes the Amended and Restated Convertible Note will be converted to Shares as at the Maturity Date, at the Conversion Price of A\$0.28125 per Share. However, as at 8 February 2012, being the last practicable date prior to the date of finalising this Explanatory Memorandum, the Share price is below the Conversion Price. Accordingly, if the Share price continues to be below the Conversion Price, it is not expected that the Amended and Restated Convertible Note would be converted.
- Represents all Options and Performance Rights currently on issue and not held by RCF.
- Represents Options presently held by RCF, comprising 92,300 Options with an exercise price of A\$1.45 per Share and expiry date of 25 November 2012; 128,250 Options with an exercise price of A\$0.77 per Share and expiry date of 22 November 2013; and 394,000 Options with an exercise price of A\$0.36 per Share and expiry date of 17 November 2014.
- If Bannerman prepays the Amended and Restated Convertible Note, then it must issue 28,444,444 Prepayment Options on the terms set out in the summary above and in the Schedule to the Notice. If the Amended and Restated Convertible Note is repaid rather than converted, no Shares will be issued on conversion of the Convertible Notes. It has been assumed in the above calculations that Bannerman will not prepay the Amended and Restated Convertible Note.
- The actual number of securities to be issued under the Amended and Restated Convertible Note is likely to vary based on the application of the terms of the Amended and Restated Convertible Note. For example, if Bannerman raises equity at less than 80% of a rolling 5-day VWAP, the Conversion Price will be adjusted in accordance with the anti-dilution formula. Accordingly, if Bannerman is then required to (i) issue Shares upon conversion of the Amended and Restated Convertible Note or (ii) grant Prepayment Options upon prepayment of the Amended and Restated Convertible Note, the adjusted Conversion Price will be utilised, which may require Bannerman to issue an increased number of Shares or Prepayment Options.

## GLOSSARY

<b>A\$, dollars or \$</b>	means Australian dollars.
<b>Amended and Restated Convertible Note</b>	means the amended and restated convertible note to be entered into between the Company and RCF, as more particularly described in the Notice.
<b>ASX</b>	means ASX Limited (ABN 98 008 624 691), or as the context requires, the financial market operated by it.
<b>ASX Listing Rules</b>	means the Listing Rules of ASX.
<b>Bannerman Namibia</b>	means Bannerman Mining Resources (Namibia) (Pty) Ltd.
<b>Board</b>	means the board of Directors of the Company.
<b>Company or Bannerman</b>	means Bannerman Resources Limited (ABN 34 113 017 128).
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>December Placement</b>	means the 36,504,445 Shares issued at an issue price of A\$0.225 per Share by the Company under a share placement to raise approximately A\$8.2 million before costs as announced on 14 December 2011.
<b>DFS</b>	means the Etango Project definitive feasibility study.
<b>Director</b>	means a director of the Company.
<b>Equity Security</b>	is defined in the ASX Listing Rules and includes, among other things, a share, a right to a share or option, an option and a convertible security.
<b>Etango Project</b>	means the uranium project of the Company located in Namibia.
<b>Existing Convertible Note</b>	means the convertible note with a face value of A\$10 million provided by RCF Fund IV to the Company in November 2008, as amended on 15 September 2011.
<b>Explanatory Memorandum</b>	means the Explanatory Memorandum attached to the Notice of Meeting.
<b>Extension Fee</b>	means the A\$400,000 fee payable by the Company to RCF as part of the amendment and restatement of the Existing Convertible Note.
<b>Extraordinary General Meeting or EGM or Meeting</b>	means the Extraordinary General Meeting of Shareholders of the Company to be held at the Duxton Hotel, Lower Lobby, 1 St Georges Terrace, Perth, Western Australia 6000, on Tuesday, 13 March 2012 at 9.00 am (Perth time), or any adjournment thereof.
<b>Follow-on Placement</b>	means the placement of 8 million Shares at the issue price of A\$0.225 per Share to certain existing institutional Shareholders on 8 February 2012 as announced to ASX on 2 February 2012.
<b>Meeting</b>	means the Extraordinary General Meeting of the Company to be held on Tuesday, 13 March 2012 in Perth, Western Australia, in accordance with the Notice of Meeting.
<b>Mining Licence</b>	means the mining licence to be granted applied for by the Company in respect of the Etango Project within EPL 3345.
<b>Notice or Notice of Meeting</b>	means the notice of Meeting and the Explanatory Memorandum.
<b>Notice Record Date</b>	means 9 February 2012.

