BANNERMAN RESOURCES

2015 ANNUAL REPORT

CORPORATE DIRECTORY

NON-EXECUTIVE CHAIRMAN
Ronnie Beevor

CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR
Len Jubber

NON-EXECUTIVE DIRECTORS
Ian Burvill
Clive Jones
David Tucker

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STOCK EXCHANGE LISTINGS
Australian Securities Exchange (ASX Code: BMN)
Toronto Stock Exchange (TSX Code: BAN)
Namibian Stock Exchange (NSX Code: BMN)

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ABOUT BANNERMAN RESOURCES LIMITED

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.

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Fellow Shareholder,

Bannerman has made significant progress on optimising and de-risking the Etango Project over the past year and thereby further enhancing the project's readiness for development. This is at a time when China is actively implementing its aggressive nuclear build program, India is stockpiling uranium in anticipation of doing likewise, Russia is building reactors across the globe and Japan is commencing the restart of its dormant reactor fleet.

Currently there are more reactors under construction and planned than prior to the Fukushima event in 2011. Globally, according to the World Nuclear Association there are now 436 nuclear reactors operable, 67 under construction and 166 in the planning stage. A further 322 are proposed. The Chinese nuclear program is accelerating with 26 reactors in operation, 25 under construction, 43 in the planning stage and a further 136 proposed. The Chinese program is supported by substantial investment in developing their nuclear technology.

The past year has witnessed numerous high profile uranium project deferrals, production cutbacks and mine closures as a result of the low uranium price. These actions have led to a consensus view that a uranium supply shortfall by the end of the decade is unavoidable, while a uranium price in the region of US$70 – 80 per lb U_3O_8 is required to incentivise the restart of mothballed operations and the development of new projects.

The greater issue however is the substantially longer period it takes to progress uranium projects through design, permitting and construction, by comparison with other equivalent sized mineral projects. Hence uranium projects that have the ability to progress to production during the next 3 to 5 years will have a clear strategic advantage. To this end the Board has continued to advance the Etango Project.

The progression of the Etango Heap Leach Demonstration Plant from Board approval in April 2014 to successful completion of the Phase 1 testing in the June Quarter 2015 has been a highlight of the past year. The Demonstration Plant is specifically aimed at proving the design and projected performance reflected in the definitive feasibility study completed in 2012, further enhancing project knowledge, pursuing value engineering and further de-risking the project. The results to date have already gone a significant way towards achieving these objectives.

Bannerman will in the December quarter 2015 release the outcome of the Etango Optimisation Study which builds on the DFS. The timing of the update on the feasibility study coincides well with the recent favourable results from the heap leach demonstration program.

Capital management has been a Board priority in the low share price and capital constrained environment. To that end retail shareholders were presented with the opportunity to minimise their dilution associated with the A$2 million capital raising conducted in April 2015. The successful raising was strongly supported with the shortfall taken up by existing major shareholders and three directors of the company, namely Len Jubber, David Tucker and myself.

In March 2015 the Honourable Dr Hage Geingob was sworn in as the third President of Namibia since gaining independence in 1990. An unmistakeable subsequent vibrancy is now evident in Namibia, attracting both tourism and mining investment in various forms. It comes as no surprise to those invested in Namibia that the country was rated as the best investment jurisdiction in Africa in the latest Fraser Institute Annual Survey of Mining Companies.

This year marks the tenth anniversary of our commencing exploration in Namibia and I am proud to confirm that we continue to make a real social contribution through initiatives such as the fifth Annual Early Learners Assistance Program in the Erongo region and our support of tourism related initiatives throughout Namibia. These projects reflect our commitment to backing the key education and tourism objectives of the Namibian National Development Program.

Our business activities continue to be conducted without significant harm. Bannerman has operated without incurring a lost time injury since 2009. The health and safety of all persons operating at our various places of work continue to be of the highest priority to Bannerman's directors and management.

My sincere thanks to all of our management, employees, consultants and contractors who continue to work tirelessly on consolidating Bannerman's early mover advantage.

CHAIRMAN'S LETTER TO SHAREHOLDERS (CONTINUED)

There is an air of anticipation growing in the equity markets of a breakout in the uranium price. Bannerman is well positioned, with the important advantages of further engineering and project optimisation, demonstration of the heap leach process and the ongoing support of Resource Capital Funds as a significant strategic shareholder.

I look forward to meeting with you at the upcoming Annual General Meeting.

Yours sincerely,

Ronnie Beevor
Chairman

BOARD OF DIRECTORS

Ronald (Ronnie) Beevor

B.A. (Hons)
Non-Executive Chairman

Term of Office
Director since 27 July 2009, Chairman since 21 November 2012

Independent: Yes

Skills, experience and expertise
Ronnie has more than 30 years of experience in investment banking, including being the Head of Investment Banking at NM Rothschild & Sons (Australia) Limited between 1997 and 2002. During his career, Ronnie has had an extensive involvement in the natural resources industry, both in Australia and internationally. He is a former director of Oxiana Limited which successfully developed the Sepon gold-copper project in Laos as well as the Prominent Hill copper-gold project in South Australia.

Ronnie has an Honours Degree in Philosophy, Politics and Economics from Oxford University (UK) and qualified as a chartered accountant in London in 1972.

Special Responsibilities
Member of the Audit Committee
Member of the Remuneration, Nomination and Corporate Governance Committee

Current ASX listed directorships
Unity Mining Limited (appointed 1 November 2002)
Wolf Minerals Limited (appointed 20 September 2013)

Former ASX listed directorships over the past three years
Ampella Mining Limited (5 July 2011 to 31 March 2014)
Bullabulling Gold Limited (2 July 2012 to 1 August 2014)
Rey Resources Limited (2 August 2010 to 28 November 2012)

Leonard (Len) Jubber

BEng (Civil), MBA
Chief Executive Officer (CEO) and Managing Director

Term of Office:
CEO and Managing Director since 17 November 2008

Independent: No

Skills, experience and expertise
Len has over 25 years of international experience in the minerals industry. Immediately prior to joining Bannerman, Len was the Managing Director and Chief Executive Officer of Perilya Limited from May 2005 to March 2008. Len also worked for seven years with OceanaGold Limited, ultimately becoming Chief Operating Officer and an Executive Director of the company. Len started his mining career in Namibia with Rössing Uranium Limited, a subsidiary of Rio Tinto.

Special Responsibilities
Managing Director

Current ASX listed directorships
Nil

Former ASX listed directorships over the past three years
Nil

Ian Burvill

BEng (Mech), MBA, MIEAust, CPEng, M.AusIMM, GAICD
Non-Executive Director

Term of Office
Director since 14 June 2012

Independent No

Skills, experience and expertise
Ian is a Senior Vice President of private equity fund manager Resource Capital Funds ("**RCF**") and has over 28 years of mining industry experience, starting as a mechanical engineer in the design and construction of mineral process plants. In representing RCF, Ian has acted as a non-executive director of a number of mining companies including ASX listed companies Pan Australian Resources NL (now PanAust Limited), Highlands Pacific Limited and Murchison Metals Ltd. Ian has also worked as an Associate Director of Rothschild Australia Limited, providing project finance for mining projects.

Special Responsibilities
Member of the Remuneration, Nomination and Corporate Governance Committee

Current ASX listed directorships
Nil

Other current listed directorships
Nil

Former ASX listed directorships over the past three years
Murchison Metals Ltd (1 March 2012 to 17 April 2012)

Clive Jones

B.App.Sc (Geol), M.AusIMM
Non-Executive Director

Term of Office
Director since 12 January 2007

Independent No

Skills, experience and expertise
Clive has more than 25 years of experience in mineral exploration, across a diverse range of commodities including gold, base metals, mineral sands, uranium and iron ore. Clive is the original vendor of the Company's Etango Project in Namibia, in which he retains a 20% interest shareholding in Bannerman Mining Resources (Namibia) (Pty) Ltd, the sole owner of the Etango Project.

Special Responsibilities
Chairman of the Remuneration, Nomination and Corporate Governance Committee
Member of the Health, Safety, Environment and Community Committee
Member of the Audit Committee

Current ASX listed directorships
Cazaly Resources Limited (Joint Managing Director) (appointed 15 September 2003)
Corazon Mining Limited (Chairman) (appointed 10 February 2005)
Unity Mining Limited (Chairman) (appointed 10 January 2013)

Former ASX listed directorships over the past three years
Cortona Resources Limited (12 January 2006 to 10 January 2013)

David Tucker

BSc.Geol (Hons), MSc(Mining and Exploration Geology), M.AusIMM, FAICD
Non-Executive Director

Term of Office
Director since 18 March 2008

Independent Yes

Skills, experience and expertise
David has more than 40 years of experience in mining and exploration, including 20 years working as an exploration geologist, the first 10 years of which were in the uranium sector with United Uranium NL, Noranda Australia, the Australian Atomic Energy Commission and Esso Australia Limited. David was formerly responsible for business development, public affairs and investor relations at Homestake Gold of Australia, Director of Corporate Affairs at Barrick Australia Pacific and a director of Homestake's Australian subsidiaries, Barrick Mining Company (Australia) and Barrick Gold of Australia.

Special Responsibilities
Chairman of the Health, Safety, Environment and Community Committee
Chairman of the Audit Committee

Current ASX listed directorships
Nil

Former ASX listed directorships over the past three years
Nil

COMPANY SECRETARY

Robert Dalton

BA (Hons), FCCA, AFIN

Term of Office
Company Secretary since 17 September 2014

Skills, experience and expertise
Robert has more than 13 years of experience in auditing, accounting and secretarial roles. He commenced his career at an international accounting firm and has had significant exposure to the resources sector. His most recent appointment was that of Chief Financial Officer and Company Secretary at Tangiers Petroleum Ltd.

EXECUTIVE

Werner Ewald

BSc (Elect), MBA (Stellenbosch)
General Manager & Executive Director, Bannerman Mining Resources (Namibia) (Pty) Ltd

Term of Office
Since 24 June 2010

Skills, experience and expertise
Werner joined Bannerman in June 2010 as the Etango Project Co-ordinator following 22 years with Rio Tinto which included 20 years at the Rössing Uranium Mine in Namibia and 2 years at the Tarong Coal Mine in Queensland, Australia. He held numerous operational roles at Rössing including Engineering Manager, Mine Operations Manager and Business Improvement Manager. Prior to Rio Tinto he worked with the De Beers Group at their underground operations near Kimberly, South Africa and the Namdeb alluvial operations in Namibia.

STATEMENT ON CORPORATE GOVERNANCE AT BANNERMAN

This statement reports on Bannerman's key governance framework, principles and practices as at 30 June 2015. These principles and practices are reviewed regularly and revised as appropriate to reflect changes in law and good practice in corporate governance.

ASX PRINCIPLES OF CORPORATE GOVERNANCE

Bannerman, as a listed entity, must comply with the Corporations Act 2001 (Cth) ("**Corporations Act**"), the Australian Securities Exchange ("**ASX**") Listing Rules ("**ASX Listing Rules**"), other Australian securities laws, the Toronto Stock Exchange ("**TSX**") Listing Rules, other Canadian securities laws and the Namibian Stock Exchange ("**NSX**") Listing Rules.

ASX Listing Rule 4.10.3 requires ASX listed companies to report on the extent to which they have followed the Corporate Governance Principles and Recommendations ("**ASX Principles**") released by the ASX Corporate Governance Council. The ASX Principles require the Board to consider carefully the development and adoption of appropriate corporate governance policies and practices founded on the ASX Principles.

COMPLIANCE WITH ASX PRINCIPLES OF GOOD CORPORATE GOVERNANCE

Details of the Company's compliance with the ASX Principles are set out below. A checklist, cross referencing the ASX Principles to the relevant section of this Statement and the Remuneration Report, is provided on pages 17 to 20 of this Report and published on the Company's website at www.bannermanresources.com.

1. THE BOARD OF DIRECTORS

a) Board Composition and Expertise

The Board has a range of relevant industry experience, operational, financial and other skills and expertise to meet its objectives.

The current Board composition includes two independent directors, two non-independent directors and one executive director. Details on each director's background including experience, skills and expertise and their status as an independent or non-independent director are set out on pages 3 to 4 of this Report.

Directors are expected to bring independent views and judgement to the Board's deliberations. Only two of the five Directors are considered by the Board to be independent, and as such the Company does not comply with Recommendation 2.4 of the Corporate Governance Council, which recommends that a majority of Board members should be independent. However, the Board considers that both its structure and composition are appropriate given the size of the Group and that the interests of shareholders are well met.

The Board considers and evaluates regularly that the executive and non-executive directors collectively bring the range of experience, skills and expertise necessary to direct the Company. The mix of skills and experience that the Board would look to maintain and build on, include:

- mining industry and capital markets experience
- business acumen
- relevant technical expertise
- corporate governance
- strategy development

In assessing the composition of the Board, the directors have regard to the following policies:

- the Chairman should be non-executive and independent;

- the role of the Chairman and Chief Executive Officer ("**CEO**") should not be filled by the same person;
- the CEO should be a full-time employee of the Company;
- the Board should include a majority of independent non-executive directors; and
- the Board should represent a broad range of experience, skills and expertise considered of benefit to the Company.

b) Board Role and Responsibilities

The roles and responsibilities of the Board are formalised in the Board Charter. The Board Charter defines in detail the matters that are reserved for the Board and its committees, and those that the Board has delegated to management. The central role of the Board is to oversee and approve the Company's strategic direction, to select and appoint a CEO, to oversee the Company's management and business activities and to report to shareholders.

In addition to matters required by law to be approved by the Board, the following powers are reserved to the Board for decision:

- Strategy - providing strategic oversight and approving strategic plans and initiatives;
- Board performance and composition – evaluating the performance of non-executive directors, and determining the size and composition of the Board as well as recommending to shareholders the appointment and removal of directors;
- Leadership selection – determining the selection and evaluating the performance of the CEO and those executives reporting directly to the CEO;
- Corporate responsibility – considering the social, safety, ethical and environmental impacts of Bannerman's activities, and setting policy and monitoring compliance with safety, corporate, environmental and social policies and practices;
- Financial performance – approving Bannerman's annual operating plans and budgets, and monitoring management, financial and operational performance;
- Financial reports to shareholders – approving annual and half-year reports and disclosures to the market that contain, or relate to, financial projections, statements as to future financial performance or changes to the policy or strategy of the Company;
- Risk management – providing oversight of risk management and setting risk management policy; and
- Establishing procedures – ensuring that the Board is in a position to exercise its power and to discharge its responsibilities as set out in the Board Charter.

The Board also recognises its responsibilities to Bannerman's employees, the communities and environments within which Bannerman operates and, where relevant, other stakeholders.

Responsibility for management of Bannerman's business activities is delegated to the CEO who is accountable to the Board.

The Board Charter is available in the corporate governance section of Bannerman's website.

c) Chairman

The Board elects one of the independent, non-executive directors to be Chairman. The Chairman is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for the promotion of relations between Board members and between Board and management that are open, cordial and conducive to productive co-operation.

Mr Ronnie Beevor was appointed as non-executive Chairman in November 2012. Mr Beevor is also a director of ASX listed companies Unity Mining Limited and Wolf Minerals Limited. The Board considers that none of these roles interfere with the discharge of his duties to the Company.

d) Director Independence

The Board has approved a policy on independence of directors, a copy of which is available in the corporate governance section of Bannerman's website.

The policy provides that the independence of a director will be assessed by determining whether the director is independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

The test of whether a relationship or business is material is based on the nature of the relationship or business and on the circumstances and activities of the director. Materiality is considered from the perspective of Bannerman, the persons or organisations with which the director has an affiliation and from the perspective of the director. Materiality thresholds are considered by the Board from time to time.

The Board considers that:

- a material customer is a customer of Bannerman which accounts for more than 5% of Bannerman's consolidated gross revenue;
- a supplier is material if Bannerman accounts for more than 5% of the supplier's consolidated gross revenue;
- a substantial shareholder of Bannerman or of any Bannerman subsidiary is someone who holds 5% or more of the voting capital of the relevant entity; and
- service on the Board for a period exceeding ten years is a period which could, or could reasonably be perceived to, materially interfere with a director's ability to act in the best interests of the Company.

Non-executive director Clive Jones is not regarded as being independent, as he is one of the vendors of the Etango Project in which Bannerman acquired an 80% interest. Bannerman's interest in the Etango Project is held through its 80% subsidiary Bannerman Mining Resources (Namibia) (Pty) Ltd ("**BMRN**"), the holder of the Etango Project exclusive prospecting licences. Mr Jones has a 20% shareholding in BMRN, which he holds for himself and an associate. Mr Jones also holds a relevant interest in 15,495,401 shares in Bannerman, representing 4.00% of Bannerman's issued capital.

CEO Len Jubber is not regarded as independent due to his executive responsibilities.

Non-executive director Ian Burvill is not regarded as independent. Mr Burvill is a Senior Vice President of the RCF Group of companies, two of the managed funds of which has provided convertible notes to Bannerman with a face value of $8 million and $4 million respectively. RCF also holds 82,435,122 Bannerman shares representing 21.26% of the voting capital in Bannerman

e) Directors' Retirement and Re-election

Bannerman's Constitution states that at each annual general meeting one third, or nearest to one third (excluding the Managing Director and any director appointed to fill a casual vacancy or as an additional director), and any other director who has held office for three or more years (excluding the Managing Director) since their last election must retire.

Any director appointed to fill a casual vacancy or as an additional director since the date of the previous annual general meeting must submit themselves to shareholders for election at the next annual general meeting. Directors who retire as required may offer themselves for re-election by shareholders. Re-appointment of retiring directors is not automatic.

In accordance with the Company's Constitution, Mr Beevor and Mr Jones will seek re-election as non-executive directors at the Annual General Meeting to be held in November 2015.

f) Board Succession Planning

The Board, in conjunction with its Remuneration, Nomination and Corporate Governance Committee, reviews the size and composition of the Board and the mix of existing and desired competencies across members from time to time.

g) Board Performance Evaluation

The Board undertakes ongoing self-assessment and periodic reviews of the performance of the Board, committees and individual directors. The Chairman of the Board is responsible for determining the process for evaluating Board performance. Historical performance evaluations have consisted of various questionnaires which are completed by each director and then reviewed, tabulated and analysed by the Chairman of the Remuneration, Nomination and Corporate Governance Committee. The analysis is then summarised at the next Board meeting by the Chairman of the Board. The performance of the Board was last reviewed in November 2014.

h) Nominations and Appointment of New Directors

Recommendations for nomination of new directors are considered by the Remuneration, Nomination and Corporate Governance Committee and approved by the Board as a whole. Appropriate checks of candidates are undertaken before appointment and all material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a director is provided to security holders in the Notice of Annual General Meeting.

i) Professional Advice

Directors may, in carrying out their Company-related duties, seek external professional advice. If external professional advice is sought, a director is entitled to reimbursement of all reasonable costs where such a request for advice is approved by the Chairman. In the case of a request made by the Chairman, approval is required by at least two Board members.

j) Conflicts of Interest

Directors are required to disclose any actual or potential conflict or material personal interests on appointment as a director and are required to keep these disclosures up to date.

