

During the March 2015 quarter, Bannerman Resources Limited (ASX:BMN, TSX:BAN, NSX:BMN) maintained its focus on activities that will enable fast tracking a commitment to the development of the Etango project in a rising uranium price environment.

HIGHLIGHTS

- **Bannerman completed construction and commenced commissioning of the Etango Heap Leach Demonstration Plant.**
- **Uranium spot price increased by approximately 11% to US\$39/lb U₃O₈ and spot trading volume up by almost 70% compared to equivalent period in 2014.**
- **Favourable demand side decisions by Chinese, Indian and Japanese authorities.**
- **Cash balance as at 31 March 2015 was A\$1.7 million. Post quarter-end, Bannerman successfully completed a A\$2m capital raising by way of a Share Purchase Plan and shortfall placements.**

On 25 March 2015 Bannerman announced the successful completion of the construction and official opening on 24 March 2015 of the Etango Heap Leach Demonstration Plant by Mr Patrick Elungu, Chief Inspector – Regional Services, Ministry of Mines and Energy and Dr Wotan Swiegers, Director of the Namibian Uranium Institute (see photograph on page 2).

The operation of the Demonstration Plant, an integral step of the detailed engineering and financing phases, specifically enables:

- demonstrating the design and projected performance reflected in the Definitive Feasibility Study,
- further enhancing project knowledge, and
- pursuing value engineering.

On 23 April 2015 Bannerman announced that it had successfully completed a A\$2 million capital raising by way of a Share Purchase Plan and subsequent shortfall placements to two major institutional shareholders including Resource Capital Fund VI L.P. and, subject to shareholder approval to be sought at an Extraordinary General Meeting to be held as early as practicable, to three directors.

Bannerman's Chief Executive Officer, Len Jubber, said:

"The operation of the Demonstration Plant and the timing of the first results in the June 2015 quarter coincide with the resurgence in the nuclear renaissance. This is evidenced by the growing reactor development program in China, the landmark long term offtake agreement concluded in April 2015 between India's department of Atomic Energy and Cameco Corporation and the Japanese court decision to overturn a previous injunction, effectively approving the Japanese Sendai 1 & 2 reactors for resuming operations. The latter significantly de-risks the overall Japanese reactor restart process."

In the face of this growing demand and with the strong support of existing shareholders Bannerman continues to advance the Etango Project, which remains one of the very few globally significant uranium projects that can realistically be brought into production in the medium term.



Len Jubber
Chief Executive Officer
29 April 2015

ETANGO PROJECT (Bannerman 80%)

Background

Bannerman completed a Definitive Feasibility Study (“DFS”) and Environmental and Social Impact Assessment (“ESIA”) on the Etango project in 2012. The respective studies, as announced to the market on 10 April 2012, confirmed the technical, economic and environmental viability of the project at historical term uranium prices. In 2012 Bannerman also received environmental approval for the Etango Project.

Heap Leach Demonstration Plant

The progression to a heap leach demonstration program (announced on 8 April 2014), as an integral step of the project's detailed engineering and financing phases, is specifically aimed at:

- demonstrating the design and projected performance reflected in the DFS;
- further enhancing project knowledge, and
- pursuing value engineering.

