

CHAIRMAN'S ADDRESS

Perth, Australia – Bannerman Resources Limited (ASX: BMN, TSX: BAN, NSX: BMN) ("**Bannerman**" or the "**Company**") attaches the Chairman's Address to be delivered at today's Extraordinary General Meeting.

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About Bannerman - Bannerman Resources Limited is an exploration and development company with uranium interests in Namibia, a southern African country which is a premier uranium mining jurisdiction. Bannerman's principal asset is its 80%-owned Etango Project situated southwest of Rio Tinto's Rössing uranium mine and CGNPC's Husab Project and to the west of Paladin Energy's Langer-Heinrich mine. Etango is one of the world's largest undeveloped uranium deposits. Bannerman is focused on the development of a large open pit uranium operation at Etango. Further information about Bannerman is available at www.bannermanresources.com.au

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Today, shareholders will be asked to consider a resolution to approve matters associated with the entry into a new A\$4 million convertible note facility with Resource Capital Fund VI L.P., as announced on 8 April 2014. The resolution is explained in detail in the Notice of Meeting and Explanatory Memorandum.

The New Convertible Note will be used to fund the construction and operation of a pilot plant at the Company's Etango project and to meet the Company's corporate working capital requirements. The Board believes that the pilot plant program is a cost effective way of further de-risking the Etango project by confirming key definitive feasibility study assumptions and should demonstrate the viability of the heap leaching concept to potential development partners and financiers. It should also progress the Etango project towards the detailed engineering stage and maintain the Etango project's early mover advantage.

The continued support of RCF as a strategic cornerstone investor in Bannerman is a beneficial and positive progression of its investment in the Company. The pilot plant program should help position the Etango project for fast track development in a strengthening uranium price environment. The investment by the recently established RCFVI is noteworthy given this fund is expected to still be in the early stages of its life cycle when the financing of the future development of the Etango project is required.

At the AGM in November 2013, approval was given for the roll over of the existing A\$8m convertible note held by Resource Capital Fund IV and in doing so RCF IV was authorised to increase its shareholding up to a maximum of 36.04% by converting its convertible note and the associated share issues under that facility. Approval of the resolution will allow RCF IV, RCF VI and Resource Capital Funds Management Pty Ltd (RCF Management) to increase their collective voting power in Bannerman to a maximum of 43.0% by conversion of the convertible notes, the related share issues and the exercise of existing options held by RCF Management.

The Board considered a range of alternative funding options and concluded that the New Convertible Note was the most achievable and advantageous to all shareholders, given current market conditions and the strategic benefits that the enhanced relationship with RCF brings.

The Board engaged BDO Corporate Finance (WA) Pty Ltd (BDO) to provide an Independent Expert's Report, which is included with the Notice of Meeting. The Independent Expert's Report has concluded that the issue of shares under the RCF convertible notes and the options held by RCF Management (Financing Transaction) is not fair but reasonable, and the grant of new security to RCFVI is fair and reasonable, to the Company's shareholders (excluding any shareholder associated with RCFIV, RCFVI or RCF Management).

Under ASIC guidance, in essence, the 'fairness' assessment by BDO in respect of the Financing Transaction is based solely on a financial comparison of the consideration received by the Company against the value of shares to be acquired, while an assessment of 'reasonableness' is based on all relevant circumstances. In concluding that the Financing Transaction is 'reasonable', BDO has reached the conclusion that the New Convertible Note would have significant advantages for the Company.

The Directors (with the exception of Mr Ian Burvill, a Senior Vice President of RCF, who makes no recommendation) recommend that Shareholders vote in favour of the resolution.