In the event that there is, or may be, a conflict between the personal or other interests of a director, then the director with an actual or potential conflict of interest in relation to a matter before the Board does not receive the Board papers relating to that matter. When the matter comes before the Board for discussion, the director withdraws from the meeting for the period the matter is considered and takes no part in the discussion or decision making process.

The Board has developed a formal protocol for dealing with the provision of confidential information to Mr Jones regarding potential development partner transactions, and to third parties interested in acquiring Mr Jones' 20% shareholding in BMRN. The protocol assists the Board and management in dealing with conflicts of interest that may arise between Bannerman, BMRN and Mr Jones. In accordance with this protocol, the Board has the discretion to permit Mr Jones to participate in discussions, but not vote, in relation to potential development financing transactions which may affect his 20% shareholding in BMRN, on the basis that Mr Jones fully informs the Board regarding all material matters related to his 20% shareholding in BMRN. Mr Jones does not participate in discussions or vote in respect to any matters relating to potential transactions involving Bannerman and Mr Jones' 20% shareholding in BMRN or matters pertaining to the operation of the May 2005 Share Sale Agreement.

The Board has also developed a formal protocol for dealing with the provision of confidential information to Mr Burvill regarding the convertible notes with RCF. The protocol assists the Board and management in dealing with conflicts of interest that may arise between Bannerman and Mr Burvill. In accordance with this protocol, Mr Burvill does not participate in discussions or vote in respect to any matters relating to potential transactions involving Bannerman and RCF.

k) Terms of Appointment, Induction Training and Continuing Education

All new directors are provided with a formal letter of appointment setting out the key terms and conditions of the appointment, including duties, rights and responsibilities, the time commitment envisaged and the Board's expectations regarding their involvement with committee work.

A formal induction is provided to all new directors. It includes comprehensive meetings with the CEO, key executives and management, information on key corporate and Board policies and visits to the Company's Etango Project in Namibia.

All directors are expected to maintain the skills required to discharge their obligations to the Company. Directors are encouraged to undertake continuing professional education and where this involves industry seminars and approved education courses, this is paid for by the Company where appropriate.

l) Directors' Remuneration

Details of the remuneration paid to directors is set out in the Remuneration Report.

m) Board Meetings

The CEO sets the agenda for each meeting in conjunction with the Chairman and the Company Secretary. Any director may request additional matters be added to the agenda. Members of senior management and directors of subsidiaries attend meetings of the Board by invitation and sessions are also held for non-executive directors to meet without management present.

Directors are entitled to request additional information where they consider the information is necessary to support informed decision making.

n) Company Secretary

The Company Secretary, Mr Robert Dalton was appointed as Company Secretary in September 2014, and is responsible for the secretarial function including providing advice to directors and executives on corporate governance and regulatory matters, recording minutes of directors' and committee meetings, administering Bannerman's corporate governance framework and giving effect to the Board's decisions. All directors have access to advice from the Company Secretary.

2. BOARD COMMITTEES

a) Board Committees and Membership

The Board currently has three standing committees to assist in the discharge of its responsibilities. These are the:

- Audit Committee;
- Remuneration, Nomination and Corporate Governance Committee; and
- Health, Safety, Environment and Community ("**HSEC**") Committee.

The charters of all Board committees, detailing the roles and duties of each, are available in the corporate governance section of Bannerman's website. All Board committee charters are reviewed regularly.

At the date of this report, the membership of each Board committee is as follows:

Audit Committee	Remuneration, Nomination and Corporate Governance Committee	HSEC Committee
David Tucker (Chair)	Clive Jones (Chair)	David Tucker (Chair)
Ronnie Beevor	Ronnie Beevor	Clive Jones
Clive Jones	Ian Burvill	

Committee members are chosen for the skills, experience and other qualities they bring to the committees. The executive management attends, by invitation, Board committee meetings.

All papers considered by the standing committees are available on request to directors who are not on that committee.

Following each committee meeting, generally at the next Board meeting, the Board is provided with a verbal update by the Chairman of each committee and a copy of minutes of all committee meetings.

The committee Chairman is responsible for leadership of the committee, for the efficient organisation and conduct of the committee's function.

The Company Secretary provides secretarial services for each committee.

Other committees may be convened to address major transactions or other matters calling for special attention, as required.

b) Audit Committee

The role of the Audit Committee is to assist the Board to meet its oversight responsibilities in relation to the Company's financial reporting, internal control structure, risk management procedures and external audit function. In doing so, it is the Audit Committee's responsibility to maintain free and open communication with the external auditors and the management of Bannerman.

The Audit Committee is required to have a minimum of three non-executive directors, the majority of whom are to be independent.

The external auditors, CEO and Financial Controller attend Audit Committee meetings by invitation. The Committee meets at least four times per year.

c) Remuneration, Nomination and Corporate Governance Committee

The role of the Remuneration, Nomination and Corporate Governance Committee ("**Remuneration Committee**") is to assist the Board by reviewing and approving Bannerman's remuneration policies and practices, the appointment of non-executive directors to the Board and oversight of the Company's Corporate Governance system. The Remuneration Committee's responsibilities include:

- assessment of the necessary and desirable competencies of Board members;
- review of Board succession plans;
- review of the Company's remuneration framework, which is used to attract, retain and motivate employees to operate effectively in accordance with Company practices and create value for shareholders;
- review of the remuneration packages and incentive schemes for the CEO and senior executives to establish rewards, which are fair and responsible, having regard to the Company's strategic goals, individual performance and general remuneration conditions;
- review of the performance and succession planning for the CEO and senior executives; and
- review of Bannerman's corporate governance policies and practices.

The Remuneration Committee has three members that are all non-executive directors. Whilst the Remuneration Committee is chaired by Mr Jones, a non-independent director, and does not have a majority of independent directors, the Board has formed the view that this is appropriate given the number of Board committees and the spread of workload amongst the Board members.

The CEO and Financial Controller attend Remuneration Committee meetings by invitation. The Remuneration Committee meets at least two times per year.

d) HSEC Committee

The role of the HSEC Committee is to assist the Board to meet its responsibilities in relation to the Company's health, safety, environmental practices and community development. Bannerman's HSEC strategy focuses on providing visible leadership, encouraging responsible behaviours and empowering individuals with responsibility for health, safety and the environment.

The CEO and the General Manager Namibia attend the HSEC Committee meetings by invitation. The HSEC Committee meets at least two times per year.

e) Board and Committee Meetings during the year ended 30 June 2015

	Board meetings		Board committee meetings					
			Audit Committee		Remuneration, Nomination & Corp. Governance Committee		HSEC Committee	
	A	B	A	B	A	B	A	B
Ronnie Beevor	11	11	4	4	3	3	2*	-
Len Jubber	11	11	4*	-	3*	-	2*	-
Ian Burvill	11	11	4**	4	3	3	-	-
Clive Jones	11	11	-**	-	3	3	2	2
David Tucker	11	11	4	4	1*	-	2	2

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the relevant committee during the year.
***** Indicates that a Director attended some or all meetings by invitation whilst not being a member of a specific committee.
****** Mr Jones replaced Mr Burvill on the Audit Committee on 4 June 2015. No Audit Committee meetings were held after this date during the year.

3. EXTERNAL AUDITOR RELATIONSHIP AND INDEPENDENCE

a) Approach to Audit and Governance

The Board is committed to the basic requirements that:

- Bannerman's financial reports represent a true and fair view of its financial position;
- Bannerman's accounting practices are comprehensive, relevant and comply with applicable accounting standards and policies; and
- the external auditor is independent and serves shareholders' interests.

b) External Auditor Relationship

Bannerman's independent external auditor is Ernst & Young. Ernst & Young was appointed by shareholders at the 2007 Annual General Meeting in accordance with the Corporations Act.

The Board has adopted an External Auditor Policy which requires rotation of the audit partner at least every five years, prohibits the reinvolvement of a previous audit partner in the audit service for two years following their rotation, and provides that a former partner of the audit firm, or member of the audit team, may only be recruited into a position as a director or senior employee of Bannerman after the expiry of at least two years.

A copy of the External Auditor Policy is available in the corporate governance section of Bannerman's website.

c) Attendance of Auditor at the Annual General Meeting

Bannerman's external auditor attends the annual general meeting and is available to answer questions from shareholders regarding:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by Bannerman in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

4. RISK MANAGEMENT AND INTERNAL CONTROL

a) Approach to Risk Management

The Board, its committees and senior executives are responsible for overseeing the implementation of the Company's Risk Management Policy.

The Company's approach to risk management is based on the identification, assessment, monitoring and management of material risks embedded in its business and management systems. The risk management framework is reviewed annually.

b) Risk Management Roles and Responsibilities

The Board and its committees are responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with those risks and opportunities.

The Board and its committees have a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include:

- the Board receives regular updates on key risks associated with the development of the Company's Etango Project;
- the implementation of Board-approved annual operating budgets and plans which are monitored against actual costs and progress;
- the Audit Committee reporting on specific finance risks; and
- ensuring the executive management team is responsible for developing policies, processes and procedures to identify risks and mitigation strategies in Bannerman's activities.

The Company's Risk Management Policy is available in the corporate governance section of Bannerman's website.

c) Internal Audit Function

The Company does not have an independent internal audit function. Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function in the manner disclosed below, the appointment of an independent internal auditor is not considered to be appropriate.

The Board as a whole and through the Audit Committee performs all key elements of an internal audit function. The Board delegates to the CEO the authority to implement any non-strategic amendments to risk management systems required as a result of changed circumstances, or where the potential for improvement has been identified; reporting all such matters to the Chairman promptly, and to the Board for consideration at its next meeting. The Board may also seek input from appropriate Executives where strategic changes to risk management and internal control process are required. The Board makes such strategic changes as and when required.

d) CEO and CFO Assurance on Corporate Reporting

The Board receives monthly management reports on the financial condition and operational results of Bannerman and its controlled entities.

The CEO and Financial Controller (in the capacity of the CFO) provide, at the end of each quarterly period, a formal statement confirming that the Company's financial reports present a true and fair view, in all material respects, and the group's financial condition and operational results have been prepared in accordance with the relevant accounting standards.

The Board has received assurance from the CEO and the Financial Controller (in the capacity of the CFO) that the declaration provided in accordance with s295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

5. PROMOTING ETHICAL AND RESPONSIBLE BEHAVIOUR

a) Health, Safety, Environment and Community

The Board has developed a Health and Safety Policy consistent with Bannerman's commitment to standards of occupational health and safety management at its Etango Project in Namibia. The health, safety and wellbeing of Bannerman's people, contractors, suppliers, visitors and host communities are a key value for the Company.

Bannerman's safety management system includes standards to guide all aspects of safety management at Bannerman's project sites in Namibia. Bannerman's philosophy is that all personnel share the responsibility for a safe workplace. Bannerman's safety performance is closely and carefully monitored by the Board.

Bannerman has developed an Environmental Policy that aims to facilitate an appropriate standard of environmental care and to ensure that the Company is in compliance with all environmental legislation.

Bannerman actively engages in a range of community and small and medium enterprise initiatives in consultation with local communities in Namibia and in this respect has developed a Social Policy. Bannerman has invested in Namibia since 2005 and in this time has contributed substantially to the communities in which it operates.

Each of the Company's Health and Safety, Environmental and Social policies are available in the corporate governance section of Bannerman's website.

b) Code of Conduct

Bannerman has developed a Board Code of Conduct which describes the standards of ethical behaviour that directors are required to maintain.

Compliance with the Board Code of Conduct will also assist Bannerman in effectively managing its operating risks and meeting its legal and compliance obligations, as well as enhancing Bannerman's corporate reputation.

The Board Code of Conduct describes Bannerman's requirements on matters such as confidentiality, conflicts of interest, compliance with laws and regulations, and the protection and proper use of Bannerman's information and assets.

A copy of the Board Code of Conduct is available in the corporate governance section of Bannerman's website.

Conflicts of interest that may arise from potential transactions between the minority interest holders in BMRN and Bannerman, and RCF and Bannerman are dealt with by the Board in accordance with the established protocols as described earlier.

c) Ethical Behaviour

With the relatively small employee base at this stage of the Company's development, management is charged with the responsibility of ensuring all employees are committed to maintaining an open working environment in which employees are able to report instances of unsafe work practices and unethical, unlawful or undesirable conduct without fear of intimidation or reprisal. Given the nature and size of the Company, employees have regular opportunity for direct interaction with the Board.

d) Bribery and Corruption Policy

Bannerman's Bribery and Corruption Policy is binding on all directors and employees. This policy sets out the responsibilities of Bannerman personnel in observing and upholding the Company' position on bribery and corruption, promotes the use of legitimate business practices and provides information and guidance on how to recognise and deal with instances of bribery and corruption.

A copy of the Company's Bribery and Corruption Policy is available in the corporate governance section of Bannerman's website.

e) Securities Trading Policy

Bannerman's Securities Trading Policy is binding on all directors and employees. This policy provides a brief summary of the law on insider trading and other relevant laws, sets out the restrictions on dealing in securities by people who work for or who are associated with Bannerman, and is intended to assist in maintaining market confidence in the integrity of dealings in the Company's securities.

The policy stipulates that the only appropriate time for a director or employee to deal in the Company's securities is when he or she is not in possession of 'price sensitive information' that is not generally available to the share market. A director wishing to deal in the Company's securities may only do so after first having received approval from the Chairman. In the case of the Chairman, he/she must receive approval from the Chairman of the Audit Committee prior to dealing. All staff wishing to deal must obtain approval from the CEO. Confirmation of any dealing must also be given by the director or employee to the Company Secretary within two business days after the dealing.

Directors and senior executives' dealings in the Company's securities are also subject to specified blackout periods, which are set out in the Company's Securities Trading Policy or as otherwise determined by the Board from time to time.

The Company prohibits directors from entering into arrangements to protect the value of unvested incentive awards. This includes entering into contracts to hedge exposure to options, share rights or shares granted as part of their remuneration packages.

A copy of the Company's Securities Trading Policy is available in the corporate governance section of Bannerman's website.

6. SHAREHOLDERS AND CORPORATE RESPONSIBILITY

Bannerman aims to produce positive outcomes for all stakeholders in managing its business and to maximise financial, social and environmental value from its activities. In practice, this means having a commitment to transparency, fair dealing, responsible treatment of employees and customers and positive links into the community.

Sustainable and responsible business practices within Bannerman are viewed as an important long term driver of performance and shareholder value. Through such practices, Bannerman seeks to reduce operational and reputation risk and enhance operational efficiency while contributing to a more sustainable society.

Bannerman accepts that the responsibilities on the Board and management, which flow from this approach, go beyond strict legal and financial obligations. In particular, the Bannerman Board seeks to take a practical and broad view of directors' fiduciary duties, in line with stakeholders' expectations.

a) Continuous Disclosure

Bannerman is committed to maintaining a level of disclosure that meets relevant standards and provides all investors with timely and equal access to information.

Bannerman's Continuous Disclosure Policy reinforces Bannerman's commitment to ASX, TSX and NSX continuous disclosure requirements and outlines management's accountabilities and the processes to be followed for ensuring compliance. The policy also describes Bannerman's guiding principles for market communications.

A copy of the Continuous Disclosure Policy is available in the corporate governance section of Bannerman's website.

b) Investor Communications and Participation

Bannerman is committed to providing all shareholders and prospective investors comprehensive, timely and equal access to information about its activities so that they can make informed decisions.

A range of communication approaches are employed including direct communications with investors and presentations to shareholders at the Company's AGM. Publication of all relevant Company information, including the Company's annual report, can be found in the investors section of Bannerman's website at www.bannermanresources.com. Shareholders are also given the opportunity to receive information in print or electronic format.

Bannerman's Shareholder Communication Policy provides that the Company will communicate effectively with its shareholders, give shareholders ready access to balanced and understandable information about Bannerman and encourage shareholder participation at shareholder meetings. The way it does this includes:

- ensuring that financial reports are prepared in accordance with applicable laws;
- ensuring the disclosure of full and timely information about Bannerman's activities in accordance with the continuous disclosure principles of the ASX Listing Rules and the Corporations Act 2001. This includes reporting on a quarterly basis the activities and prospects of the Company;
- the Chairman and CEO reporting to shareholders at the Company's AGM;
- placing all market announcements (including quarterly reports, financial reports and investor presentations) on Bannerman's website immediately following release;
- offering an E-news subscription service; and
- ensuring that reports, notices of meetings and other shareholder communications are prepared in a clear and concise manner.

A copy of the Shareholder Communications Policy is available in the corporate governance section of Bannerman's website.

7. REMUNERATION FRAMEWORK

Details of Bannerman's remuneration framework are included in the Remuneration Report.

8. DIVERSITY

Bannerman recognises and values the contribution of people with differences in background, experience and perspectives. The Company is committed to promoting an organisational culture which embraces diversity when determining the composition of employees, senior management and the Board. Bannerman's Diversity Policy takes into account the size, industry and operations of the Company.

The objectives of Bannerman's diversity practices include:

- Establishment of equitable frameworks and policies, processes and practices which limit potential unconscious bias;
- Creation of a workplace characterised by inclusive practices and behaviours for the benefit of all staff and stakeholders, and which is free from discriminatory behaviours and business practices;
- Employment and career development opportunities based on capability and performance;
- Provision of appropriate flexible work practices and policies to support employees; and
- Attraction and retention of a diverse range of talented people to further Bannerman's corporate goals.

Bannerman's diversity practices do not include measurable objectives for achieving gender diversity. Due to the size of the Company, the Board does not consider it appropriate at the present time.

As at the date of this report, the proportion of males and females across the organisation is as follows:

Roles	Female		Male	
	Number	%	Number	%
Non-Executive Directors	0	0%	4	100%
Management	0	0%	4	100%
Other [(i)]	5	36%	9	64%
TOTAL	**5**	**29%**	**17**	**71%**

(i) Included in 'Other' is Ms Monica Geingos, who is a non-executive director of BMRN, a subsidiary of the Group.

A copy of the Diversity Policy is available in the corporate governance section of Bannerman's website.