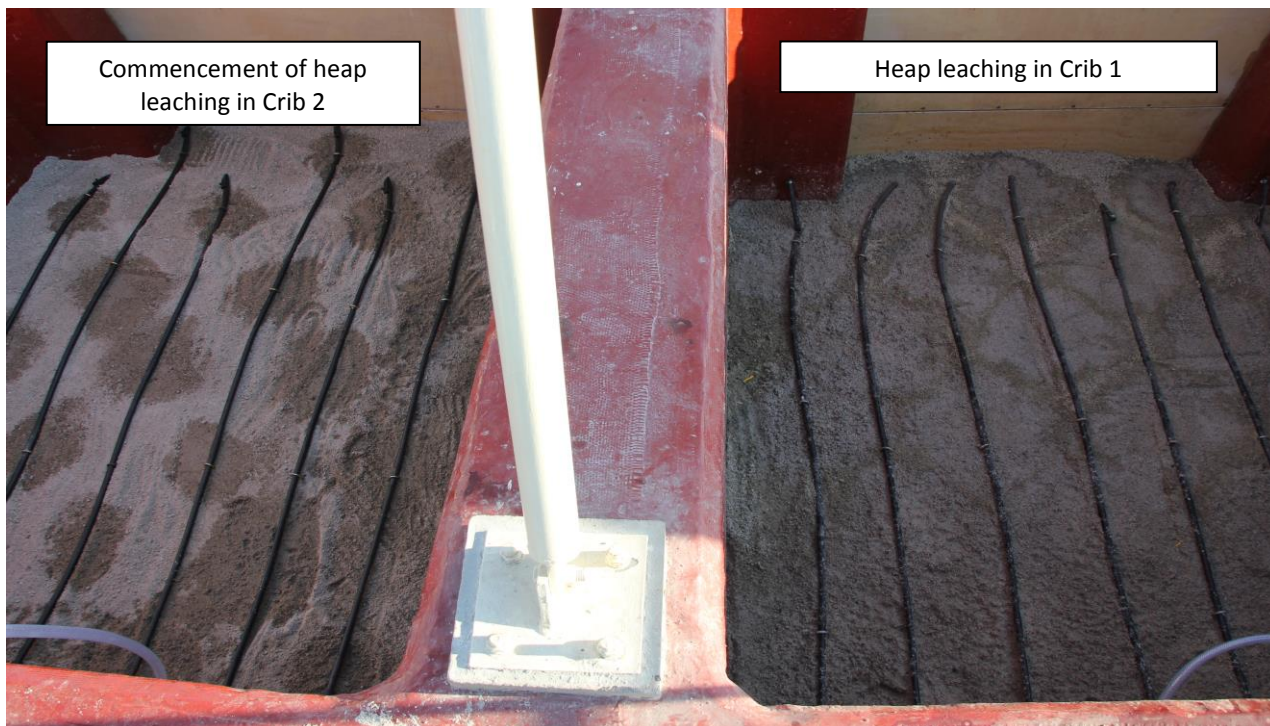
On 22 September 2014 Bannerman announced award of the major contracts to construct and operate the Etango Heap Leach Demonstration Plant. Activities at the site commenced in early October, with completion of the construction and official opening on 24 March 2015.



The four 2m x 2m x 5m cribs enables heap leaching of individual 40 tonne samples as well as simulating the planned heap leach pad operation through circulating the leached solution between the cribs.

Testing initially will focus on demonstrating the DFS design and projected performance and then will progress to value engineering in due course.

A 3,000 tonne sample was prepared and presents the opportunity to conduct testing for up to 3 years. The material was crushed to the orefeed specification in the DFS.



Commissioning of the plant is well underway and by late April three of the cribs were loaded with 40 tonne samples and drip feed acid leaching commenced. Bannerman remains on track to deliver first test results in the June quarter 2015.

Project Optimisation

Project optimisation work continues on the resource modelling and mine planning aspects of the DFS, including taking into consideration the potential to increase the ore feed grade. A decision on updating the mineral resource and ore reserve models will be deferred until after completion of this work.

URANIUM MARKET

Key news flow during and post the quarter included:

- The Chinese State Council approving construction of two more units at the Hongyanhe nuclear power plant in Liaoning province, marking the first approval for new reactors in four years. Post quarter-end the National Development and Reform Commission approved the construction of the Fuqing 5 & 6 reactors. Commencement of construction remains subject to final approval from the State Council.
- Reports that Nuclear Power Technology Corporation (SNPTC) and China Power Investment Corporation (CPI) will merge to set up the China's largest nuclear power entity. The merged entity will see its total assets equivalent to the combined assets of China National Nuclear Corporation and China General Nuclear Power Group.
- A landmark long term offtake agreement concluded in April between India's Department of Atomic Energy and Cameco Corporation for the delivery of 7.1Mlbs U_3O_8 during 2015 - 2020.
- A District Court has upheld a petition to block the restart of the Takahama 3 & 4 reactors. Restart remains subject to final government approval. Shortly thereafter a separate District Court rejected a petition to block the Government approved restart of the Sendai 1 & 2 reactors which are now expected to restart in the September quarter 2015. The latter decision is expected to impact favourable on the progression of the other 16 applications to restart reactors throughout Japan.

Globally, there are currently 437 operable nuclear reactors and 65 under construction. China, currently the largest constructor of new reactors, continues to ramp up its nuclear energy program in line with its stated goal of increasing electricity generated from nuclear plants from 23 GW currently to 58 GW by 2020 and 150 GW by 2030. In terms of reactors, China now has 26 reactors in operation, 23 under construction and 189 on order, planned or proposed.