<b>Option</b>	means an option to acquire a Share, subject to vesting and satisfaction of any performance conditions, granted in accordance with the Company's incentive plans.
<b>Performance Right</b>	means an entitlement to one Share, subject to vesting and satisfaction of any performance conditions.
<b>Prepayment Options</b>	means the Options that become issuable by the Company to RCF upon prepayment of the Amended and Restated Convertible Note, with the terms thereof set out in the Schedule to this Notice of Meeting.
<b>RCF</b>	means Resource Capital Fund IV L.P. and its related management entities (as applicable).
<b>Registered Shareholders</b>	means those persons who are registered holders of Shares as at the applicable date.
<b>Schedule</b>	refers to the Schedule at the end of this Notice of Meeting.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a person, corporation or body holding a Share on the Bannerman share register.
<b>SPP</b>	means the share purchase plan offered to certain Registered Shareholders of the Company as announced to ASX on 4 January 2012.
<b>Voting Record Date</b>	means 9:00am on Sunday, 11 March 2012.
<b>VWAP</b>	means Volume Weighted Average Price of Shares traded on the ASX.



## SCHEDULE – PREPAYMENT OPTION TERMS

- The valid exercise of each Prepayment Option will entitle the holder to one Share.
- Upon the valid exercise of the Prepayment Options and payment of the exercise price, Bannerman will issue Shares, which will be fully paid ordinary shares ranking pari passu with the then issued ordinary shares of Bannerman.
- In the event of any reorganisation of the issued capital of Bannerman the rights of the option holder will be changed to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- If there is a pro rata issue (except a bonus issue), the exercise price of an Option may be reduced according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N+1}$$

Where:

- O' = the new exercise price of the Prepayment Options;
- O = the old exercise price of the Prepayment Options;
- E = the number of underlying securities into which one Prepayment Option is exercisable;
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 Trading Days ending on the day before the ex-right date or the ex-entitlements date;
- S = the subscription price for a security under the pro rata issue;
- D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue); and
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

- The Prepayment Options will not be listed but Bannerman must apply for listing of the Shares issued upon exercise of the Prepayment Options.
- If there is a bonus issue to the holders of Shares, the number of Shares over which the Prepayment Options are exercisable may be increased by the number of Shares which the Prepayment Options holder would have received if the Prepayment Options had been exercised before the record date for the bonus issue.
- While Bannerman is admitted to the ASX, the terms of the Prepayment Options must only be amended in accordance with ASX Listing Rules.
- The Optionholder does not have the right to participate in bonus issues or new issues of securities offered to Shareholders until Shares are allotted to the holder pursuant to the exercise of the relevant Prepayment Options.

000001 000 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



Vote online, 24 hours a day, 7 days a week:

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



**Cast your proxy vote**



**Review and update your securityholding**

**Your secure access information is:**

**Control Number: 999999**

**SRN/HIN: 1999999999**

**PIN: 99999**



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

**For your vote to be effective it must be received by 9.00am (WST) Sunday 11 March 2012**

### 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 as they choose. 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 information tab, "Downloadable Forms".

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

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

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

☐

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



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

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

XX

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

☐

the Chairman  
of the meeting OR

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting of Bannerman Resources Limited to be held at The Duxton Hotel Perth, 1 St Georges Terrace, Perth, Western Australia on Tuesday, 13 March 2012 at 9.00am (WST) and at any adjournment of that meeting.

### STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Ratification of Prior Issue of 8 million shares under the Follow-on Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Amendment and Restatement of RCF Existing Convertible Note	<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.

### 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

999999A

Computershare +