ASX PRINCIPLES COMPLIANCE STATEMENT

ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*		Reference	Compliance
Principle 1	**Lay Solid Foundations for Management and Oversight**		
1.1	A listed entity should disclose: a) the respective roles and responsibilities of its board and management; and b) those matters expressly reserved to the board and those delegated to management.	1b	✓
1.2	A listed entity should: a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	1h, Notice of Annual General Meetings	✓
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	1k	✓
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	1n	✓
1.5	A listed entity should: a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; b) disclose that policy or a summary of it; and c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: 1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or 2) if the entity is a "relevant employer" under the Workplace Gender Equality Ac, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	8	Partial Compliance
1.6	A listed entity should: a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	1g	✓
1.7	A listed entity should: a) have and disclose a process for periodically evaluating the performance of its senior executives; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Remuneration Report	✓
Principle 2	**Structure the Board to Add Value**		
2.1	The board of a listed entity should: a) Have a nomination committee which: 1) has at least three members, a majority of whom are independent directors: and 2) is chaired by an independent director,	1h, 2a, 2c, 2e	Partial Compliance

	and disclose: 1) the charter of the committee; 2) the members of the committee; and 3) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.		
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	1a	✓
2.3	A listed entity should disclose: a) the names of the directors considered by the board to be independent directors; b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and c) the length of service of each director.	1a, 1d, 1j, Directors' Report	✓
2.4	A majority of the board of a listed entity should be independent directors.	1a, 1d	✗
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	1a, 1c	✓
2.6	A listed should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	1k	✓
Principle 3	**Act Ethically and Responsibly**		
3.1	A listed entity should; a) have a code of conduct for its directors, senior executives and employees; and b) disclose that code or a summary of it.	5b, 5c	✓
Principle 4	**Safeguard Integrity in Corporate Reporting**		
4.1	The board of a listed entity should: a) have an audit committee which: 1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors: and 2) is chaired by an independent director, who is not the chair of the board, and disclose: 1) the charter of the committee; 2) the relevant qualifications and experience of the members of the committee; and 3) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	2a, 2b, 2e, Directors' Report	✓
4.2	The board of listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained	4d	✓

	and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.		
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	3c	✓
Principle 5	**Make timely and balanced disclosure**		
5.1	A listed entity should: a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and b) disclose that policy or a summary of it.	6, 6a	✓
Principle 6	**Respect the Rights of Shareholders**		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	6, 6b	✓
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	6, 6b	✓
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	6, 6b	✓
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	6, 6b	✓
Principle 7	**Recognise and Manage Risk**		
7.1	The board of a listed entity should: a) have a committee or committees to oversee risk, each of which: 1) has at least three members, a majority of whom are independent directors: and 2) is chaired by an independent director, and disclose: 1) the charter of the committee; 2) the members of the committee; and 3) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	2a, 2b, 4b	✓
7.2	The Board or a committee of the board should: a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and b) disclose, in relation to each reporting period, whether such a review has taken place.	2b, 4a, 4b	✓
7.3	A listed entity should disclose: a) if it has an internal audit function, how the function is structured and what role it performs; or b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	4c	Partial Compliance
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risk and, if it does, how it manages or intends to manage those risks.	5a	✓

Principle 8	Remunerate Fairly and Responsibly		
8.1	The board of a listed entity should: a) have a remuneration committee which: 1) has at least three members, a majority of whom are independent directors: and 2) is chaired by an independent director, and disclose: 1) the charter of the committee; 2) the members of the committee; and 3) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	2a, 2c	Partial Compliance
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Remuneration Report	✓
8.3	A listed entity which has an equity-based remuneration scheme should: a) have a policy on whether participants are permitted to enter into transactions [whether through the use of derivatives or otherwise] which limit the economic risk of participating in the scheme; and b) disclose that policy or a summary of it.	5c, Remuneration Report	✓

The directors present their report on the consolidated entity comprising Bannerman Resources Limited ("**Bannerman**" or the "**Company**") and its controlled entities (the "**Group**") for the year ended 30 June 2015 ("**the financial year**"). Bannerman is a company limited by shares that is incorporated and domiciled in Australia.

BOARD OF DIRECTORS

The directors of Bannerman in office during the financial year and up to the date of this report were:

Name	Position	Independent	Appointed
Ronnie Beevor	Non-Executive Chairman	Yes	27 July 2009
Len Jubber	Chief Executive Officer	No	17 November 2008
Ian Burvill	Non-Executive Director	No	14 June 2012
Clive Jones	Non-Executive Director	No	12 January 2007
David Tucker	Non-Executive Director	Yes	18 March 2008

COMPANY SECRETARY

The company secretary of Bannerman in office during the financial year and up to the date of this report was:

Name	Appointed
Leigh-Ayn Absolom	Resigned 17 September 2014
Robert Dalton	Appointed 17 September 2014

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

Particulars on the skills, experience, expertise and responsibilities of each director and the company secretary at the date of this report, including all directorships of other companies listed on the Australian Securities Exchange, held or previously held by a director at any time in the past three years, are set out on pages 3 to 4 of this report.

BOARD MEETING ATTENDANCE

Particulars of the number of meetings of the Board of directors of Bannerman and each Board committee of directors held and attended by each director during the 12 months ended 30 June 2015 are set out in the table below.

	Board meetings		Board committee meetings					
			Audit Committee		Remuneration, Nomination & Corp. Governance Committee		HSEC Committee	
	A	B	A	B	A	B	A	B
Ronnie Beevor	11	11	4	4	3	3	2*	-
Len Jubber	11	11	4*	-	3*	-	2*	-
Ian Burvill	11	11	4**	4	3	3	-	-
Clive Jones	11	11	-**	-	3	3	2	2
David Tucker	11	11	4	4	1*	-	2	2

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the relevant committee during the year.
***** Indicates that a Director attended some or all meetings by invitation whilst not being a member of a specific committee.
****** Mr Jones replaced Mr Burvill on the Audit Committee on 4 June 2015. No Audit Committee meetings were held after this date during the year.

DIRECTORS' INTERESTS IN SECURITIES IN BANNERMAN

As at the date of this report, the relevant interests of each director in the ordinary shares and share options in Bannerman, as notified to the Australian Securities Exchange in accordance with s205G(1) of the Corporations Act 2001, are as follows:

	Fully Paid Ordinary Shares		Share Options		Performance Rights	
	Beneficial, private company or trust	Own name	Beneficial, private company or trust	Own name	Beneficial, private company or trust	Own name
Ronnie Beevor	1,601,543	719,100	-	4,084,200	-	-
Len Jubber	10,223,828	-	-	-	-	11,468,070
Ian Burvill (1)	-	-	2,725,900	-	-	-
Clive Jones	15,495,401	-	2,725,900	-	-	-
David Tucker	1,889,575	-	-	-	423,700	-

(1) These share options are held by Resource Capital Funds Management Pty Ltd, and are noted against the relevant RCF representative director.

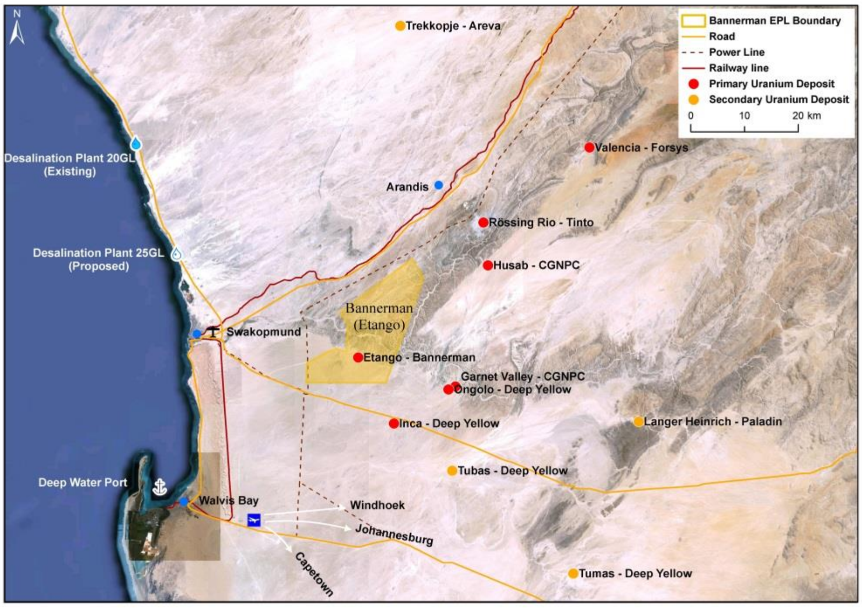
PRINCIPAL ACTIVITIES

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 currently under construction and to the north 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.

OPERATING AND FINANCIAL REVIEW

ETANGO URANIUM PROJECT (BANNERMAN 80%)

Overview
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 totalling 279.6 million tonnes at an average grade of 194ppm U_3O_8 for 119.3 Mlbs of contained U_3O_8;
- Production of 7-9 Mlbs U_3O_8 per year for the first five years and 6-8 Mlbs U_3O_8 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 U_3O_8 in the first 5 years and US$46/lb U_3O_8 over the life of mine;
- At a uranium price of US$75/lb U_3O_8, the Etango Project generates operating cashflow of US$2.7 billion before capital and tax, and free cashflow of US$923 million after capital and tax, based on 104Mlbs U_3O_8 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.

Heap Leach Demonstration Plant Program

In September 2014, Bannerman awarded the major contracts to construct and operate the Etango heap leach demonstration plant. Activities at the site commenced in October 2014 and construction was completed in March 2015. The demonstration plant program commenced in April 2015 and is an integral step of the Etango Uranium Project's engineering and financing phases. It is specifically aimed at demonstrating the design and projected performance reflected in the DFS, further enhancing the project knowledge and pursuing value engineering. The results to date have already gone a significant way towards achieving these objectives.

The demonstration program schedule and objectives are summarised in the Table below:

Phase	Objective(s)	Activities	Schedule
1 Commissioning	Commissioning of Plant. Validate leaching assumptions in DFS.	Open cycle operation of all cribs and columns. Identify issues and correct plant and operating procedures as required.	June 2015 Quarter
2 Heap Leaching	Demonstrate consistent operation of plant. Validate leaching assumptions in DFS.	Operate 2 cribs and 4 columns. Utilize same blended sample in both cribs.	September 2015 Quarter
3 Solution Recycle	Simulate the heap leach pad cycle to generate Pregnant Leach Solution (PLS). Assess the possible impacts of the build-up of deleterious elements emanating from the recycling of solution.	Operate three cribs in closed cycle. Analyse the possible build-up of deleterious elements. Generate and store sufficient PLS to enable the validation of SX assumptions in Phase 4.	December 2015 Quarter

4 Solvent Extraction & Value Engineering	Demonstrate the solvent extraction process and assumptions in the DFS. Conduct optimisation studies.	Operate SX plant in laboratory in Swakopmund. Primarily utilize 8 columns to evaluate various opportunities to improve the project economics.	March 2016 Quarter
5 Value Engineering	Conduct optimisation studies	Primarily utilize 8 columns to evaluate various opportunities to improve the project economics.	June 2016 Quarter

On 15 July 2015, the Company announced the results of Phase 1 of the Etango Heap Leach Demonstration Plan Program:

1. *Demonstrating the design and projected performance reflected in the Definitive Feasibility Study ("DFS")*
   - Fast and high average leach extraction of 94% for the cribs and 93% for the columns, within 20 days. The column results were similar to that obtained in previous laboratory testing but the crib results were better than anticipated (refer second bullet point under heading "3. Pursuing Value Engineering" below).
   - Average sulphuric acid consumption approximately 16kg/tonne (compared with DFS projection of 18kg/tonne).
   - Visual observations during the unloading of the cribs confirmed uniform percolation through the material, integrity of the agglomerate and geotechnical stability of the heap.
   - Testing confirms the simple chemistry and efficient leaching nature of the granite host rock and uranium mineralisation.
2. *Further enhancing project knowledge*
   - Designed, permitted, constructed and successfully commissioned large scale demonstration plant.
   - Gaining operating experience including safe handling of sulphuric acid, etc.
   - Building an understanding of the process control and metallurgical accounting issues associated with the specific characteristics of the Etango deposit and design flowsheet.
   - Dramatically increased the metallurgical database through testing of 120 tonnes of ore in 4 separate crib tests and 1.6 tonnes of material in 8 column tests.
3. *Pursuing value engineering*
   - Rapid and uniform percolation without signs of flooding, coupled with rapid and high leach extraction at a larger scale point towards the potential to further optimise the heap leach configuration.
   - Surprisingly no noticeable reduction in leach extraction performance was observed between the larger scale cribs and the smaller columns. This poses the question as to the appropriate scale up factors to be used in the detailed engineering of the heap leach operation. Further work is required to address this matter.

Project Optimisation

In 2013, the Company commenced an internal review of the project development model (as depicted in the DFS), initially focussed primarily on the geological and resource models. The approach to the resource model which was completed in October 2010 was based on the 12 metre bench mining configuration adopted in the PFS. However in the DFS the bench mining configuration was changed to 4 metres to improve the ore mining selectivity.

The internal review of the geological and resource models was largely completed by the end of the June 2014 quarter. Work to date has highlighted the potential to increase the ore feed grade to the processing plant. The project optimisation work progressed on to the review of the mine planning aspects of the DFS, including taking into consideration the potential to increase the ore feed grade. It is anticipated that updated mineral resource and ore reserve estimates will be released by the end of the December 2015 quarter.

Project Financing

The continued support of RCF as a strategic cornerstone investor in Bannerman, from the existing investment of RCF IV in 2008 to the continuing investment by RCF VI is a beneficial and positive progression of its investment in Bannerman.

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

The results from Phase 1 of the demonstration plant program strongly support the heap leach assumptions and projections incorporated in the DFS, and hence therefore also the bankability of the project. The program scheduled for the coming quarters will focus on similarly demonstrating the solvent extraction component of the flow sheet as well as on value engineering opportunities identified to date.

CORPORATE

Resource Capital Fund IV L.P. ("RCF IV") Convertible Note

On 6 September 2013, the Company announced that it had reached agreement with RCF IV for the extension of the convertible note from its maturity date of 31 March 2014 to 30 September 2016. The amended terms of the $8 million convertible note facility on issue to RCF IV, following shareholders approving the refinancing amounts, came into effect on the 1 April 2014. The key terms of the amended note are a conversion price of $0.095 per share (subject to adjustment for certain transactions that have a dilution impact on the conversion price), an unchanged interest rate of 8% per annum with interest payable quarterly through the issue of new Bannerman shares at a price equal to the 5-day VWAP of Bannerman's shares prior to the quarter end or cash in certain circumstances, and a maturity date of 30 September 2016.

Resource Capital Fund VI L.P. ("RCF VI") Convertible Note

On 8 April 2014, Bannerman announced that it had reached an agreement with its major shareholder Resource Capital Funds on a $4 million convertible note facility with RCF VI. The agreement was subject to, amongst other conditions, shareholder approval. Bannerman shareholders overwhelmingly approved entering into the $4 million Convertible Note Facility with RCF VI at the Extraordinary General Meeting held on 19 June 2014.

The key commercial terms of the $4 million RCF VI convertible note facility are the same as that for the RCF IV convertible note facility.

CONSOLIDATED RESULTS

The consolidated net loss after tax for the 12 months ending 30 June 2015 was $4,241,000 (2014: $2,421,000).

Corporate, administration, personnel and other expenses for the reporting period were $4,830,000 (2014: $3,778,000), including employee and director share-based payment expense of $535,000 (2014 expense reversal: $592,000). Refer to the Remuneration Report and Note 21 of the financial report for further details on share-based payments.

Income for the reporting period included interest income of $75,000 (2014: $67,000). During the year, the Company received research and development incentive funds of $500,000 (2014: $416,000).

Capitalised exploration and evaluation expenditure was $61,262,000 as at 30 June 2015 (2014: $54,899,000) reflecting the capitalisation of costs relating to the Etango Project heap leach demonstration plan construction and operation, feasibility study, resource definition drilling and assaying, and other exploration and evaluation costs, net of foreign currency translation movements. Total additions for the year amounted to $3,289,000 (2014: $630,000). A foreign exchange translation adjustment of $3,074,000 (2014: ($5,444,000)), resulting in an increase in carrying value, was also recorded for the year. This adjustment reflects the strengthening of the Namibian $ against the Australian $ over the year.

Cash Position

Cash and cash equivalents were $2,291,000 as at 30 June 2015 (2014: $5,112,000).

Cash outflow from operating activities during the year amounted to $1,526,000 (2014: $1,902,000).

Cash outflow from investing activities during the year amounted to $3,146,000 (2014: $620,000), related primarily to the construction and operation heap leach demonstration plant and optimisation study.

Cash inflow from financing activities during the year amounted to $1,855,000 (2014: $3,831,000), related to the $2 million Share Purchase Plan and Shortfall Placements less transaction costs.

Issued Capital

Issued capital at the end of the financial year amounted to $119,468,000 (2014: $116,730,000). The increase of $2,738,000 (2014: $920,000) related to the issue of 13,990,000 shares in satisfaction of interest relating to the Company's existing RCF IV and RCF VI convertible notes, and 38,461,000 shares in relation to the $2 million Share Purchase Plan and Shortfall Placements.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than items already noted elsewhere in this report, there were no additional significant changes in the state of affairs of the Group during the financial year.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Group are set out in the "Etango Uranium Project" on page 22 - 24 of this report.

Disclosure of any further information has not been included in this report, because, in the reasonable opinion of the Directors, to do so would be likely to prejudice the business activities of the Group.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

SHARE OPTIONS / PERFORMANCE RIGHTS

Share Options / Performance Rights on Issue

Details of share options and performance rights in Bannerman as at the date of this report are set out below:

Security Type	Number	Exercise price	Expiry date
Share Options	1,795,200	$0.12	21 November 2015
Share Options	4,504,000	$0.072	22 November 2016
Share Options	3,664,400	$0.089	15 November 2017
Performance Rights	170,000	n/a	11 November 2015
Performance Rights	686,344	n/a	15 November 2015
Performance Rights	3,502,674	n/a	21 November 2015
Performance Rights	759,519	n/a	22 November 2015
Performance Rights	2,132,015	n/a	15 November 2015
Performance Rights	5,095,630	n/a	22 November 2016
Performance Rights	7,729,029	n/a	15 November 2017

Share Options and Performance Rights issued

During the financial year 3,664,400 share options (2014: 4,504,000) and 10,717,388 performance rights (2014: 10,045,800) were issued.

No share option or performance rights holder has any right under the share options or rights to participate in any other share issue of the Company or any other entity.