The spot price increased by approximately 11% during the quarter to US\$39.40/lb and the quarterly trading volume of 15.2 Mlbs was almost 70% higher than the comparable period in 2014. The term price which increased from US\$45/lb to US\$50/lb in the December quarter remained unchanged during the March quarter.

CORPORATE

Cash Position and Operating Expenditure

Bannerman's cash reserves as at 31 March 2015 totalled A\$1.7 million (31 December 2014: A\$2.8m). Net operating cash outflow during the quarter totalled A\$0.98 million.

Post quarter end Bannerman raised A\$2 million by way of a Share Purchase Plan and shortfall placement. A\$482,500 of the committed funds remain subject to obtaining shareholder approval of the placement to directors.

Project Financing

The continued support of Resource Capital Funds ("RCF") as a strategic cornerstone investor in Bannerman, from the initial investment by Resource Capital Fund IV L.P. ("RCFIV") in 2008 to the continuing investment by Resource Capital Fund VI L.P. ("RCFVI") is a beneficial and positive progression of RCF's confidence in Bannerman.

The opportunity to progress the heap leach demonstration plant program, stemming from prior completion of the DFS, provides Bannerman with a competitive advantage by favourably positioning the Etango Project for fast track development in a rising uranium price environment.

Issued Securities

At the date of this report, Bannerman has 368,827,447 ordinary shares on issue.

During the quarter, Bannerman issued 3,456,751 shares to RCF in settlement of the December quarter RCFIV and RCFVI convertible note interest charges and 1,000,000 shares to employees on vesting of their performance rights under the Employee Incentive Plan.

Subsequent to the quarter end, Bannerman issued 4,734,246 ordinary shares to RCF in settlement of the respective RCFIV and RCFVI convertible note interest charges for the March quarter.

Subsequent to the quarter, Bannerman successfully completed a A\$2 million capital raising at an issue price of A\$0.052 (C\$0.049) per share via a Share Purchase Plan and shortfall placement. The Company agreed to issue 29,182,635 shares to participants in the Share Purchase Plan and the shortfall placements following commitments of A\$1.58 million. The outstanding A\$482,500 placement and commensurate issuance of 9,278,845 shares remains subject to shareholder approval (see relevant sub heading below). The Shortfall Placement shares were issued under the Company's current share issue capacity under ASX Listing Rules 7.1 and 7.1A.

At 31 March 2015, Bannerman had on issue 18,683,998 performance and share rights and 9,963,600 unlisted share options. The performance and share rights and options are subject to various performance targets and continuous employment periods.

Extraordinary General Meeting

An Extraordinary General Meeting ("EGM") will be convened as soon as practical to seek shareholder approval to place A\$482,500 of the shortfall under the SPP to three directors, namely Ronnie Beevor, Len Jubber and David Tucker.

Schedule of Mining Tenements

The Bannerman Group currently holds Exclusive Prospecting Licence 3345 ("EPL") in Namibia. An application to renew the EPL, which expired on 26 April 2015, was lodged on 26 January 2015 and is expected to be renewed in due course. No interests in mining tenements or any beneficial interests in farm-in or farm-out agreements were acquired or disposed of during the quarter.

Contingencies

On 17 December 2008, the Company entered into a settlement agreement with Savanna Marble CC ("Savanna") relating to Savanna's legal challenge to the Company's rights to the Etango Project Exclusive Prospecting Licence.

Under the terms of the Savanna settlement agreement, the final tranche payment of A\$500,000 and 4.0 million ordinary shares is due to Savanna upon receipt of the Etango Project mining licence. The mining licence application was lodged in December 2009. As at 31 March 2015, the probability and timing of the grant of the mining licence is uncertain. Given that the licence has not been granted, no shares were issued to Savanna during the quarter ended 31 March 2015 and therefore 4.0 million shares remain to be issued.

