

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Bannerman Resources Limited

ABN

34 113 017 128

Quarter ended ("current quarter")

30 September 2014

### Consolidated statement of cash flows

|                                                   |                                                            | Current quarter<br>\$A'000 | Year to date<br>(12 months)<br>\$A'000 |
|---------------------------------------------------|------------------------------------------------------------|----------------------------|----------------------------------------|
| <b>Cash flows related to operating activities</b> |                                                            |                            |                                        |
| 1.1                                               | Receipts from product sales and related debtors            | -                          | -                                      |
| 1.2                                               | Payments for (a) exploration & evaluation                  | (309)                      | (309)                                  |
|                                                   | (b) development                                            | -                          | -                                      |
|                                                   | (c) production                                             | -                          | -                                      |
|                                                   | (d) administration                                         | (647)                      | (647)                                  |
| 1.3                                               | Dividends received                                         | -                          | -                                      |
| 1.4                                               | Interest and other items of a similar nature received      | 26                         | 26                                     |
| 1.5                                               | Interest and other costs of finance paid                   | -                          | -                                      |
| 1.6                                               | Income taxes paid                                          | -                          | -                                      |
| 1.7                                               | Other – R&D Refund                                         | 500                        | 500                                    |
| <b>Net Operating Cash Flows</b>                   |                                                            | (430)                      | (430)                                  |
| <b>Cash flows related to investing activities</b> |                                                            |                            |                                        |
| 1.8                                               | Payment for purchases of: (a) prospects                    |                            | -                                      |
|                                                   | (b) equity investments                                     |                            | -                                      |
|                                                   | (c) other fixed assets                                     | (5)                        | (5)                                    |
| 1.9                                               | Proceeds from sale of: (a) prospects                       | -                          | -                                      |
|                                                   | (b) equity investments                                     | -                          | -                                      |
|                                                   | (c) other fixed assets                                     | -                          | -                                      |
| 1.10                                              | Loans to other entities                                    | -                          | -                                      |
| 1.11                                              | Loans repaid by other entities                             | -                          | -                                      |
| 1.12                                              | Other (provide details if material)                        | -                          | -                                      |
| <b>Net investing cash flows</b>                   |                                                            | (5)                        | (5)                                    |
| 1.13                                              | Total operating and investing cash flows (carried forward) | (435)                      | (435)                                  |

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|      |                                                            |       |       |
|------|------------------------------------------------------------|-------|-------|
| 1.13 | Total operating and investing cash flows (brought forward) | (435) | (435) |
| 1.14 | <b>Cash flows related to financing activities</b>          |       |       |
| 1.14 | Proceeds from issues of shares, options, etc.              | -     | -     |
| 1.15 | Proceeds from sale of forfeited shares                     | -     | -     |
| 1.16 | Proceeds from borrowings                                   | -     | -     |
| 1.17 | Repayment of borrowings                                    | -     | -     |
| 1.18 | Dividends paid                                             | -     | -     |
| 1.19 | Other – Convertible note financing costs                   | -     | -     |
|      | <b>Net financing cash flows</b>                            | -     | -     |
|      | <b>Net increase (decrease) in cash held</b>                | (435) | (435) |
| 1.20 | Cash at beginning of quarter/year to date                  | 5,112 | 5,112 |
| 1.21 | Exchange rate adjustments to item 1.20                     | -     | -     |
| 1.22 | <b>Cash at end of quarter</b>                              | 4,677 | 4,677 |

### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

|      |                                                                                                                                                   |                            |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
|      |                                                                                                                                                   | Current quarter<br>\$A'000 |
| 1.23 | Aggregate amount of payments to the parties included in item 1.2                                                                                  | 153                        |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10                                                                                    | -                          |
| 1.25 | Explanation necessary for an understanding of the transactions<br>Item 1.23 includes salaries and fees for executive and non-executive directors. |                            |

### Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Interest on the RCF IV Convertible Note for the June Quarter of \$159,561.64 was satisfied through the issue of 2,279,452 fully paid ordinary shares.