Share options exercised

During or since the end of the financial year, no share options (2014: nil) were exercised.

Performance Rights vested

During or since the end of the financial year, 3,809,606 performance rights (2014: 3,208,764) vested.

Share Options and Performance Rights forfeited or cancelled

During or since the end of the financial year, 1,500,000 share options (2014: 750,000) and 2,355,754 performance rights (2014: 1,355,117) were forfeited or cancelled.

Share Options expired or lapsed

During or since the end of the financial year, 902,500 share options (2014: 2,184,250) have expired or lapsed.

ENVIRONMENTAL DISCLOSURE

The Group is subject to various laws governing the protection of the environment in matters such as air and water quality, waste emission and disposal, environmental impact assessments, mine rehabilitation and access to, and the use of, ground water. In particular, some activities are required to be licensed under environmental protection legislation of the jurisdiction in which they are located and such licenses include requirements specific to the subject site.

So far as the directors are aware, there have been no material breaches of the Company's licence conditions, and all exploration activities have been undertaken in compliance with the relevant environmental regulations.

INDEMNITIES AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid a premium to insure the directors and officers of the Group against liabilities incurred in the performance of their duties. Under the terms and conditions of the insurance contract, the nature of liabilities insured against and the premium paid cannot be disclosed.

The officers of the Group covered by the insurance policy include any person acting in the course of duties for the Group who is, or was, a director, executive officer, company secretary or a senior manager within the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers, in their capacity as officers, of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

PROCEEDINGS ON BEHALF OF THE GROUP

At the date of this report, there are no leave applications or proceedings brought on behalf of the Group under s237 of the *Corporations Act 2001*.

DIVIDENDS

No dividend has been declared or paid during the year (2014: nil).

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable and where noted ($'000)) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

NON-AUDIT SERVICES

In accordance with the Company's External Auditor Policy, the Company may decide to engage the external audit firm on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the auditor, Ernst & Young, for audit and non-audit services provided during the financial year are set out in Note 5 of the financial report.

The Board of directors, in accordance with advice received from the Audit Committee, is satisfied that the provision of the non-audit services detailed in Note 5 of the financial report is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are also satisfied that the provision of these non-audit services did not compromise the auditor independence requirements of the *Corporations Act 2001* because:

- they have no reason to question the veracity of the auditor's independence declaration referred to in the section immediately following this section of the report; and
- the nature of the non-audit services provided is consistent with those requirements.

AUDITOR'S INDEPENDENCE DECLARATION

Ernst & Young continues as external auditor in accordance with s327 of the *Corporations Act 2001*. The auditor's independence declaration as required under s307C of the *Corporations Act 2001* is set out below and forms part of this report.

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

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Auditor's Independence Declaration to the Directors of Bannerman Resources Limited

In relation to our audit of the financial report of Bannerman Resources Limited for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Robert A Kirkby
Partner
Perth
7 September 2015

RK:MW:Bannerman:023

REMUNERATION REPORT (AUDITED)

INTRODUCTION AND REMUNERATION STRATEGY

The Board of Bannerman is committed to providing a remuneration framework that is designed to attract, motivate and maintain appropriately qualified and experienced individuals whilst balancing the expectations of shareholders. The Company's remuneration policies are structured to ensure a link between Company performance and appropriate rewards, and remuneration for executives involves a combination of both fixed and variable ("at risk") remuneration, including long term incentives to drive the Company's desired results.

In developing the Company's remuneration policy, the Board remains focussed on competitive remuneration packages and long term equity plans, which reward executives for delivering satisfactory performance to shareholders. In this regard, Bannerman has developed equity rewards based on performance hurdles that deliver returns for shareholders.

SUMMARY

The remuneration report summarises the remuneration arrangements for the reporting period 1 July 2014 to 30 June 2015 for the directors and executives of Bannerman and the Group in office during the financial year.

The information provided in this remuneration report has been audited as required by s308(3C) of the *Corporations Act 2001*.

KEY MANAGEMENT PERSONNEL

For the purpose of this report, key management personnel of the Group (as defined in AASB 124 *Related Party Disclosures*) are those persons identified in this section who have authority and responsibility for planning, directing and controlling the activities of the Group, whether directly or indirectly, including any director (whether executive or otherwise) of the parent entity.

The directors and executives considered to be key management personnel of the Group up to the date of this report are the directors and executives set out in Table 1 below.

Table 1 - Key management personnel

Name	Position	Period
Non-Executive Directors		
Ronnie Beevor	Non-Executive Chairman	Full
Ian Burvill	Non-Executive Director	Full
Clive Jones	Non-Executive Director	Full
David Tucker	Non-Executive Director	Full
Executive Director		
Len Jubber	Chief Executive Officer and Managing Director	Full
Other Executive Personnel		
Werner Ewald	General Manager & Executive Director - Namibia	Full

1. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Board Remuneration, Nomination and Corporate Governance Committee

The Remuneration Committee assists the Board to fulfil its responsibilities to shareholders by ensuring the Group has remuneration policies that fairly and competitively reward executives and the broader Bannerman workforce. The Remuneration Committee's decisions on reward structures are based on the current competitive environment, remuneration packages for executives and employees in the resources industry and the size and complexity of the Group.

The Remuneration Committee's responsibilities include reviewing the Company's remuneration framework and evaluating the performance of the CEO and monitoring the performance of the executive team.

Independent remuneration consultants are engaged by the Remuneration Committee from time to time to ensure the Company's remuneration system and reward practices are consistent with market practices. No remuneration consultants were used in the current year.

Directors' remuneration policy and structure

Bannerman's non-executive director remuneration policy aims to reward non-executive directors fairly and responsibly having regard to the:

- level of fees paid to directors relative to other comparatively sized exploration and mining companies;
- size and complexity of Bannerman's operations; and
- responsibilities and work requirements of individual Board members.

Fees paid to the non-executive directors of Bannerman are usually reviewed annually by the Remuneration Committee, and based on periodic advice from external remuneration consultants. The Board decided that in light of the operating environment it was appropriate that non-executive director remuneration remained unchanged for the current year.

Directors' remuneration limits

Non-executive directors' fees are determined within an aggregated directors' annual fee limit of $750,000, which was last approved by shareholders on 17 September 2008.

Directors' remuneration framework

Non-executive directors' remuneration consists of base fees (inclusive of superannuation); annual grants of share rights or share options; and audit committee chairman fees, details of which are set out in Table 2 below. Non-executive directors may also receive an initial grant of share rights or share options at the time of joining the Board. Board fees are not paid to the executive director as the time spent on Board work and the responsibilities of Board membership are considered in determining the remuneration package provided as part of his normal employment conditions.

Table 2 – Annual Board and committee fees payable to non-executive directors

Position	Year ended 30 June 2014		Year ended 30 June 2015		Year ending 30 June 2016	
	Cash $	Share Options / Performance Rights $	Cash $	Share Options / Performance Rights $	Cash $	Share Options / Performance Rights $
Chairman of the Board	100,000	50,000	100,000	50,000	100,000	50,000
Non-Executive Director	50,000	25,000	50,000	25,000	50,000	25,000
Additional fees for:						
Chairman of the Audit Committee	10,000	-	10,000	-	10,000	-
Member of the Audit Committee	-	-	-	-	-	-
Chairman of any other committee	-	-	-	-	-	-
Member of any other committee	-	-	-	-	-	-

Note:
(i) Mr Ian Burvill elected not to receive the cash component of his fee effective 1 January 2013.
(ii) Share options and rights issued to non-executive directors vest after a 12 month period.

No retirement benefits are paid other than the statutory superannuation contributions of 9.5% required under Australian superannuation guarantee legislation.

The Non-Executive Director Share Incentive Plan ("**NEDSIP**"), as approved by shareholders on 22 November 2013, allows for the provision of either share rights or share options to directors. Under the NEDSIP, the Company's non-executive directors will receive one-third of their director's fees in the form of either share rights or share options. The directors consider that the issue of share rights or share options to non-executive directors as part of their remuneration package is reasonable and appropriate given:

(a) it is a cost effective and efficient reward for service. The issue of share rights or share options in lieu of cash payments preserves the Company's cash resources and reduces on-going costs which is a significant aspect while the Company remains in a development phase; and
(b) in part, it aligns remuneration with the future growth and prospects of the Company and the interests of shareholders by encouraging non-executive director share ownership.

Refer to Table 7 in Section 4 for details of the number and value of share options and share rights issued to non-executive directors during the year.

As part of the Company's Securities Trading Policy, the Company prohibits directors from entering into arrangements to protect the value of unvested incentive awards. This includes entering into contracts to hedge exposure to share options, share rights or shares granted as part of their remuneration packages.

The Board assesses the appropriateness, nature and amount of remuneration paid to non-executive directors on a periodic basis, including the granting of equity based payments, and considers it appropriate to grant share options or share rights to non-executive directors with the overall objective of retaining a high quality Board whilst preserving cash reserves.

Executive remuneration policy and structure

Bannerman's executive remuneration policy is designed to reward the CEO and other senior executives. The main principles underlying Bannerman's executive remuneration policy are to:

- provide competitive rewards to attract, retain and motivate executives;
- set levels of performance which are clearly linked to an executive's remuneration;
- structure remuneration at a level which reflects the executive's duties and accountabilities;
- set a competitive level of remuneration that is sufficient and reasonable;
- align executive incentive rewards with the creation of value for shareholders; and
- comply with applicable legal requirements and appropriate standards of governance.

Executive remuneration structure

Bannerman's remuneration structure for the CEO and senior executives for the year ended 30 June 2015 was divided into two principal components:

- base pay and benefits, including superannuation; and
- variable annual reward, or "at risk" component, by way of the issue of long term share-based incentives.

Performance reviews for all senior executives are conducted on an annual basis. The performance of each senior executive is measured against pre-determined key performance indicators. The most recent performance reviews were completed in November 2014.

Base pay

The base pay component of executive remuneration comprises base salary, statutory superannuation contributions and other allowances where applicable. It is determined by the scope of each executive's role, working location, level of knowledge, skill and experience along with the executive's individual performance. There is no guarantee of base pay increases included in any executive's contract.

Bannerman benchmarks this component of executive remuneration against appropriate market comparisons using information from similar companies and, where applicable, advice from external consultants.

Short-term incentive component (STI)

During the year there were no STI awards granted.

Long-term incentive component (LTI)

The LTI awards are aimed specifically at creating long term shareholder value and the retention of employees. The Company has implemented an Employee Incentive Plan ("**EIP**") which enables the provision of share options or performance rights to executives and employees.

During the 2015 financial year, performance rights which will vest subject to pre-defined performance hurdles were allocated to all executives. The grant of performance rights aims to reward executives in a manner that aligns remuneration with the creation of shareholder wealth. Refer to Table 7 in Section 4 for the number and value of performance rights issued to executives during the year.

Performance measures to determine vesting

The vesting of half of the performance rights is subject to the Company's relative Total Shareholder Return ("**TSR**") as measured by share price performance (allowing for the reinvestment of dividends) over the life of the performance rights, versus a comparator group of uranium development companies. The vesting of the other half is subject to the attainment of defined individual and group performance criteria, chosen to align the interests of employees with shareholders, representing key drivers for delivering long term value. Group and individual performance measures are weighted and specify performance required to meet or exceed expectations. The performance measures for the 2015 performance rights related to:

- Safety - total recordable incidents and significant environmental incidents.
- Operational – execution of company development and operational plans.
- Capital - maintaining adequate working capital and achieving operating budgets.
- Regulatory - obtaining timely renewal of licences.
- Corporate - execution of transactions mandated by the Board.

Relative TSR was selected as a LTI performance measure given it ensures an alignment between comparative shareholder return and reward for executives, and minimises the effects of market cycles and commodity price changes.

The comparator group includes the following uranium development companies:

Alliance Resources Limited	Energy Fuels Inc.	Mega Uranium Limited	U3O8 Corp.
Aura Energy Limited	Forsys Metals Corp.	Plateau Uranium Inc.	Uranium Resources Inc
Azarga Uranium Corp.	Kivalliq Energy Corporation	Peninsula Energy Limited	Ur-Energy Inc.
Berkeley Resources Limited	Laramide Resources Limited	Toro Energy Limited	Vimy Resources Limited
Deep Yellow Limited			

The Board has updated in 2015 the members of the comparator group to ensure it is reflective of the Company's peers. The limitation to uranium-focused development companies seeks to ensure that the TSR calculation is not materially impacted by price movements of other commodities.

The comparator group is composed of Australian and foreign uranium development companies chosen to reflect the Group's competitors for capital and talent. The Group's performance against the measure is determined according to Bannerman's ranking against the companies in the TSR group over the performance period. The vesting schedule is as follows:

Table 3 – TSR Vesting Schedule

Relative TSR performance outcome	Percentage of award that will vest
Below or at the 25th percentile	0%
Between the 25th and 75th percentile	Scale applicable whereby every 1 percentile equates to 2% vesting
At or above the 75th percentile	100%

Share Options

In previous years, share options were granted to executives for the purposes of incentivising and retaining them during the significant development phase of the Etango Project. Accordingly, performance hurdles included the finalisation of a Preliminary Feasibility Study and a DFS on the Etango Project, the grant of a mining licence, finalisation of project financing and commissioning of the Etango Project. As at the date of this report, all executive share options have expired or been forfeited.

Further details regarding the share options issued to executives are outlined in section 4 below. No share options were granted to executives during the financial reporting period or subsequent to the end of the year (2014: nil).

Termination and change of control provisions

Where an executive ceases employment prior to the vesting of an award, the incentives are forfeited unless the Board applies its discretion to allow vesting at or post cessation of employment in appropriate circumstances.

In the event of a change of control of the Group, the performance period end date will generally be brought forward to the date of the change of control and the share options and rights will vest in full, subject to ultimate Board discretion.

No hedging of LTIs

As part of the Company's Securities Trading Policy, the Company prohibits executives from entering into arrangements to protect the value of unvested LTI awards. This includes entering into contracts to hedge exposure to share options, performance rights or shares granted as part of their remuneration package.

2. DETAILS OF REMUNERATION

Non-Executive Directors' Remuneration

Details of the nature and amount of remuneration of Bannerman's non-executive directors for the year ended 30 June 2015 are as follows:

Table 4 – Non-executive director remuneration

	Year	Short-term		Post Employment	Sub-total	Share Based Payments	Total	Performance Related
		Base Fees $	Other $	Superannuation $	$	Options / Rights $	$	%
Non-Executive Directors								
Ronnie Beevor	2015	100,000	-	-	100,000	50,176	150,176	-
	2014	100,000	-	-	100,000	45,925	145,925	-
Ian Burvill (i)	2015	-	-	-	-	25,089	25,089	-
	2014	-	-	-	-	25,018	25,018	-
Clive Jones	2015	45,662	-	4,338	50,000	25,089	75,089	-
	2014	45,767	-	4,233	50,000	25,018	75,018	-
David Tucker	2015	20,876	10,000	29,124	60,000	25,089	85,089	-
	2014	21,002	10,000	28,998	60,000	25,018	85,018	-
Total	**2015**	**166,538**	**10,000**	**33,462**	**210,000**	**125,443**	**335,443**	-
	2014	166,769	10,000	33,231	210,000	120,979	330,979	-

(i) Mr Ian Burvill elected not to receive the cash component of his fee effective 1 January 2013.

The category of "Other" includes payments for Chairman of the Audit Committee as well as extra services and consultancy fees for specific duties, as approved by the Board.

Executive Remuneration

Details on the nature and amount of remuneration of Bannerman's executives for the year ended 30 June 2015 are as follows.

Table 5 – Executive remuneration

	Year	Short–term		Post Employment	Sub-total	Share Based Payments	Total	Performance Related
		Salary & Fees	Other	Superannuation		Options / Performance Rights		
		$	$	$	$	$	$	%
Executive Director								
Len Jubber (i)(ii)	2015	365,297	-	34,703	400,000	216,445	616,445	35.1
	2014	366,133	-	33,868	400,001	(912,754)	(512,754)	-
Other Executive Personnel								
Werner Ewald (iii)	2015	164,393	47,734	37,309	249,436	104,285	353,721	29.5
	2014	160,886	47,193	31,478	239,557	115,530	355,087	32.5
Total	**2015**	**529,690**	**47,734**	**72,012**	**649,436**	**320,730**	**970166**	**-**
	2014	527,019	47,193	65,346	639,557	(863,077)	(223,520)	-

(i) Mr Jubber voluntarily implemented a 13.5% reduction in his personal remuneration with effect from 1 July 2013.
(ii) The non-market vesting condition relating to Mr Jubber's share options was re-evaluated at prior year end and as per AASB 2 an adjustment has been made due to the revision of the estimate of the number of share options to vest.
(iii) Mr Ewald's contract is denominated in Namibian dollars.

3. SERVICE AGREEMENTS

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation.

Remuneration and other terms of employment for the CEO and the other executives are also formalised in service agreements. Major provisions of the agreements relating to remuneration are summarised below.

Remuneration of the Chief Executive Officer

Mr Jubber was appointed on 17 November 2008 as CEO and Managing Director. Under the employment contract with Mr Jubber, he is entitled to receive an annual salary, superannuation, and LTI awards (grant of share options or performance rights, which are subject to performance hurdles). Details of Mr Jubber's contract and remuneration are follows:

Annual Salary

Effective 10 April 2012, following completion of the Board-approved DFS on the Etango Project, Mr Jubber's annual salary increased from $400,000 per annum to $462,500 per annum (rate set in 2008), inclusive of 9% superannuation. Contractually Mr Jubber is entitled to an annual salary of $525,000 upon attainment of development finance for the Etango Project.

In recognition of the current adverse uranium and capital markets and the resultant low share price, Mr Jubber voluntarily implemented a 13.5% reduction in his personal remuneration with effect from 1 July 2013.

Short term incentives

No short term incentive is payable.

Long term incentives

Mr Jubber's employment contract provided for the grant of 5,500,000 share options, subject to shareholder approval, which was duly obtained in April 2009. During the year, the remaining 1,500,000 of these share options were forfeited.

During the year, Mr Jubber was granted 5,084,775 performance rights subject to shareholder approval, which was obtained in November 2014. The performance rights were offered and the terms and conditions were agreed to and accepted by Mr Jubber on 18 December 2014. The rights are subject to performance hurdles and lapse if Mr Jubber leaves the employment of the Group and immediately vest in the event of a change of control. Refer to Table 7 on page 37.

Termination Benefits

Mr Jubber is entitled to 6 months' annual salary if his employment is terminated other than for cause, plus statutory entitlements for annual leave. The contract also provides that Mr Jubber's employment may be terminated with three months' notice by either party.