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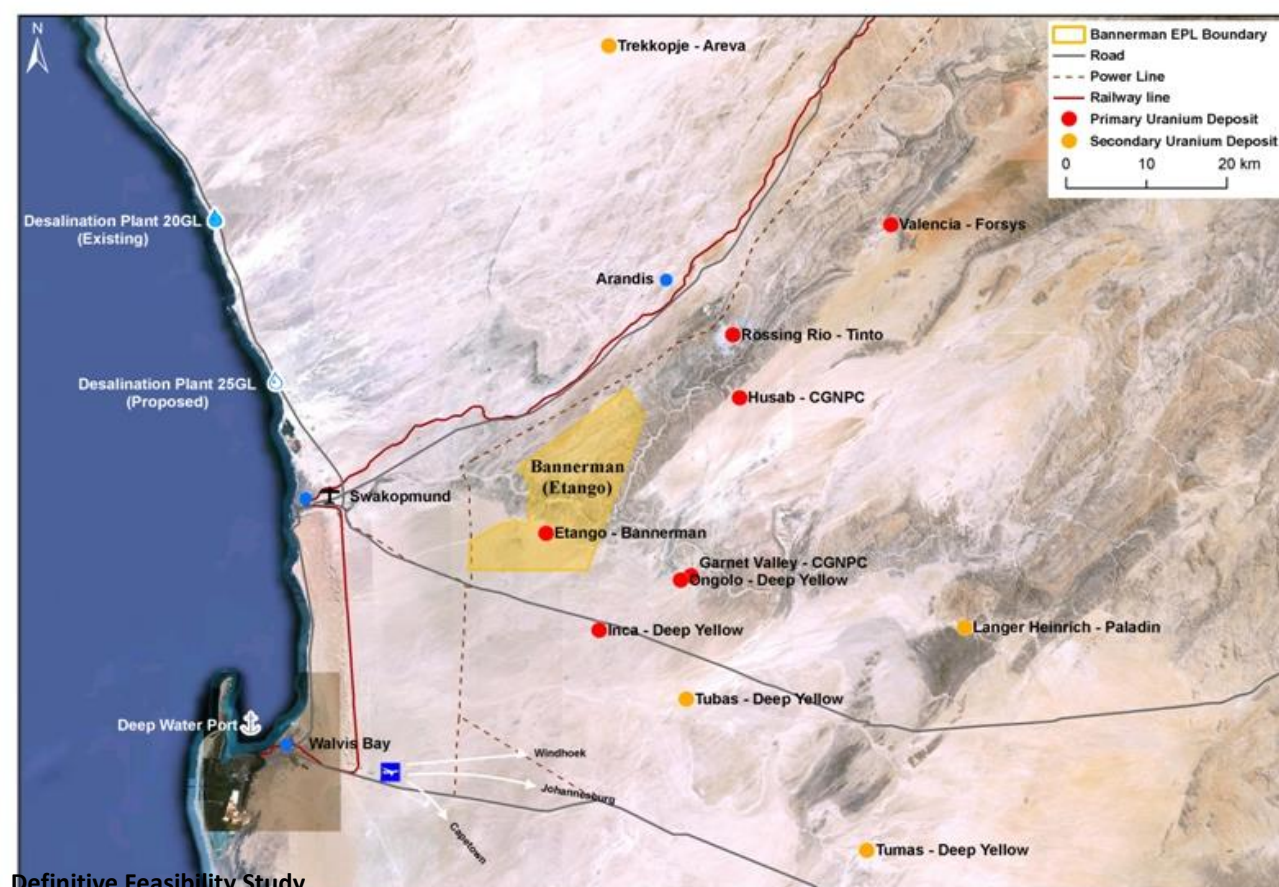
About Bannerman - Bannerman Resources Limited is an ASX, TSX and NSX listed exploration and development company with uranium interests in Namibia, a southern African country which is a premier uranium mining jurisdiction. Bannerman's principal asset is its 80%-owned Etango Project situated near Rio Tinto's Rössing uranium mine, Paladin's Langer Heinrich uranium mine and CGNPC's Husab uranium mine currently under construction. A definitive feasibility study has confirmed the technical, environmental and financial (at consensus long term uranium prices) viability of a large open pit and heap leach operation at one of the world's largest undeveloped uranium deposits. In 2015, Bannerman is conducting a large scale heap leach demonstration program to provide further assurance to financing parties, generate process information for the detailed engineering design phase and build and enhance internal capability. More information is available on Bannerman's website at www.bannermanresources.com.

APPENDIX

ETANGO PROJECT (Bannerman 80%)

Location

The Etango Project is one of the world's largest undeveloped uranium deposits, located in the Erongo uranium mining region of Namibia which hosts the Rössing and Langer-Heinrich mines and the Husab Project which is currently under construction by the Chinese state owned enterprise, China General Nuclear Power Company (CGNPC). Etango is 73km by road from Walvis Bay, one of southern Africa's busiest deep-water ports through which uranium has been exported for over 35 years. Road, rail, electricity and water networks are all located nearby.