Interest on the RCF VI Convertible Note for the June Quarter of \$4,383.56 was satisfied through the issue of 62,622 fully paid ordinary shares.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

### **Financing facilities available**

*Add notes as necessary for an understanding of the position.*

|                                 | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities             | 12,000                      | 12,000                 |
| 3.2 Credit standby arrangements | -                           | -                      |

### **Estimated cash outflows for next quarter**

|                                | \$A'000      |
|--------------------------------|--------------|
| 4.1 Exploration and evaluation | 1,120        |
| 4.2 Development                | -            |
| 4.3 Production                 | -            |
| 4.4 Administration             | 550          |
| <b>Total</b>                   | <b>1,670</b> |

### **Reconciliation of cash**

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                                                                                                                                | 826                        | 4,265                       |
| 5.2 Deposits at call                                                                                                                                        | 3,851                      | 847                         |
| 5.3 Bank overdraft                                                                                                                                          |                            |                             |
| 5.4 Other (provide details)                                                                                                                                 |                            |                             |
| <b>Total: cash at end of quarter (item 1.22)</b>                                                                                                            | <b>4,677</b>               | <b>5,112</b>                |

### **Changes in interests in mining tenements and petroleum tenements**

|                                                                                           | Tenement<br>reference<br>and<br>location | Nature of interest<br>(note (2)) | Interest at<br>beginning<br>of quarter | Interest at<br>end of<br>quarter |
|-------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------|----------------------------------------|----------------------------------|
| 6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed | Nil                                      |                                  |                                        |                                  |
| 6.2 Interests in mining tenements and petroleum tenements acquired or increased           | Nil                                      |                                  |                                        |                                  |

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#### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                            | Total number                             | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------|---------------|-----------------------------------------------|--------------------------------------------------|
| 7.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Preference securities</b><br>(description)                                                                              |                                          |               |                                               |                                                  |
| 7.2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs, redemptions |                                          |               |                                               |                                                  |
| 7.3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>*Ordinary securities</b>                                                                                                | 329,745,150                              | 329,745,150   |                                               |                                                  |
| 7.4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs              | 3,092,074                                | 3,092,074     |                                               |                                                  |
| 7.5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>*Convertible debt securities</b><br>(description)                                                                       | 1 Convertible Note with RCF Fund IV L.P. | Nil           | A\$8,000,000                                  |                                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                            | 1 Convertible Note with RCF Fund VI L.P. | Nil           | A\$4,000,000                                  |                                                  |
| <p><b><u>Convertible Note with RCF Fund IV L.P.</u></b><br/> <u>Amount</u> - A\$8,000,000.<br/> <u>Conversion price</u> - A\$0.095 per Share<br/> <u>Date for Conversion:</u><br/> - If conversion option is exercised by holder (Resource Capital Fund IV L.P.), then at any time prior to 30 September 2016.<br/> - If conversion option is exercised by issuer (Bannerman Resources Limited), then within 90 days from the date the rolling 20 day volume weighted average price of shares in the issuer is equal to or more than 3 times the conversion price.<br/> <u>Coupon</u> - 8% per annum payable quarterly in arrears on 31 March, 30 June, 30 September and 31 December of each year. Interest is to be satisfied by the issue of new Bannerman shares at the 5 day VWAP prior to the date of issue, or by cash in certain circumstances.<br/> <u>Repayment</u> - If not converted, repayment of the note will be required by a single bullet repayment on 30 September 2016.<br/> <u>Security</u> - Fixed and floating charge over the assets of Bannerman including a share mortgage over Bannerman's 80% shareholding in Bannerman Mining Resources (Namibia) (Pty) Ltd.</p> |                                                                                                                            |                                          |               |                                               |                                                  |