Contracts for executives – employed in the Group as at 30 June 2015

A summary of the key contractual provisions for each of the current key management personnel is set out in Table 6 below.

Table 6 - Contractual provisions for executives engaged as at 30 June 2015

Name and job title	Employing company	Contract duration	Notice period company	Notice period employee	Termination provision
Len Jubber – CEO & Managing Director	Bannerman Resources Limited	No fixed term	3 months	3 months	6 months base salary and accrued leave entitlements.
Werner Ewald – General Manager Namibia	Bannerman Mining Resources (Namibia) (Pty) Ltd	No fixed term	3 months	3 months	6 months base salary and accrued leave entitlements.

4. SHARE-BASED COMPENSATION

Key management personnel are eligible to participate in the company's NEDSIP or EIP.

Long Term Incentives

The details of share options and performance rights over Bannerman shares issued and/or vested pursuant to the NEDSIP and EIP during the year which affects the remuneration of the key management personnel in office at the end of the reporting period are set out in Table 7 below. The performance hurdles for the performance rights issued to executives relate to the Company's relative TSR and defined individual and group performance targets, including operational targets and safety performance.

Share options and performance rights do not carry any voting or dividend rights and can be exercised once the vesting conditions have been met until their expiry date.

Table 7 – Key terms over share options and share rights issued, vested and lapsed to key management personnel during the year ended 30 June 2015

Name	Year	Grant date (i)	Type of Award	No. Granted	Exercise price	Accounting fair value per right / share option at grant date	Performance Hurdles	Vesting date	Expiry date	No. vested during the year	No. lapsed during the year
Non-Executive Directors											
Ronnie Beevor	2015	18-Dec-14	Share Options	1,832,200	$0.089	$0.027	-	15-Nov-15	15-Nov-17	-	-
	2014	11-Dec-13	Share Options	-	$0.072	$0.022	-	22-Nov-14	-	2,252,000	-
Ian Burvill	2015	18-Dec-14	Share Options	916,100	$0.089	$0.027	-	15-Nov-15	15-Nov-17	-	-
	2014	11-Dec-13	Share Options	-	$0.072	$0.022	-	22-Nov-14	-	1,126,000	-
	2012	17-Nov-11	Share Options	-	$0.36	$0.152	-	17-Nov-12	-	-	394,000
Clive Jones	2015	18-Dec-14	Share Options	916,100	$0.089	$0.027	-	15-Nov-15	15-Nov-17	-	-
	2014	11-Dec-13	Share Options	-	$0.072	$0.022	-	22-Nov-14	-	1,126,000	-
	2012	17-Nov-11	Share Options	-	$0.36	$0.152	-	17-Nov-12	-	-	394,000
David Tucker	2015	18-Dec-14	Share Rights	423,700	N/A	$0.059	-	15-Nov-15	15-Nov-15	-	-
	2014	11-Dec-13	Share Rights	-	N/A	$0.048	-	22-Nov-14	-	520,800	-

Share options and share rights granted to non-executive directors are not subject to performance hurdles but are subject to continuous service. They have been issued as a cost effective and efficient reward for service and in part aligns remuneration with the future growth of the Company.

Table 7 (continued)– Key terms over share options and performance rights issued, vested and lapsed to key management personnel during the year ended 30 June 2015

Name	Year	Grant date (i)	Type of Award	No. Granted	Exercise price	Accounting fair value per right / share option at grant date	Performance Hurdles	Vesting date	Expiry date	No. vested during the year	No. lapsed during the year
Executive Director											
Len Jubber	2015	18-Dec-14	Performance Rights	5,084,775	N/A	2,542,388 @ A$0.05	Relative TSR	15-Nov-17	15-Nov-17	-	-
				-	N/A	2,542,387 @ A$0.054	Operational targets	15-Nov-17	15-Nov-17	-	-
	2014	11-Dec-13	Performance Rights	-	N/A	A$0.048	Operational targets	22-Nov-16	-	-	416,665
	2012	17-Nov-11	Performance Rights	-	N/A	A$0.246	Relative TSR	17-Nov-14	-	156,885	547,585
				-	N/A	A$0.27	Operational targets	17-Nov-14	-	457,906	-
	2009	17-Apr-09	Share Options	-	A$0.678	A$0.92	Project finance finalised for the Etango Project	17-Nov-14	17-Nov-14	-	1,500,000
Executive											
Werner Ewald	2015	18-Dec-14	Performance Rights	1,891,875	N/A	945,938 @ A$0.076	Relative TSR	15-Nov-17	15-Nov-17	-	-
				-	N/A	945,937 @A$0.08	Operational targets	15-Nov-17	15-Nov-17	-	-
	2014	11-Dec-13	Performance Rights	-	N/A	735,325 @ A$0.05	Operational targets	22-Nov-16	-	-	125,005
		28-Jul-13	Performance Rights	-	N/A	750,000 @ A$0.06	Retention Rights	31-Jul-14	-	750,000	-
				-	N/A	1,000,000 @ A$0.06	Retention Rights	31-Jan-15	-	1,000,000	-
	2012	21-Dec-11	Performance Rights	-	N/A	A$0.22	Relative TSR	20-Nov-14	-	35,535	124,135
				-	N/A	A$0.25	Operational targets	20-Nov-14	-	49,284	-

(i) The grant date in the table above refers to the actual issue date of the share options or rights; however for accounting purposes the grant date is recognised as the date that the Company's obligation for the share options or rights arose.

(ii) Operational targets refer to the performance measures discussed on page 33 of this report.

All unvested share options and rights lapse on cessation of employment, unless otherwise approved by the Board or under special circumstances such as retirement or redundancy. All share options and rights issued to key management personnel vest immediately in the event of a change of control in Bannerman.

Other remuneration information

Further details relating to share options and rights and the proportion of key management personnel remuneration related to equity compensation during the year are tabulated below.

Table 8 – Value of share options and performance rights issued, exercised and lapsed during the year ended 30 June 2015

	Type	Proportion of remuneration consisting of options / rights for the year(1) %	Value of options / rights granted during the year(2) $	Value of options exercised / rights vested during the year $
Directors				
Ronnie Beevor	Share Options	33%	50,000	6,756
Len Jubber	Performance Rights	35%	264,408	47,339
Ian Burvill	Share Options	100%	25,000	3,378
Clive Jones	Share Options	33%	25,000	3,378
David Tucker	Share Rights	29%	25,000	39,060
Executives				
Werner Ewald	Performance Rights	29%	147,566	125,531

(1) Calculated based on Tables 4 and 5 as the share option expense for the year as a percentage of total remuneration. The percentage of total remuneration varies among each director given the impact of consulting or other fees paid during the financial year.
(2) Based on fair value at time of grant per AASB 2. For details on the valuation of the options, including models and assumptions used, refer to Note 21.

Other than detailed above in Table 7 there were no other alterations to the terms and conditions of the share options / rights awarded as remuneration since their award date.

Table 9 – Share options and performance rights holdings of key management personnel (i)

30 June 2015	Type	Opening Balance 1 July 2014	Granted as Remuneration	Exercised / converted	Net Change Other	Closing Balance 30 June 2015	Vested at 30 June 2015 Total	Exercisable	Not exercisable
Directors									
Ronnie Beevor	Options	2,252,000	1,832,200	-	-	4,084,200	2,252,000	2,252,000	-
Len Jubber	Options	1,500,000	-	-	(1,500,000)	-	-	-	-
	Rights	7,962,336	5,084,775	(614,791)	(964,250)	11,468,070	-	-	-
Ian Burvill (ii)	Options	2,203,800	916,100	-	(394,000)	2,725,900	1,809,800	1,809,800	-
Clive Jones	Options	2,203,800	916,100	-	(394,000)	2,725,900	1,809,800	1,809,800	-
David Tucker	Rights	520,800	423,700	(520,800)	-	423,700	-	-	-
		16,642,736	9,172,875	(1,135,591)	(3,252,250)	21,427,770	5,871,600	5,871,600	-
Executives									
Werner Ewald	Rights	4,367,892	1,891,875	(1,903,743)	(249,140)	4,106,884	-	-	-
		4,367,892	1,891,875	(1,903,743)	(249,100)	4,106,884	-	-	-

(i) Includes share options and performance rights held directly, indirectly and beneficially by key management personnel.
(ii) These share options are held by Resource Capital Funds Management Pty Ltd, and are noted above against the relevant RCF representative director.

Table 10 – Shareholdings of key management personnel [i]

30 June 2015	Opening Balance 1 July 2014	Granted as Remuneration	Received on Exercise of Share options / conversion of rights	(Sales) Purchases	Net Change Other	Closing Balance 30 June 2015
Directors						
Ronnie Beevor	830,259	-	-	1,490,384	-	2,320,643
Len Jubber	1,296,033	-	614,791	8,313,004	-	10,223,828
Ian Burvill	-	-	-	-	-	-
Clive Jones	15,206,940	-	-	288,461	-	15,495,401
David Tucker	695,699	-	520,800	673,076	-	1,889,575
Executives						
Werner Ewald	723,484	-	1,903,743	-	-	2,627,227
	18,752,415	-	3,039,334	10,764,925	-	32,556,674

(i) Includes shares held directly, indirectly and beneficially by key management personnel.

All equity transactions with key management personnel other than those arising from the exercise of remuneration share options or asset acquisition share options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length

Table 11 – Shares issued on exercise of performance rights during the year ended 30 June 2015

	Shares issued #	Paid per share $	Unpaid per share $
Directors			
Len Jubber	614,791	-	-
David Tucker	520,800	-	-
Executives			
Werner Ewald	1,903,743	-	-

5. ADDITIONAL INFORMATION

Performance over the Past 5 Years

The objective of the LTI program is to reward and incentivise non-executive directors and executives in a manner which aligns with the creation of shareholder wealth. Bannerman's performance during 2014/15 and the previous four financial years are tabulated in Table 12 below:

Table 12 – Bannerman's performance for the past five years

Year ended 30 June	2015	2014	2013	2012	2011
Net loss after tax ($'000)	(4,241)	(2,421)	(5,688)	(9,600)	(13,075)
Net assets ($'000)	53,117	51,086	56,685	64,453	69,463
Market capitalisation ($ million) at 30 June	19	23	19	36	61
Closing share price ($)	$0.049	$0.07	$0.06	$0.12	$0.26

END OF REMUNERATION REPORT (AUDITED)

This report is made in accordance with a resolution of the directors.

Len Jubber
CEO and Managing Director
Perth, 7 September 2015

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 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 by Mr Leon Fouché. Mr Fouché is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Fouché is a full-time employee of the Company. Mr Fouché 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 a Qualified Person as defined by Canadian National Instrument 43-101. Mr Fouché consents to the inclusion in the 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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

(EXPRESSED IN AUSTRALIAN DOLLARS)

	Note	Consolidated 2015 $'000	Consolidated 2014 $'000
Other revenue	2	75	67
Other income	3	14	49
Employee benefits	4(a)	(1,556)	(439)
Borrowing costs	4(b)	(2,104)	(1,705)
Compliance and regulatory expenses		(236)	(319)
Depreciation expense		(88)	(119)
Other expenses	4(c)	(846)	(1,196)
Loss before income tax		**(4,741)**	**(3,662)**
Income tax benefit	6	500	1,241
Net loss for the year		**(4,241)**	**(2,421)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	15(b)	2,999	(5,543)
Items not to be reclassified subsequently to profit or loss			
Revaluation of land and buildings	15(c)	-	111
Other comprehensive income for the year		**2,999**	**(5,432)**
Total comprehensive loss		**(1,242)**	**(7,853)**
Loss is attributable to:			
Equity holders of Bannerman Resources Limited		(4,137)	(2,323)
Non-controlling interest		(104)	(98)
		(4,241)	**(2,421)**
Total comprehensive loss is attributable to:			
Equity holders of Bannerman Resources Limited		(1,162)	(7,733)
Non-controlling interest		(80)	(120)
		(1,242)	**(7,853)**
Basic and diluted loss per share to the ordinary equity holders of the Company (cents per share):	18	**(1.21)**	**(0.7)**

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015
(EXPRESSED IN AUSTRALIAN DOLLARS)

	Note	Consolidated 2015 $'000	2014 $'000
CURRENT ASSETS			
Cash and cash equivalents	7	2,291	5,112
Other receivables	8	166	55
Other		82	37
TOTAL CURRENT ASSETS		2,539	5,204
NON CURRENT ASSETS			
Other receivables	8	15	15
Property, plant and equipment	9	872	880
Exploration and evaluation expenditure	10	61,262	54,899
TOTAL NON CURRENT ASSETS		62,149	55,794
TOTAL ASSETS		**64,688**	**60,998**
CURRENT LIABILITIES			
Trade and other payables	11	693	527
Provisions		198	172
TOTAL CURRENT LIABILITIES		891	699
NON CURRENT LIABILITIES			
Interest bearing liabilities	12	10,281	9,213
Provisions	13	399	-
TOTAL NON CURRENT LIABILITIES		10,680	9,213
TOTAL LIABILITIES		**11,571**	**9,912**
NET ASSETS		**53,117**	**51,086**
EQUITY			
Contributed equity	14	119,468	116,730
Reserves	15	35,590	32,080
Accumulated losses		(100,914)	(96,777)
TOTAL PARENT ENTITY INTEREST		**54,144**	**52,033**
Non-controlling interest		(1,027)	(947)
TOTAL EQUITY		**53,117**	**51,086**

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015
(EXPRESSED IN AUSTRALIAN DOLLARS)

	Note	Consolidated 2015 $'000	Consolidated 2014 $'000
Cash Flows from Operating Activities			
Payments to suppliers and employees		(2,101)	(2,390)
Interest received		75	72
Other income received		500	416
Net cash flows used in operating activities	19	(1,526)	(1,902)
Cash Flows From Investing Activities			
Payments for exploration and evaluation		(3,124)	(630)
Purchase of property, plant & equipment		(47)	(27)
Proceeds from disposal of property, plant & equipment		25	37
Net cash flows used in investing activities		(3,146)	(620)
Cash Flows from Financing Activities			
Proceeds from Issue of Shares		2,000	-
Proceeds from Convertible Note		-	4,000
Transaction costs of financing		(145)	(169)
Net cash flows provided by financing activities		1,855	3,831
Net (decrease) / increase in cash and cash equivalents		(2,817)	1,309
Cash and cash equivalents at beginning of year		5,112	3,816
Net foreign exchange differences		(4)	(13)
Cash and cash equivalents at end of year	7	**2,291**	**5,112**

The above cash flow statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

(EXPRESSED IN AUSTRALIAN DOLLARS)

	Issued Capital Note 14	Accumulated Losses	Share Based Payment Reserve Note 15(a)	Foreign Currency Reserve Note 15(b)	Asset Revaluation Reserve Note 15(c)	Convertible Note Reserve Note 15 (d)	Non-controlling Interest Note 27	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2014	**116,730**	**(96,777)**	**53,523**	**(25,648)**	**167**	**4,038**	**(947)**	**51,086**
Loss for the period	-	(4,137)	-	-	-	-	(104)	(4,241)
Other comprehensive income / (loss)	-	-	-	2,975	-	-	24	2,999
Total comprehensive income /(loss) for the period	-	(4,137)	-	2,975	-	-	(80)	(1,242)
Shares issued during the period	2,883	-	-	-	-	-	-	2,883
Shares issue costs	(145)	-	-	-	-	-	-	(145)
Share-based payments	-	-	535	-	-	-	-	535
Total Equity at 30 June 2015	**119,468**	**(100,914)**	**54,058**	**(22,673)**	**167**	**4,038**	**(1,027)**	**53,117**

	Issued Capital Note 14	Accumulated Losses	Share Based Payment Reserve Note 15(a)	Foreign Currency Reserve Note 15(b)	Asset Revaluation Reserve Note 15(c)	Convertible Note Reserve Note 15 (d)	Non-controlling Interest Note 27	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2013	**115,810**	**(94,454)**	**54,115**	**(20,149)**	**78**	**2,112**	**(827)**	**56,685**
Loss for the period	-	(2,323)	-	-	-	-	(98)	(2,421)
Other comprehensive loss	-	-	-	(5,499)	89	-	(22)	(5,432)
Total comprehensive loss for the period	-	(2,323)	-	(5,499)	89	-	(120)	(7,853)
Deferred tax on convertible note	-	-	-	-	-	(825)	-	(825)
Shares issued during the period	920	-	-	-	-	-	-	920
Share-based payments	-	-	(592)	-	-	-	-	(592)
Total Equity at 30 June 2014	**116,730**	**(96,777)**	**53,523**	**(25,648)**	**167**	**4,038**	**(947)**	**51,086**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Corporate Information

This financial report of Bannerman for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 7 September 2015.

Bannerman is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange with additional listings on the Toronto Stock Exchange and the Namibian Stock Exchange.

Basis of Preparation and Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report has also been prepared on an historical cost basis, except for land and buildings which has been measured at fair value.

The financial report covers the consolidated entity comprising Bannerman and its controlled entities (the "**Group**").

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Company under Australian Securities and Investments Commission (ASIC) Class Order 98/100. The Company is an entity to which the Class Order applies.

For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Statement of Compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

Going Concern

The Group's consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group's cash flow forecast reflects that additional working capital will need to be raised within the coming financial year coupled with RCF having granted a waiver of the minimum cash covenant under the RCF IV and RCF VI convertible note facilities to enable the Group to continue its planned business activities and expenditure levels.

At the date of this financial report, the directors are satisfied there are reasonable grounds to believe that, having regard to the Group's position and its available financing options, the Group will be able to raise additional capital to enable it to meet its obligations as and when they fall due.

Should the Group not achieve the matters set out above, there would be uncertainty whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in this financial report. This financial report does not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

(EXPRESSED IN AUSTRALIAN DOLLARS)

New Accounting Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except as follows:

From 1 July 2014, the Group has adopted all the Standards and Interpretations mandatory for annual periods beginning on 1 July 2014. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Group.

The Group has not elected to early adopt any new Standards or Interpretations.