Definitive Feasibility Study

Key outcomes from the DFS, as announced to the market on 10 April 2012, are as follows:

- 2004 JORC Code and NI 43-101 compliant Ore Reserves (at 100ppm cut-off) totalling 279.6 million tonnes at an average grade of 194ppm U₃O₈ for 119.3 Mlbs of contained U₃O₈;
- Production of 7-9 Mlbs U₃O₈ per year for the first five years and 6-8 Mlbs U₃O₈ per year thereafter, based on an average processing throughput of 20 Mt per annum and an average recovery rate of 86.9%, which would rank Etango as a global top 10 uranium only mine;
- Cash operating costs of US\$41/lb U₃O₈ in the first 5 years and US\$46/lb U₃O₈ over the life of mine;
- At a uranium price of US\$75/lb U₃O₈, the Etango Project generates operating cash flow of US\$2.7 billion before capital and tax, and free cash flow of US\$923 million after capital and tax, based on 104Mlbs U₃O₈ life of mine production;
- Pre-production capital cost of US\$870 million; and
- Minimum mine life of 16 years, with further extensions possible through the inclusion of measured and indicated resources below the designed pit, and the conversion of existing inferred resources.

All material assumptions detailed in this report and underpinning the production target and forecast financial information in the DFS (as previously announced on 10 April 2012 and reported on 30 January 2014 in compliance with Listing Rule 5.16 and 5.17) continue to apply and have not materially changed.

Mining Licence

The Ministry of Environment and Tourism granted formal environmental approval for development of the Etango Project to Bannerman in the September 2012 quarter. Bannerman also lodged the DFS with the Ministry of Mines and Energy in the same quarter, in support of the existing Etango Mining Licence application.

TECHNICAL DISCLOSURES

Certain disclosures in this report, including management's assessment of Bannerman's plans and projects, constitute forward looking statements that are subject to numerous risks, uncertainties and other factors relating to Bannerman's operation as a mineral development company that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Full descriptions of these risks can be found in Bannerman's various statutory reports, including its Annual Information Form available on the SEDAR website, sedar.com. Readers are cautioned not to place undue reliance on forward-looking statements. Bannerman expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Mineral Resources that are not Ore Reserves do not have demonstrated economic viability.

Bannerman Resources Limited ("Bannerman") manages its drilling and assaying activities in accordance with industry standard quality assurance/quality control (QA/QC) procedures. Samples are collected by Bannerman personnel and prepared in accordance with specified procedures at the relevant assay laboratories. Drill samples were analysed for uranium by the Bureau Veritas Laboratory in Swakopmund, Namibia. Bureau Veritas is an International Laboratory Group with operations in 140 countries, including Ultratrace and Amdel in Australia. Assay QA/QC involves the use of assay standards (sourced from African Mineral Standards (AMIS) in Johannesburg, made from Bannerman pulp rejects and cross-checked through umpire laboratories for which the round robin reports are available), field duplicates, blanks and barren quartz flushes. A third party "umpire" laboratory (Genalysis in Perth) is used to cross-check and validate approximately 5% of the assay results in accordance with standard procedures. Sample coarse rejects are retained and approximately 5% of samples are re-submitted for further assay verification. All sample pulps, half-core and rock-chip samples are retained at Bannerman's Goanikontes Warehouse Facility (GWS) on site.

The information in this report relating to the Ore Reserves of the Etango Project is based on information compiled or reviewed by Mr Harry Warries, a full time employee of Coffey Mining Pty Ltd. Mr Warries is a Fellow of The Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and types of deposits under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", and is an independent consultant to Bannerman and a Qualified Person as defined by Canadian National Instrument 43-101. Mr Warries consents, and provides corporate consent for Coffey Mining Pty Ltd, to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources or Ore Reserves was prepared and first disclosed under the 2004 JORC Code. It has not been updated since to comply with the 2012 JORC Code on the basis that the information has not materially changed since it was last reported. All material assumptions and technical parameters underpinning the estimates of mineral resources continue to apply and have not materially changed.

All material assumptions detailed in this report and underpinning the production target and forecast financial information in the DFS (as previously announced on 10 April 2012 and reported on 30 January 2014 in compliance with Listing Rule 5.16 and 5.17) continue to apply and have not materially changed.