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

|                                                                                                                                 |                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                    |                                                                                                            |                                                                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                 |                                                                                                                   | <p><b><u>Convertible Note with RCF Fund VI L.P.</u></b><br/> <u>Amount</u> - A\$4,000,000.<br/> <u>Conversion price</u> - A\$0.095 per Share<br/> <u>Date for Conversion:</u><br/> - If conversion option is exercised by holder (Resource Capital Fund VI L.P.), then at any time prior to 30 September 2016.<br/> - If conversion option is exercised by issuer (Bannerman Resources Limited), then within 90 days from the date the rolling 20 day volume weighted average price of shares in the issuer is equal to or more than 3 times the conversion price.<br/> <u>Coupon</u> – 8% per annum payable quarterly in arrears on 31 March, 30 June, 30 September and 31 December of each year. Interest is to be satisfied by the issue of new Bannerman shares at the 5 day VWAP prior to the date of issue, or by cash in certain circumstances.<br/> <u>Repayment</u> – If not converted, repayment of the note will be required by a single bullet repayment on 30 September 2016.<br/> <u>Security</u> – Fixed and floating charge over the assets of Bannerman including a share mortgage over Bannerman's 80% shareholding in Bannerman Mining Resources (Namibia) (Pty) Ltd.</p> |                                                                    |                                                                                                            |                                                                                                                                                                                    |
| 7.6                                                                                                                             | Changes during quarter<br>(a) Increases through issues<br><br>(b) Decreases through securities matured, converted | 1 Convertible Note with RCF Fund VI L.P.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Nil                                                                | A\$4,000,000                                                                                               |                                                                                                                                                                                    |
| 7.7                                                                                                                             | <b>Options</b><br>(description and conversion factor)                                                             | <i>Number</i><br>1,500,000 <sup>(1)</sup><br>788,000<br>114,500<br>427,600<br>1,367,600<br>4,504,000<br><hr/> 8,701,700                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <br><br><br><br><br><br><br>Weighted Average Option Exercise Price | <i>Exercise price</i><br>A\$0.678<br>A\$0.36<br>A\$0.36<br>A\$0.12<br>A\$0.12<br>A\$0.072<br><hr/> A\$0.22 | <i>Expiry date</i><br>17 November 2014<br>17 November 2014<br>17 November 2014<br>21 November 2015<br>21 November 2015<br>22 November 2016                                         |
| 7.8                                                                                                                             | Issued during quarter                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                    |                                                                                                            |                                                                                                                                                                                    |
| 7.9                                                                                                                             | Exercised during quarter                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                    |                                                                                                            |                                                                                                                                                                                    |
| <sup>(1)</sup> Vesting conditions include performance hurdles related to the development and progression of the Etango Project. |                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                    |                                                                                                            |                                                                                                                                                                                    |
| 7.12                                                                                                                            | <b>Performance Rights</b>                                                                                         | <i>Number</i><br>1,631,722<br>842,987<br>682,000<br>1,000,000<br>170,000<br>3,502,674<br>1,476,500<br>5,637,300<br><hr/> 14,943,183                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                    |                                                                                                            | <i>Vesting date</i><br>17 November 2014<br>21 November 2014<br>22 November 2014<br>31 January 2015<br>11 November 2015<br>21 November 2015<br>22 November 2015<br>22 November 2016 |
| 7.13                                                                                                                            | Issued during quarter                                                                                             | 170,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                    |                                                                                                            | 11 November 2015                                                                                                                                                                   |

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

|      |                                      |         |  |  |              |
|------|--------------------------------------|---------|--|--|--------------|
| 7.14 | Vested during quarter                | 750,000 |  |  | 31 July 2014 |
| 7.15 | Cancelled during quarter             |         |  |  |              |
| 7.10 | Expired during quarter               |         |  |  |              |
| 7.11 | <b>Debentures</b><br>(totals only)   |         |  |  |              |
| 7.12 | <b>Unsecured notes</b> (totals only) |         |  |  |              |

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: .....  
(Company secretary)

Date: 30 October 2014

Print name: Robert Dalton

### Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.