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2014:

Reference	Title	Summary
AASB 2012-3	*Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities*	AASB 2012-3 adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.
AASB 2013-3	*Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*	AASB 2013-3 amends the disclosure requirements in AASB 136 *Impairment of Assets*. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.
AASB 1031	*Materiality*	The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed. AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective from 1 July 2014.
AASB 2013-9	*Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*	The Standard contains three main parts and makes amendments to a number of Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards. Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 *Hedge Accounting* into AASB 9 Financial Instruments.
AASB 2014-1 Part A - Annual Improvements 2010–2012 Cycle		AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) *Annual Improvements to IFRSs 2010–2012 Cycle* and *Annual Improvements to IFRSs 2011–2013 Cycle.* Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items: ► AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of performance condition' and 'service condition'. ► AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137. ► AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segment assets to the entity's total assets. ► AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. ► AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 *Related Party Disclosures* for KMP services provided

(EXPRESSED IN AUSTRALIAN DOLLARS)

		by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.
AASB 2014-1 Part A - Annual Improvements 2011–2013 Cycle		Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items: ► AASB 13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132. ► AASB 140 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.

Australian Accounting Standards and interpretations which have recently been issued or amended but are not yet effective have not been early-adopted by the Group for the annual reporting period ending 30 June 2015. These standards and interpretations are tabulated below:

Reference	Title	Summary	Application date of standard	Application date for Group	Impact on Group Accounting Policies
AASB 9	*Financial Instruments*	AASB 9 (December 2014) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking ‘expected loss’ impairment model and a substantially reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments. Classification and measurement AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities. The main changes are described below. *Financial assets* a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. *Financial liabilities* Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option.	1 Jan 2018	1 Jul 2018	The Group has yet to fully assess the impact of these amendments on the financial statements.

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		Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount. Impairment The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. Hedge accounting Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E. AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014. AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.			
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	AASB 2014-3 amends AASB 11 *Joint Arrangements* to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require: (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 *Business Combinations*, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. This Standard also makes an editorial correction to AASB 11.	1 Jan 2016	1 Jul 2016	The Group has yet to fully assess the impact of these amendments on the financial statements.
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to	AASB 116 *Property Plant and Equipment* and AASB 138 *Intangible Assets* both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.	1 Jan 2016	1 Jul 2016	The amendments to this standard are not expected to have a significant impact on the Group's

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	AASB 116 and AASB 138)	The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.			financial results or balance sheet in the initial year of application.
AASB 15	Revenue from Contracts with Customers	In May 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers*, which replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related Interpretations (IFRIC *13 Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate,* IFRIC 18 *Transfers of Assets from Customers* and SIC-31 *Revenue—Barter Transactions Involving Advertising Services*). The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation The AASB issued the Australian equivalent of IFRS 15, being AASB 15, in December 2014. Currently, these standards are effective for annual reporting periods commencing on or after 1 January 2017. Early application is permitted AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The International Accounting Standards Board (IASB) in its July 2015 meeting decided to confirm its proposal to defer the effective date of IFRS 15 (the international equivalent of AASB 15) from 1 January 2017 to 1 January 2018. The amendment to give effect to the new effective date for IFRS 15 is expected to be issued in September 2015. At this time, it is expected that the AASB will make a corresponding amendment to AASB 15, which will mean that the application date of this standard for the Group will move from 1 July 2017 to 1 July 2018.	1 Jan 2017	1 Jul 2017	The Group has yet to fully assess the impact of these amendments on the financial statements.

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AASB 2014-9	Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	AASB 2014-9 amends AASB 127 *Separate Financial Statements*, and consequentially amends AASB 1 *First-time Adoption of Australian Accounting Standards* and AASB 128 *Investments in Associates and Joint Ventures*, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. AASB 2014-9 also makes editorial corrections to AASB 127. AASB 2014-9 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.	1 Jan 2016	1 Jul 2016	This standard is not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	AASB 2014-10 amends AASB 10 C*onsolidated Financial Statements* and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require: (a) a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and (b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. AASB 2014-10 also makes an editorial correction to AASB 10. AASB 2014-10 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.	1 Jan 2016	1 Jul 2016	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	The subjects of the principal amendments to the Standards are set out below: AASB 5 *Non-current Assets Held for Sale and Discontinued Operations:* • Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or visa versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change. AASB 7 *Financial Instruments: Disclosures:* • Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7. • Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7 *Disclosure–Offsetting Financial Assets and Financial Liabilities* is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 *Interim Financial Reporting* when its inclusion would be required by the requirements of AASB 134.	1 Jan 2016	1 Jul 2016	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.

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		AASB 119 *Employee Benefits*: • Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level. AASB 134 *Interim Financial Reporting:* • Disclosure of information 'elsewhere in the interim financial report' - amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from			
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 *Presentation of Financial Statements* arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 Jan 2016	1 Jul 2016	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 *Materiality*	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	1 Jul 2015	1 Jul 2015	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.

Accounting Policies

a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements

- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

b) Income and Other Taxes

Income taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences, the carry-forward of unused tax assets and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST/VAT except:

- when the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expenses item as applicable; and
- receivables and payables, which are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the relevant taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST/VAT component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the relevant taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, the relevant taxation authority.

c) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

(i) such costs are expected to be recouped through successful development, exploitation or sale of the area; or

(ii) exploration and evaluation activities in the area have not, at balance date, reached a stage which permit a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

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Accumulated costs in respect of areas of interest which are abandoned or assessed as not having economically recoverable reserves are written off in full against profit in the year in which the decision to abandon the area is made.

A periodic review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

d) Property, Plant and Equipment

Plant and equipment are measured at historical cost less accumulated depreciation and any accumulated impairment costs.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over the useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**	
	2015	**2014**
Buildings	2.0%	2.0%
Plant and equipment	33.3%	33.3%
Office Furniture & Equipment	33.3%	33.3%
Vehicles	33.3%	33.3%

An asset's residual value, useful life and amortisation method are reviewed, and adjusted if appropriate, at each financial year end.

Gains or losses on disposals are determined by comparing proceeds with the net carrying amount. These are included in the statement of comprehensive income.

e) Fair value measurement

The Group measures non-financial assets such as land and buildings at fair value less accumulated depreciation on buildings at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The valuation committee decides, after discussions with the Group’s external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group’s accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Group’s external valuers, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, Management and the Group’s external valuers present the valuation results to the audit committee and the Group’s independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the lessee, are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the statement of comprehensive income.

Leased assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

g) Basic Earnings/Loss Per Share

Basic earnings/loss per share is calculated by dividing the net profit / loss attributable to members of the parent for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Group, adjusted for any bonus issue.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

h) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

i) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand, cash on call and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as described, net of outstanding bank overdrafts.

j) Impairment of Assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indication of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value (less costs to sell) and value-in-use. It is determined for an individual asset, unless the asset's value-in-use cannot be estimated to be close to its fair value (less costs to sell) and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

k) Payables

Trade and other payables are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in the respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

l) Interest Bearing Loans and Borrowings

The component of the convertible notes which exhibits characteristics of a borrowing is recognised as a liability in the statement of financial position, net of transaction costs. On the issue of convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible note and this amount is carried as a long-term liability on an amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds of the convertible note is the equity component, which is allocated to a convertible note reserve that is recognised and included in shareholders' equity. The carrying amount of the reserve is not re-measured in subsequent years.

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred. The Group does not currently hold any qualifying assets but, if it did, the directly associated borrowing costs would be capitalised (including any other associated costs attributable to the borrowing and temporary investment income earned on the borrowing).

m) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outlay of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when a reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date using a discounted cash flow methodology. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. Any increase in the provision due to the passage of time is recognised as a finance cost.

Rehabilitation Provision

Rehabilitation costs will be incurred by the Group either while operating, or at the end of the operating life of, the Group's facilities. The Group assesses its rehabilitation provision at each reporting date. The Group recognises a rehabilitation provision where it has a legal and constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. The nature of these restoration activities includes: dismantling and removing structures; dismantling operating facilities; closing plant and waste sites; and restoring, reclaiming and revegetating affected areas.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the operation's location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related assets to the extent that it was incurred. Additional disturbances which arise due to further development/construction at the mine are recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur.

Changes in the estimated timing of rehabilitation or changes to the estimated future costs are dealt with prospectively by recognising an adjustment to the rehabilitation liability and a corresponding adjustment to the asset to which it relates, if the initial estimate was originally recognised as part of an asset measured in accordance with AASB 116.

Any reduction in the rehabilitation liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the statement of profit or loss and other comprehensive income.

If the change in estimate results in an increase in the rehabilitation liability and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment. If, for mature mines, the estimate for the revised mine assets net of rehabilitation provisions exceeds the recoverable value, that portion of the increase is charged directly to expense.

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability.

n) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date.

Contributions are made by the Group to employee superannuation and pension funds and are charged as expenses when incurred.

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

o) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or share options are shown in equity as a deduction, net of tax, from the proceeds.

p) Share-based Payment Transactions

The Group provides benefits to employees and directors of the Group, acquires assets and settles expenses through consideration in the form of share-based payment transactions, whereby employees render services, assets are acquired and expenses are settled in exchange for shares or rights over shares ("**equity-settled transactions**").

There is currently a Non-Executive Director Share Option Plan and an Employee Incentive Plan which enables the provision of benefits to directors, executives and staff.

The cost of these equity-settled transactions with employees and directors is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black Scholes option pricing model. A Monte Carlo simulation is applied to fair value the Total Shareholder Return element of the EIP incentives. Further details of which are disclosed in Note 21.

In valuing equity-settled transactions, no account is taken of any vesting condition, other than (if applicable):

- Non-vesting conditions that do not determine whether the Group or Company receives the services that entitle the employees to receive payment in equity or cash; or
- Conditions that are linked to the price of the shares of Bannerman Resources Limited (market conditions).

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent report date until vesting, the cumulative charge to the statement of comprehensive income is the product of:

(i) The grant date fair value of the award;
(ii) The current best estimate of the number of the awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and
(iii) The expired portion of the vesting period.

The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above, less the amounts already charged in previous periods. There is a corresponding entry to equity.

Equity-settled awards granted by Bannerman to employees of subsidiaries are recognised in the parent's separate financial statements as an additional investment in the subsidiary with the corresponding credit to equity. As a result, the expense recognised by Bannerman in relation to equity-settled awards only represents the expenses associated with grants to employees of the parent. The expense recognised by the Group is the total expense associated with all such awards.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market conditions or non-vesting conditions is considered to vest irrespective of whether or not that market condition or non-vesting is fulfilled, provided that all other conditions are satisfied.

q) Foreign Currency Translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("**functional currency**"). The consolidated financial statements are presented in Australian dollars, which is Bannerman's functional and presentation currency.

(ii) Transactions and balances
Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date and any gains or losses are recognised in the statement of comprehensive income.

(iii) Group companies
For all Group entities with a functional currency other than Australian dollars, the functional currency has been translated into Australian dollars for presentation purposes. Assets and liabilities are translated using exchange rates prevailing at the reporting date; revenues and expenses are translated using average exchange rates

prevailing for the statement of comprehensive income year; and equity transactions are translated at exchange rates prevailing at the dates of transactions. The resulting difference from translation is recognised in a foreign currency translation reserve.

(iv) Subsidiary company loans
All subsidiary company loans from the parent company are translated into Australian dollars, on a monthly basis, using the exchange rates prevailing at the end of each month. The resulting difference from translation is recognised in the statement of comprehensive income of the parent company and on consolidation the foreign exchange differences are recognised in a foreign currency translation reserve as the loan represents a net investment in a foreign entity.

r) Receivables

Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. VAT receivables relating to Namibian expenditure generally have a 90+ day term.

Collectability of receivables is reviewed on an on-going basis. Individual debts that are known to be uncollectible are written off when identified. An impairment allowance is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, and default payments or debts more than 90 days overdue (apart from GST/VAT), are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

s) Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operation results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers being the executive management team.

The operations of the Group represent one operating segment under AASB 8 Operating Segments. The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial report.

t) Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash, receivables, payables, convertible instruments, finance leases, cash and short term deposits.

The Group manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Group's financial risk management strategy. The objective of the strategy is to support the delivery of the Group's financial targets whilst protecting future financial security.

u) Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenues and expenses. Management bases its judgements and estimates on historical experience and on other various factors believed to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the critical accounting policies detailed below for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements. The carrying amounts of certain assets and liabilities are often determined based on judgements, estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related mineral title itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of measured, indicated and inferred mineral resources, proven and probable ore reserves, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations), changes to commodity prices, ability to finance, renewal of the exclusive prospecting licence and the issue of a mining licence.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted and taking into consideration the likelihood of non-market based conditions occurring. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 21.

Rehabilitation provision

The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial result. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

Revaluation of land and buildings

The Group applies the revaluation model to land and buildings and recognizes any changes in fair value in the asset revaluation reserve in equity. The Group engaged an independent valuation specialist to assess fair value as at 30 June 2014. Land and buildings were revalued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property

	Consolidated 2015 $'000	Consolidated 2014 $'000

2. OTHER REVENUE

	2015 $'000	2014 $'000
Interest revenue	75	67
	75	67

3. OTHER INCOME

	2015 $'000	2014 $'000
Profit on disposal of plant and equipment	14	20
Other	-	29
	14	49

4. EXPENSES

(a) Employee Benefits

	2015 $'000	2014 $'000
Salaries and wages	744	751
Superannuation	55	58
Employee share-based payment expense (i)	410	(713)
Other	12	12
Directors' fees	210	210
Directors' share-based payment expense	125	121
	1,556	439

(i) The non-market vesting conditions relating to share options were re-evaluated at year end and as per AASB 2 an adjustment has been made due to the revision of the estimate of the number of share options to vest, resulting in a credit to share based payment expense in the prior year.

(b) Borrowing Costs

	2015 $'000	2014 $'000
Interest accreted or payable	2,104	1,325
Convertible note extension fee	-	160
Loss on extinguishment of convertible note	-	220
	2,104	1,705

(c) Other Expenses

	2015 $'000	2014 $'000
Corporate and overheads	288	234
Consulting – fees	114	488
Legal	76	157
Travel	116	97
Employer related taxes	74	-
Recruitment	26	-
Occupancy	102	167
Insurance	50	53
	846	1,196
Included in the above expenses are operating lease payments of the following amounts:		
Minimum lease payments	57	180

	Consolidated 2015	Consolidated 2014

5. AUDITOR'S REMUNERATION

The auditor of the Group is Ernst & Young.

Amounts received or due and receivable by Ernst & Young (Australia) for:

	$	$
Auditing or reviewing the financial report	48,000	65,000
Audit related	4,120	8,000
Taxation services	9,000	12,500
	61,120	85,500

Amounts received or due and receivable by related practices of Ernst & Young (Australia) for:

Auditing or reviewing the financial report	14,800	14,667
Taxation services	1,725	5,304
	16,525	19,971

6. INCOME TAX BENEFIT

	$'000	$'000
The components of income tax benefit comprise:		
Current income tax benefit	(500)	(416)
Deferred income tax benefit	-	(825)
Income tax benefit reported in the consolidated statement of comprehensive income	(500)	(1,241)
Income tax expense recognised in equity	-	-
Accounting loss before tax	(4,741)	(3,662)
At the statutory income tax rate of 30 %	(1,422)	(1,099)
Other non-deductible expenditure for income tax purposes	880	262
Effect of different tax rate for overseas subsidiary	(36)	(36)
Prior year adjustment – current tax on R&D tax offset	(500)	(416)
Unrecognised tax losses	578	48
Income tax benefit reported in the consolidated statement of comprehensive income	(500)	(1,241)

	Consolidated 2015 $'000	2014 $'000
Carried forward revenue losses	14,013	13,428
Share issue costs	69	105
Provisions and accruals	202	50
Other	-	-
Gross deferred tax asset	14,284	13,583
Offset against deferred tax liability	(521)	(841)
Unrecognised deferred tax assets	13,763	12,742
Deferred tax liabilities		
Exploration expenditure	-	-
Convertible Note	516	836
Other	5	5
Gross deferred tax liability	521	841
Offset against deferred tax asset	(521)	(841)
Net deferred tax liability	-	-

The carried forward tax losses for Bannerman Resources Limited at 30 June 2015 are $43,329,344. The carried forward tax losses for Bannerman Namibia Pty Ltd at 30 June 2015 are $2,703,520. These tax losses do not expire and may not be used to offset taxable income elsewhere in the Group. The Group neither has any taxable temporary differences nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

The Group has not elected to form a tax consolidated group.

7. CASH AND CASH EQUIVALENTS

Cash on hand	3	3
Cash at bank and on call (interest bearing)	1,441	4,262
Short-term deposits (interest bearing)	847	847
	2,291	5,112

The effective interest rate on short-term bank deposits was 2.72% (2014: 3.28%). These deposits have an average maturity of 90 days (2014: 90 days).

8. OTHER RECEIVABLES

Current		
GST/VAT	165	52
Other	1	3
	166	55
Non-Current		
Restricted cash	15	15
	15	15

Restricted cash reflects collateral for a third party bank guarantee for the occupancy of office premises.

Fair value and credit risk

Due to the short term nature of current receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of the receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities.

As at 30 June 2015, the ageing analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired		
			61-90 days	91-120 days	>120 days
	$'000	$'000	$'000	$'000	$'000
2015	166	166	-	-	-
2014	55	47	8	-	-

Foreign exchange and interest rate risk

Detail regarding foreign exchange and interest rate risk exposure is disclosed in Note 16(a) and (b).

9. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Lab & Field Equipment	Sundry	Vehicles	Land & Buildings (i)	Total
30 June 2015	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Opening net book value	82	26	106	34	632	880
Additions	19	-	1	27	-	47
Disposals	(4)	-	-	(7)	-	(11)
Exchange difference	2	2	1	2	37	44
Depreciation charge	(28)	(8)	(34)	(9)	(9)	(88)
Closing net book value	71	20	74	47	660	872
At 30 June 2015						
Cost or fair value	387	136	466	215	669	1,873
Accumulated depreciation and impairment	(316)	(116)	(392)	(168)	(9)	(1,001)
Net book value	71	20	74	47	660	872
30 June 2014						
Opening net book value	106	41	162	63	578	950
Additions	24	-	-	-	3	27
Revaluation recognised in other comprehensive income	-	-	-	-	111	111
Disposals	(8)	-	(1)	(8)	-	(17)
Exchange difference	(5)	(3)	(4)	(6)	(54)	(72)
Depreciation charge	(35)	(12)	(51)	(15)	(6)	(119)
Closing net book value	82	26	106	34	632	880
At 30 June 2014						
Cost or fair value	361	131	460	221	632	1,805
Accumulated depreciation and impairment	(279)	(105)	(354)	(187)	-	(925)
Net book value	82	26	106	34	632	880

(i) *Revaluation of land and buildings*

The revalued land and buildings consist of the office property in Swakopmund, Namibia. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

Fair value of the property was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation, 30 June 2014, the property's fair values are based on valuations performed by Naskima Property Valuation and Consult, an accredited independent valuer.

