

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")

31 December 2014

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(1,438)	(1,747)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(487)	(1,134)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	22	48
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – R&D Refund	-	500
Net Operating Cash Flows		(1,903)	(2,333)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(5)	(10)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	25	25
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		20	15
1.13	Total operating and investing cash flows (carried forward)	(1,883)	(2,318)

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1.13	Total operating and investing cash flows (brought forward)	(1,883)	(2,318)
	Cash flows related to financing activities		
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	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(1,883)	(2,318)
1.20	Cash at beginning of quarter/year to date	4,677	5,112
1.21	Exchange rate adjustments to item 1.20	(7)	(7)
1.22	Cash at end of quarter	2,787	2,787

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

	Current quarter \$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

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 September Quarter of \$161,315.07 was satisfied through the issue of 2,304,501 fully paid ordinary shares.

Interest on the RCF VI Convertible Note for the September Quarter of \$80,657.53 was satisfied through the issue of 1,152,250 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

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$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	850
4.2 Development	-
4.3 Production	-
4.4 Administration	550
Total	1,400

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 \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,941	826
5.2 Deposits at call	846	3,851
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	2,787	4,677

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of 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	Preference securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	335,261,507	335,261,507		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	5,516,357	5,516,357		
7.5	*Convertible debt securities (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><u>Convertible Note with RCF Fund IV L.P.</u> <u>Amount</u> - A\$8,000,000. <u>Conversion price</u> - A\$0.095 per Share <u>Date for Conversion:</u> - If conversion option is exercised by holder (Resource Capital Fund IV L.P.), then at any time prior to 30 September 2016. - 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. <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. <u>Repayment</u> - If not converted, repayment of the note will be required by a single bullet repayment on 30 September 2016. <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>					

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		<p><u>Convertible Note with RCF Fund VI L.P.</u> <u>Amount</u> - A\$4,000,000. <u>Conversion price</u> - A\$0.095 per Share <u>Date for Conversion:</u> - If conversion option is exercised by holder (Resource Capital Fund VI L.P.), then at any time prior to 30 September 2016. - 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. <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. <u>Repayment</u> – If not converted, repayment of the note will be required by a single bullet repayment on 30 September 2016. <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 (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	<i>Number</i> 427,600 1,367,600 4,504,000 3,664,400 <hr/> 9,963,600	Weighted Average Option Exercise Price	<i>Exercise price</i> A\$0.12 A\$0.12 A\$0.072 A\$0.089 <hr/> A\$0.09	<i>Expiry date</i> 21 November 2015 21 November 2015 22 November 2016 15 November 2017
7.8	Issued during quarter	3,664,400		\$0.089	15 November 2017
7.9	Exercised during quarter				
7.12	Performance Rights	<i>Number</i> 1,000,000 170,000 423,700 3,502,674 759,519 1,755,825 5,095,630 6,976,650 <hr/> 19,683,998			<i>Vesting date</i> 31 January 2015 11 November 2015 15 November 2015 21 November 2015 22 November 2015 15 November 2016 22 November 2016 15 November 2017
7.13	Issued during quarter	423,700 1,755,825 6,976,650			15 November 2015 15 November 2016 15 November 2017

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7.14	Vested during quarter	861,440 516,166 682,000			17 November 2014 21 November 2014 22 November 2014
7.15	Cancelled during quarter	770,282 326,821 716,981 541,670			17 November 2014 21 November 2014 22 November 2015 22 November 2016
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (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: 28 January 2015

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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