Significant unobservable valuation input:	**Range**
Price per square metre	\$205 – \$240

Significant increases (decreases) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

If land and buildings were measured using the cost model, the carrying amounts would be as follows:

	2015	**2014**
	\$'000	**\$'000**
Cost	619	585
Accumulated depreciation	(77)	(66)
Net book value	542	519

10. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2015	**2014**
	\$'000	**\$'000**
Opening balance	54,899	59,713
Expenditure incurred during the year	3,289	630
Foreign currency translation movements	3,074	(5,444)
Write offs	-	-
Closing balance	61,262	54,899

Expenditure incurred during the period comprises expenditure on geological, feasibility and associated activities.

The value of the Company's interest in exploration and evaluation expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the results of pre-development activities; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

Etango Uranium Project – Bannerman 80%

The Etango Uranium Project is 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 ("DFS") 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. Bannerman, in 2012, completed a DFS on a 7-9 million pounds U_3O_8 per annum open pit mining and heap leach processing operation at Etango. The Etango Project comprises one Exclusive Prospecting Licence ("EPL") 3345 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.

The delayed renewal is not deemed to be an issue as Regulation 71 (3) (a) from the Minerals (Prospecting and Mining) Act (Act 33 of 1992) states *"an exclusive prospecting licence shall not expire during a period during which an application for the renewal of such licence is being considered, until such application is refused or the application is withdrawn or has lapsed, whichever occurs first……"* still applies. Bannerman permitted, constructed and commissioned the Heap Leach Demonstration Plant during the recently expired licence period. These activities and associated expenditure were in line with the agreed terms and conditions associated with the licence. The company has met all its reporting obligations and no known breaches of any regulations were incurred. Therefore, the Directors are satisfied that the requirements with regard to tenure have been met.

Exploration & Evaluation Expenditure for the Etango Project	Consolidated 30 June 2015 $'000	 30 June 2014 $'000
Opening balance	**54,899**	**59,713**
Drilling and consumables	4	-
Assays and freight	-	1
Salaries and wages	675	454
Consultants and contractors	181	68
Demonstration plant construction cost	1,631	-
Demonstration plant change in rehabilitation provision	399	-
Demonstration plant operational cost	317	-
Travel and accommodation	15	12
Other	67	95
Total expenditure for the period	**3,289**	**630**
Foreign currency translation movements	(3,074)	(5,444)
Exploration expenditure written off	-	-
Closing balance	**61,262**	**54,899**

	Consolidated 2015 $'000	 2014 $'000

11. TRADE AND OTHER PAYABLES

Trade payables	403	297
Other payables and accruals	290	230
	693	527

Trade payables are non-interest bearing and are normally settled on 30 day terms (or less). Other payables are non-interest bearing and have an average term of 60 days.

Fair value

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

12. INTEREST BEARING LIABILITIES

Non Current

Secured convertible note	10,281	9,213
	10,281	9,213

RCF IV convertible note

In November 2008, Bannerman entered into a financing agreement with RCF IV for $20 million through a convertible note facility comprising an initial tranche of $10 million ("**First Tranche**") and a standby tranche of $10 million available within 6 months from drawdown of the First Tranche. The First Tranche had a three year term and was drawn down on 16 December 2008.

On 14 December 2011, the face value of the note with RCF IV was reduced to $8 million through the issue of $2 million in new Bannerman shares as part of an institutional share placement, and a longer term refinancing and extension of the note from its maturity date of 31 March 2012 to 31 March 2014. The issue of shares and the reduction in the face value of the note was a non-cash transaction.

On 6 September 2013, the Group reached agreement with RCF IV for the extension and refinancing of the note from its maturity date of 31 March 2014 to 30 September 2016. The key terms of the amended RCF IV note are a conversion price of $0.095 per share (subject to adjustment for certain transactions that have a dilution impact on the conversion price), an unchanged coupon interest rate of 8% per annum with interest payable quarterly through the issue of new Bannerman shares at a price equal to the 5-day VWAP of Bannerman's shares prior to the date of issue or cash in certain circumstances, and the extension fee of $160,000 satisfied through the issue of 2,539,683 new Bannerman shares. The amended convertible note with RCF IV was approved by the Bannerman shareholders at the Annual General Meeting on 22 November 2013. The amendments came into effect after 31 March 2014.

At the refinancing date of 22 November 2013, the existing convertible note was derecognised and the amended RCF IV convertible note was recognised for accounting purposes. At the date of recognition of the amended note, its debt and equity components were separated according to their fair values. Total proceeds of the issue were allocated to the respective fair values of the equity and debt components with the effect that the discount on the debt component is being amortised into earnings as interest expense. Accordingly, over the term of the convertible note, the debt component will increase to the face value of $8 million at the maturity date of 30 September 2016. The interest expense recorded on the convertible note reflects an effective interest rate of approximately 20% over the life of the note. Included in trade and other payables is an amount of $160,000 for accrued 8% coupon interest on the RCF IV convertible note to 30 June 2015 (June 2014: $160,000).

RCF VI convertible note

In April 2014, Bannerman reached an agreement with its major shareholder Resource Capital Funds on a new $4 million convertible note facility with RCF VI with a maturity date of 30 September 2016. The key terms of the new note are a conversion price of $0.095 per share (subject to adjustment for certain transactions that have a dilution impact on the conversion price), a coupon interest rate of 8% per annum with interest payable quarterly through the issue of new Bannerman shares at a price equal to the 5-day VWAP of Bannerman's shares prior to the date of issue or cash in certain circumstances, and the establishment fee of $120,000 satisfied through the issue of 1,714,286 new Bannerman shares. The new convertible note with RCF VI was approved by the Bannerman shareholders at the Extraordinary General Meeting on 19 June 2014. The note was drawn down in full on 26 June 2014.

At the date of recognition of the RCF VI note, its debt and equity components were separated according to their fair values. Total proceeds of the issue were allocated to the respective fair values of the equity and debt components with the effect that the discount on the debt component is being amortised into earnings as interest expense. Accordingly, over the term of the convertible note, the debt component will increase to the face value of $4 million at the maturity date of 30 September 2016. The interest expense recorded on the convertible note reflects an effective interest rate of approximately 26% over the life of the note. Included in trade and other payables is an amount of $80,000 for accrued 8% coupon interest on the RCF VI convertible note to 30 June 2015 (June 2014: $80,000).

Both convertible notes are secured by a fixed and floating charge over the Company's assets and a share mortgage over the Company's shares in its subsidiary entities holding indirect and direct interest in the Etango Project.

Under the terms of both convertible notes, the Company must, unless otherwise approved, maintain a minimum cash and cash equivalents balance of not less than $1,250,000. Subsequent to year end, RCF granted a waiver of the minimum cash and cash equivalents covenant.

In accordance with the terms of both convertible notes, a review event arises upon a change in control of the Company, defined to be where a third party acquires a relevant interest in 50% or more of the securities in the Company. In this circumstance, RCF may decide at its absolute discretion to require the Company to repay the convertible note (including all accrued interest thereon) or to convert the convertible note (including all accrued interest thereon) to shares in Bannerman.

13. PROVISIONS – NON-CURRENT

	Consolidated 2015 $'000	Consolidated 2014 $'000
Arising during the year	399	-
	399	-

The Group makes full provision for the future cost of the environmental rehabilitation obligations relating to the heap leach demonstration plant on a discounted basis at the time of the activity.

The rehabilitation provision, based on the Group's internal estimates, represents the present value of the future rehabilitation costs relating to the heap leach demonstration plant. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of the rehabilitation is likely to depend on when the pre-development activities cease.

The discount rate, which is based on the Namibian risk free rate, used in the calculation of the provision as at 30 June 2015 is 8.5%.

14. CONTRIBUTED EQUITY

(a) Issued and outstanding:

	June 2015	June 2014	June 2015	June 2014
	Number of Shares		Amount	
	'000	'000	$'000	$'000
Ordinary shares				
Issued and fully paid	382,914	326,653	119,468	116,730

	Number of Shares '000	Amount $'000
Movements in ordinary shares on issue		
Balance 1 July 2013	309,393	115,810
- Issue of shares (i)	2,459	-
- Issue of shares (ii)	10,547	640
- Issue of shares (iii)	2,540	160
- Issue of shares (iv)	1,714	120
Balance 30 June 2014	**326,653**	**116,730**
Balance 1 July 2014	326,653	116,730
- Issue of shares (v)	3,810	-
- Issue of shares (vi)	13,990	883
- Share Purchase Plan (vii)	7,836	408
- Share Purchase Plan Shortfall Placements (viii)	30,625	1,592
- Share issue costs	-	(145)
Balance 30 June 2015	**382,914**	**119,468**

(i) The following shares were issued upon vesting of performance rights:
   a. 441,548 on 1 July 2013
   b. 87,440 on 3 September 2013
   c. 1,038,312 on 21 November 2013
   d. 272,592 on 25 November 2013
   e. 618,872 on 9 April 2014

(EXPRESSED IN AUSTRALIAN DOLLARS)

(ii) The following shares were issued in in 2014 satisfaction of the interest payable on the RCF IV convertible note in accordance with the convertible note's terms:
   a. On 4 July 2013, 2,659,361 shares were issued in satisfaction of the $159,562 interest payable for the period 1 April 2013 to 30 June 2013.
   b. On 22 October 2013, 3,226,301 shares were issued in satisfaction of the $161,315 interest payable for the period 1 July 2013 to 30 September 2013.
   c. On 15 January 2014, 3,226,301 shares were issued in satisfaction of the $161,315 interest payable for the period 1 October 2013 to 31 December 2013.
   d. On 9 April 2014, 1,434,620 shares were issued in satisfaction of the $157,808 interest payable for the period 1 January 2014 to 31 March 2014.

(iii) On 25 November 2013, 2,539,683 shares were issued in satisfaction of the $160,000 extension fee for the extension of the convertible note with RCF IV from 31 March 2014 to 30 September 2016.

(iv) On 30 June 2014, 1,714,286 shares were issued in satisfaction of the $120,000 establishment fee for the establishment of the convertible note with RCF VI.

(v) The following shares were issued upon vesting of performance rights:
   a. On 9 August 2014, 750,000 ordinary shares were issued upon vesting of performance rights.
   b. On 20 November 2014, 861,440 ordinary shares were issued upon vesting of performance rights.
   c. On 27 November 2014, 1,198,166 ordinary shares were issued upon vesting of performance rights.
   d. On 6 February 2015, 1,000,000 ordinary shares were issued upon vesting of performance rights.

(vi) The following shares were issued in satisfaction of the interest payable on the two convertible notes in accordance with the convertible notes' terms:
   a. On 10 July 2014, 2,279,452 shares were issued in satisfaction of the A$159,562 interest payable on the convertible note with RCFIV for the period 1 April 2014 to 30 June 2014.
   b. On 10 July 2014, 62,622 shares were issued in satisfaction of the A$4,384 interest payable on the convertible note with RCFVI for the period 26 June 2014 to 30 June 2014.
   c. On 13 October 2014, 2,304,501 shares were issued in satisfaction of the A$161,315 interest payable on the convertible note with RCFIV for the period 1 July 2014 to 30 September 2014.
   d. On 13 October 2014, 1,152,250 shares were issued in satisfaction of the A$80,658 interest payable on the convertible note with RCFVI for the period 1 July 2014 to 30 September 2014.
   e. On 9 January 2015, 2,304,501 shares were issued in satisfaction of the A$161,315 interest payable on the convertible note with RCFIV for the period 1 October 2014 to 31 December 2014.
   f. On 9 January 2015, 1,152,250 shares were issued in satisfaction of the A$80,658 interest payable on the convertible note with RCFVI for the period 1 October 2014 to 31 December 2014.
   g. On 10 April 2015, 3,156,164 shares were issued in satisfaction of the A$157,808 interest payable on the convertible note with RCFIV for the period 1 January 2015 to 31 March 2015.
   h. On 10 April 2015, 1,578,082 shares were issued in satisfaction of the A$78,904 interest payable on the convertible note with RCFVI for the period 1 January 2015 to 31 March 2015.

(vii) On 21 April 2015, the Company completed a Share Purchase Plan comprising of 7,836,482 fully paid ordinary shares at an issue price of A$0.052.

(viii) Subsequent to the Share Purchase Plan, the Company completed Shortfall Placements with existing shareholders, comprising of 21,346,153 fully paid ordinary shares on the same terms as the Share Purchase Plan and 9,278,845 fully paid ordinary shares on the same terms as the Share Purchase Plan to three directors, namely Ronnie Beevor, Len Jubber and David Tucker as approved at the Extraordinary General Meeting of Shareholders held on 30 June 2015.

(b) Share options on issue:

The movements in share options during the year were as follows:

Expiry Dates	Exercise Price	Balance 1 Jul 14	Granted	Exercised	Expired / Cancelled	Balance 30 Jun 15	Vested 30 Jun 15
November 17, 2014	A$0.678	1,500,000	-	-	(1,500,000)	-	-
November 17, 2014	A$0.36	114,500	-	-	(114,500)	-	-
November 17, 2014	A$0.36	788,000	-	-	(788,000)	-	-
November 21, 2015	A$0.12	1,795,200	-	-	-	1,795,200	1,795,200
November 22, 2016	A$0.072	4,504,000	-	-	-	4,504,000	4,504,000
November 15, 2017	A$0.089	-	3,664,400	-	-	3,664,400	-
		8,701,700	3,664,400	-	(2,402,500)	9,963,600	6,299,200
Weighted average exercise price ($)		0.22	0.09	-	0.56	0.09	0.09
Average life to expiry (years)		1.3	2.9	-	-	1.4	0.9

(EXPRESSED IN AUSTRALIAN DOLLARS)

The unvested 3,664,400 share options above have performance hurdles linked to minimum service periods.

Directors held 9,536,000 share options as at 30 June 2015 with an average exercise price of $0.09 per share and an average life to expiry of 1.5 years.

(c) Performance Rights on issue

The performance rights on issue as at 30 June 2015 were as follows:

Vesting Dates	Balance 1 Jul 14	Granted	Vested	Cancelled	Balance 30 Jun 15
July 31, 2014	750,000	-	(750,000)	-	-
November 17, 2014	1,631,722	-	(861,440)	(770,282)	-
November 21, 2014	842,987	-	(516,166)	(326,821)	-
November 22, 2014	682,000	-	(682,000)	-	-
January 31, 2015	1,000,000	-	(1,000,000)	-	-
November 11, 2015	-	170,000	-	-	170,000
November 15, 2015	-	686,344	-	-	686,344
November 21, 2015	3,502,674	-	-	-	3,502,674
November 22, 2015	1,476,500	-	-	(716,981)	759,519
November 15, 2016	-	2,132,015	-	-	2,132,015
November 22, 2016	5,637,300	-	-	(541,670)	5,095,630
November 15, 2017	-	7,729,029	-	-	7,729,029
	15,523,183	10,717,388	(3,809,606)	(2,355,754)	20,075,211
Average life to vesting (years)	0.8	2.1	-	-	0.8

Note: Performance rights have no exercise price.

The performance rights have been issued in accordance with the shareholder-approved EIP and NEDSIP, and vest into shares for no consideration on the completion of minimum service periods and, in certain cases, the achievement of specified vesting hurdles related to the Company's relative share price performance, internal business targets and/or personal performance.

Directors held 11,891,770 performance rights as at 30 June 2015 with an average life to vesting of 1.1 years.

Terms of Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. At shareholders' meetings, each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. When managing capital, management's objective is to ensure the entity continues as a going concern as well as to obtain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure which assists to ensure the lowest appropriate cost of capital available to the Company. Refer to Note 1 with regards to going concern considerations.

Under the terms of the convertible notes (Note 12), the Company must, unless approved otherwise, at all times maintain a minimum cash and cash equivalents balance of not less than $1,250,000, and is restricted from taking on new indebtedness (except in permitted circumstances). There have been no breaches in the financial covenants of the convertible notes in the current period.

15. RESERVES

		Consolidated 2015 $'000	2014 $'000
Share-based Payment Reserve	(a)	54,058	53,523
Foreign Currency Translation Reserve	(b)	(22,673)	(25,648)
Asset Revaluation Reserve	(c)	167	167
Convertible Note Reserve	(d)	4,038	4,038
TOTAL RESERVES		**35,590**	**32,080**

(a) Share-based Payment Reserve

Balance at the beginning of the reporting period	**53,523**	**54,115**
Share-based payment vesting expense during the period	535	(592)
Balance at the end of the reporting period	**54,058**	**53,523**

The Share-based Payment Reserve is used to recognise the value of equity-settled share-based payment transactions for the acquisition of project interests and the provision of share-based incentives to directors, employees and consultants.

(b) Foreign Currency translation reserve

Reserves at the beginning of the reporting period	**(25,648)**	**(20,149)**
Currency translation differences arising during the year	2,975	(5,499)
Balance at the end of the reporting period	**(22,673)**	**(25,648)**

The Foreign Currency Translation Reserve is used to record exchange differences arising on translation of the Group entities that do not have a functional currency of Australian dollars and have been translated into Australian dollars for presentation purposes.

As per the Statement of Comprehensive Income, the foreign currency translation difference arising for the year ended 30 June 2015 amounted to $2,999,000 (2014: $5,543,000), allocated between non-controlling interests of $24,000 (2014: $44,000) and the Group of $2,975,000 (2014: $5,499,000). Over the year, the Namibian dollar strengthened against the Australian dollar, with a movement of approximately 5% from the rate as at 30 June 2014 ($1.00:N$9.9.96) to the rate as at 30 June 2015 ($1.00:N$9.42).

(c) Asset Revaluation reserve

Reserves at the beginning of the reporting period	**167**	**78**
Revaluation of land and buildings during the year	-	89
Balance at the end of the reporting period	**167**	**167**

The Asset Revaluation Reserve is used to record increases and decreases (to the extent that such decrease relates to an increase on the same asset previously recognised in equity) in the fair value of land and buildings.

(d) Convertible Note reserve

Reserves at the beginning of the reporting period	**4,038**	**2,112**
Equity component of the convertible note	-	2,751
Deferred tax on the equity component of the convertible note	-	(825)
Balance at the end of the reporting period	**4,038**	**4,038**

The convertible note reserve records the equity portion of the RCF IV convertible note issued on 16 December 2008, refinanced on 31 March 2012 and 22 November 2013, and the RCF VI convertible note issued on 26 June 2014, as described in Note 12. The movement in the reserve represents the equity component, net of tax, of the RCF IV convertible note approved by shareholders on 22 November 2013 and the RCF VI convertible note approved by shareholder on 19 June 2014.

16. FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise cash and short term deposits, receivables, payables, convertible notes and finance leases.

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the Group as at 30 June 2015.

	Consolidated	
	2015	2014
Financial assets	$'000	$'000
Trade and other receivables	15	15
Total non-current	**15**	**15**
Trade and other receivables	166	55
Total current	**166**	**55**
Total	**181**	**70**
Financial liabilities		
Interest bearing liabilities	10,281	9,213
Total non-current	**10,281**	**9,213**
Trade and other payables	693	527
Total current	**693**	**527**
Total	**10,974**	**9,740**

Fair Values

The carrying value and net fair values of financial assets and liabilities at balance date are:

	2015		2014	
	Carrying Amount $'000	Net fair Value $'000	Carrying Amount $'000	Net fair Value $'000
Financial assets				
Trade and other receivables	15	15	15	15
Total non-current	**15**	**15**	**15**	**15**
Trade and other receivables	166	166	55	55
Total current	**166**	**166**	**55**	**55**
Total	**181**	**181**	**70**	**70**
Financial liabilities				
Interest bearing liabilities	10,281	10,281	9,213	9,213
Total non-current	**10,281**	**10,281**	**9,213**	**9,213**
Trade and other payables	693	693	527	527
Total current	**693**	**693**	**527**	**527**
Total	**10,974**	**10,974**	**9,740**	**9,740**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Management assessed that cash and short-term deposits, trade receivables, other current receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2015, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.
- The fair value of the convertible notes has been determined by discounting the cash-flows over the term of the facility, being the coupon interest and principal repayable on maturity, using a market interest rate for a similar instrument that does not have the conversion feature.

Financial risk management objectives and policies

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include the monitoring of levels of exposure to interest rates and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Liquidity risk is monitored through the development of future rolling cash flow forecasts and financing plans.

The Board reviews and agrees policies for managing each of the above risks and they are summarised below:

(a) Interest Rate Risk

Interest rate risk is managed by obtaining competitive commercial deposit interest rates available in the market from major Australian financial institutions.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rate for each class of financial assets and financial liabilities, comprises:

Consolidated 2015	**Floating Interest Rate $'000**	**Fixed Interest maturing in 1 year or less $'000**	**Fixed Interest maturing over 1 to 5 years $'000**	**Total $'000**
Financial assets				
Cash	1,444	847	-	2,291
	1,444	847	-	2,291
Weighted average interest rate				2.7%
Financial liabilities				
Interest bearing liabilities	-	-	10,281	10,281
	-	-	10,281	10,281
Weighted average interest rate				8.0%

Consolidated 2014	**Floating Interest Rate $'000**	**Fixed Interest maturing in 1 year or less $'000**	**Fixed Interest maturing over 1 to 5 years $'000**	**Total $'000**
Financial assets				
Cash	4,265	847	-	5,112
	4,265	847	-	5,112
Weighted average interest rate				3.4%
Financial liabilities				
Interest bearing liabilities	-	-	9,213	9,213
	-	-	9,213	9,213
Weighted average interest rate				8.0%

The following table summarises the impact of reasonably possible changes in interest rates for the Group at 30 June 2015. The sensitivity analysis is based on the assumption that interest rates change by 1% with all other variables remaining constant. The 1% sensitivity is based on reasonably possible changes over a financial year, using the observed range of actual historical rates for the preceding 5 year period and management's expectation of short term future interest rates.

	Consolidated	
Impact on post-tax gain/(loss):	**2015 $'000**	**2014 $'000**
1% increase	7	9
1% decrease	(8)	(9)

There is no impact on other reserves in equity for the Group.

(b) Foreign Currency Risk

Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency of the relevant Group company.

The Group's deposits are largely denominated in Australian dollars. Currently there are no foreign exchange hedge programs in place. The Group manages the purchase of foreign currency to meet operational requirements.

The impact of reasonably possible changes in foreign exchange rates for the Group is not material.

(c) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of dealing only with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk. For the remaining financial assets, there are no significant concentrations of credit risk within the Group and financial instruments are being spread amongst highly rated financial institutions and related parties to minimise the risk of default of counterparties.

(d) Liquidity

Liquidity is monitored through the development of monthly expenditure and rolling cash flow forecasts. Short term liquidity is managed on a day to day basis by the finance management team including the use of weekly cash forecasts.

The risk implied from the values shown in the table below reflects a balanced view of cash outflows:

Financial Liabilities	<6 months	6-12 months	1– 5 years	Total
2015	**$'000**	**$'000**	**$'000**	**$'000**
Trade and other payables	693	-	-	693
Interest bearing liabilities	-	-	12,000	12,000
Total	693	-	12,000	12,693
2014				
Trade and other payables	527	-	-	527
Interest bearing liabilities	-	-	12,000	12,000
Total	527	-	12,000	12,527

17. FAIR VALUE MEASUREMENT

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 30 June 2015:

		Fair value measurement using			
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		$'000	$'000	$'000	$'000
Assets measured at fair value					
Revalued property, plant and equipment (Note 9)					
Office property Namibia	30 June 2015	660	-	-	660
Assets for which fair values are disclosed (Note 16)					
Trade and other receivables					
- Current	30 June 2015	166	-	-	166
- Non-current	30 June 2015	15	-	-	15
Liabilities measured at fair value					
Liabilities for which fair values are disclosed (Note 16)					
Trade and other payables	30 June 2015	693	-	-	693
Interest bearing liabilities	30 June 2015	10,281	-	-	10,281

18. LOSS PER SHARE

	2015	2014
Basic and diluted loss per share to the ordinary equity holders of the Company (cents per share)	(1.21)	(0.7)
	$'000	**$'000**
Loss used in the calculation of weighted average basic and dilutive loss per share	(4,137)	(2,323)
	Number of Shares **'000**	***Number of Shares*** **'000**
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic loss per share	341,741	319,031
Weighted average number of share options / performance rights issuable that could be potentially dilutive but are not included in diluted EPS as they are anti-dilutive for the periods presented.	30,039	20,819

Conversions or issues after 30 June 2015

Subsequent to the financial year, 3,191,233 ordinary shares were issued in satisfaction of the $159,562 interest payable on the RCF IV convertible note for the period 1 April 2015 to 30 June 2015 in accordance with the convertible note terms and 1,595,616 ordinary shares were issued in satisfaction of the $79,781 interest payable on the RCF VI convertible note for the period 1 April 2015 to 30 June 2015 in accordance with the convertible note terms.

There have been no other conversions to or subscriptions for ordinary shares or issues of potential ordinary shares since the balance date and before the completion of this report.

19. CASH FLOW INFORMATION

	Consolidated	
	2015 **$'000**	**2014** **$'000**
(a) Reconciliation from the net loss after tax to the net cash flow from operating activities		
Loss after income tax	(4,241)	(2,421)
Non-cash flows in operating loss		
Depreciation	88	119
Share-based payments	535	(592)
Other	-	(18)
Profit on sale of property, plant and equipment	(14)	(20)
Interest expense	2,022	1,640
Changes in assets and liabilities		
(Increase) / decrease in receivables and prepayments	(36)	101
Increase in trade and other creditors and accruals	94	128
Increase / (decrease) in provisions	26	(14)
Movement in deferred tax	-	(825)
Net cash outflows from Operating Activities	(1,526)	(1,902)

20. COMMITMENTS

a) Exploration and evaluation expenditure

Statutory two-year renewal of the Etango (EPL 3345) Exclusive Prospecting Licence can be applied for under applicable Namibian minerals legislation. 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.

In order to maintain current rights of tenure to mineral licences, the Group has exploration and evaluation expenditure obligations up until the expiry of those licences. The following stated obligations, which are subject to renegotiation upon expiry of the current licences, are not provided for in the financial statements and represent a commitment of the Group:

	Consolidated	
	2015 $'000	2014 $'000
Not longer than one year	801	349
Longer than one year, but not longer than five years	663	-
Longer than five years	-	-
	1,464	349

If the Group decides to relinquish certain mineral licences and/or does not meet these minimum expenditure obligations or obtain appropriate waivers, assets recognised in the Statement of Financial Position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

b) Operating lease commitments

The Group has entered into leases for office premises. These leases have an initial lease term of 3 years.

Not longer than one year	57	83
Longer than one year, but not longer than five years	-	57
Longer than five years	-	-
	57	140

21. SHARE-BASED PAYMENT PLANS

Recognised employee share-based payment expenses

The expense recognised for employee services received during the year are shown in the table below:

	Consolidated	
	2015 $'000	2014 $'000
Total expense arising from employee and director share-based payment transactions	535	(592)

Types of share-based payment plans

*Employee Incentive Plan ("**EIP**")*

Performance rights are granted to all employees. The EIP is designed to align participants' interest with those of shareholders by increasing the value of the Company's shares. For grants of performance rights under the EIP, the vesting of half of the performance rights is subject to the Company's relative TSR as measured by share price performance (allowing for the reinvestment of dividends), versus a comparator group of uranium development companies, and the vesting of the other half is subject to the attainment of defined individual and group performance criteria as assessed by the Board in line with the work schedules under the Company's operating plans. The performance measurement date is two years from date of grant for employees and three years from the date of grant for executives.

(EXPRESSED IN AUSTRALIAN DOLLARS)

In assessing whether the relative TSR hurdle for each grant has been met, the Group's TSR growth from the commencement of each grant and that of the pre-selected peer group are ranked. The peer group chosen for comparison is a group of Australian and foreign uranium development companies at the date of grant. This peer group reflects the Group's competitors for capital and talent.

The Group's performance against the hurdle is determined according to Bannerman’s ranking against the peer group TSR growth over the performance period:

- When Bannerman is ranked at the 75th percentile, 100% of the performance rights will vest.
- When Bannerman is ranked below the 25th percentile, the performance rights are forfeited.
- For rankings between the 25th and 75th percentile, a sliding scale applies whereby every 1 percentile equates to 2% vesting.

When a participant ceases employment prior to the vesting of their rights, the rights are generally forfeited unless cessation of employment is due to termination initiated by the Group (except for termination with cause) or death. In the event of a change of control, the performance period end date will be bought forward to the date of change of control and rights will vest. The Company prohibits executives from entering into arrangements to protect the value of unvested EIP awards.

*Non-Executive Director Share Incentive Plan ("**NEDSIP**")*

Non-executive directors' remuneration includes initial and annual grants of share options or share rights (under the NEDSIP). Share options and share rights granted to non-executive directors are not subject to performance hurdles. They have been issued as an incentive to attract experienced and skilled personnel to the Board.

*Employee Share Option Plan ("**ESOP**")*

Share options were historically granted to executives for the purposes of incentivising and retaining them during the significant development phase of the Etango Project in Namibia.

Summary of share options granted under NEDSIP and ESOP arrangements

	2015 \#	2015 WAEP[1]	2014 \#	2014 WAEP[1]
Outstanding at beginning of the year	8,701,700	0.22	7,131,950	0.46
Granted during the year	3,664,400	0.09	4,504,000	0.07
Exercised during the year	-	-	-	-
Expired during the year	(902,500)	0.36	(2,184,250)	0.61
Forfeited during the year	(1,500,000)	0.678	(750,000)	0.51
Outstanding at end of the year	9,963,600	0.09	8,701,700	0.22

[1] Weighted Average Exercise Price ($/share)

Summary of performance rights granted under NEDSIP and EIP arrangements

	2015 \#	2014 \#
Outstanding at beginning of the year	15,523,183	9,291,264
Granted during the year	10,717,388	10,045,800
Vested during the year	(3,809,606)	(2,458,764)
Forfeited during the year	(2,355,754)	(1,355,117)
Outstanding at end of the year	20,075,211	15,523,183

(EXPRESSED IN AUSTRALIAN DOLLARS)

Weighted average remaining contractual life

The weighted average remaining contractual life as at 30 June 2015 was:

- Share options 1.39 years (2014: 1.3 years).
- Performance rights 0.84 years (2014: 0.7 years).

Range of exercise price

The range of exercise prices for share options outstanding as at 30 June 2015 was $0.072 - $0.12 (2014: $0.072 - $0.678). The weighted average exercise price for share options outstanding as at 30 June 2015 was $0.09 (2014: $0.22) per share option.

Weighted average fair value

The weighted average fair value for the share options granted during the year was $0.03 (2014: $0.02) per share option. The weighted average fair value for the performance rights granted during the year was $0.07 (2014: $0.05) per performance right.

Share options / performance rights pricing model

Equity-settled transactions

The fair value of the equity-settled share options granted under the NEDSIP and EIP is estimated as at the date of grant using a Black-Scholes option price calculation method taking into account the terms and conditions upon which the share options/rights were granted. A Monte Carlo simulation is applied to fair value the TSR element. In accordance with the rules of the EIP, the model simulates the Company's TSR and compares it against the peer group over the two year period of each grant made to employees and the three year period of each grant made to executives. The model takes into account the historic dividends, share price volatilities and co-variances of the Company and each comparator company to produce a theoretical predicted distribution of relative share performance. This is applied to the grant to give an expected value of the TSR element.

Pricing model inputs used for the year ended 30 June 2015:

	NEDSIP	NEDSIP	OTHER (i)	EIP
	Annual Grant Share options	Annual Grant Rights	Annual Grant Rights	Annual Grant Rights
Dividend Yield (%)	0%	0%	0%	0%
Expected volatility (%)	85%	85%	85%	82%
Risk- Free interest rate (%)	2.75%	2.75%	2.75%	2.58% - 2.57%
Expected life of Share options / Rights (years)	3 years	1 year	1 year	2 - 3 years
Share price at measurement date ($)	0.059	0.059	0.059	0.054 - 0.08

(i) Rights issued under separate terms and conditions and not issued as part of any formal plan.

Pricing model inputs used for the year ended 30 June 2014:

	NEDSIP	NEDSIP	OTHER (i)	EIP
	Annual Grant Share options	Annual Grant Rights	Annual Grant Rights	Annual Grant
Dividend Yield (%)	0%	0%	0%	0%
Expected volatility (%)	85%	85%	85%	86%
Risk- Free interest rate (%)	2.75%	2.75%	2.75%	2.71% - 3.06%
Expected life of Share options / Rights (years)	3 years	1 year	1 year	2 - 3 years
Share price at measurement date ($)	0.05	0.05	0.05	0.05

(ii) Rights issued under separate terms and conditions and not issued as part of any formal plan.

22. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the CEO and the management team in assessing performance and in determining the allocation of resources.

The Group is undertaking development studies and exploring for uranium resources in southern Africa, and hence the operations of the Group represent one operating segment.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements. The Group considers the segment assets and liabilities to be consistent with those disclosed in the financial statements.

The analysis of the location of non current assets other than financial instruments is as follows:

	Consolidated	
	2015 $'000	**2014 $'000**
Australia	71	107
Namibia	62,063	55,673
Total Non Current Assets	62,134	55,780

23. EVENTS SUBSEQUENT TO REPORTING DATE

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

24. RELATED PARTY INFORMATION

Subsidiaries

The consolidated financial statements include the financial statements of Bannerman Resources Limited and the subsidiaries listed in the following table:

Name	**Country of incorporation**	**% Equity Interest**	
		2015	**2014**
Bannerman Mining Resources (Namibia) (Pty) Ltd	Namibia	80	80
Elfort Nominees Pty Ltd	Australia	100	100
Bannerman Resources Nominees (UK) Limited	United Kingdom	100	100

Ultimate Parent

Bannerman Resources Limited is the ultimate Australian parent entity and the ultimate parent of the Group.

Compensation of Key Management Personnel by Category:

	2015 $'000	**2014 $'000**
Short-term employee benefits	754	751
Post-employment benefits	105	98
Share-based payments	446	(676)
	1,305	173

Transactions with related entities:

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

Under the terms of the Share Sale Agreement dated May 12, 2005, by which Bannerman acquired its 80% interest in BMRN, the 20% non-controlling interest is sole funded by Bannerman to completion of a bankable feasibility study on one of BMRN's projects. After this time, should the 20% shareholder elect not to contribute the 20% share of post-bankable feasibility study expenditure but instead elect to dilute the interest in accordance with the Share Sale Agreement then, upon the interest being diluted to less than a 5% shareholding, it automatically converts into a 2% net revenue royalty on future production from the Etango Project. The registered holder of the 20% non-controlling interest in BMRN is Mr Jones, a non-executive director of Bannerman, who holds this interest for his associates and business partner.

Non-Executive Director Ian Burvill is a senior vice president of Resource Capital Funds Management Pty Ltd ("**RCFM**"). RCF IV and RCF VI have management agreements with RCFM's parent company. As at the date of this report these related parties hold convertible notes with a face value of $8 million and $4 million respectively, together with 82,435,122 Bannerman shares representing 21.26% of the voting capital in Bannerman.

These transactions were made on commercial terms and conditions and at market rates.

25. 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, in consideration for the termination of proceedings, Savanna was entitled to receive $3.5 million cash and 9.5 million fully paid ordinary shares in Bannerman.

The first tranche payment of $3.0 million and 5.5 million shares was made in early 2009. The second and final tranche payment of $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, and further supplementary information has since been lodged in support of the application. As at 30 June 2015, the probability and timing of the grant of the mining licence is uncertain. Due to this uncertainty, the second tranche payment has been disclosed as a contingent liability and not as a provision as at 30 June 2015.

26. PARENT ENTITY INFORMATION

	2015	2014
a. Information relating to Bannerman Resources Limited:	**$'000**	**$'000**
Current assets	2,183	5,140
Total assets	5,217	15,138
Current liabilities	784	656
Total liabilities	11,065	9,868
Issued capital	119,473	116,730
Accumulated loss	(183,417)	(169,021)
Option Reserve	54,058	53,523
Convertible Note Reserve	4,038	4,038
Total shareholders' equity	(5,848)	5,270
Loss of the parent entity	(14,396)	(47,340)
Total comprehensive loss of the parent entity	(14,396)	(47,340)

b. Details of any guarantees entered into by the parent entity in relation to the debts of its subsidiaries

There are no guarantees entered into to provide for debts of the Company's subsidiaries. The parent entity has provided a letter to BMRN evidencing the parent's intent to meet the financial obligations of BMRN for the period 1 July 2014 to 30 June 2015.

c. Details of any contingent liabilities of the parent entity

Refer to Note 25 for details relating to contingent liabilities.

d. Details of any contractual commitments by the parent entity for the acquisition of property, plant or equipment

There are no contractual commitments by the parent entity for the acquisition of property, plant and equipment as at reporting date.

27. MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests are provided below:

Proportion of equity interest held by non-controlling interests:

Name	**Country of incorporation**	**2015**	**2014**
Bannerman Mining Resources (Namibia) (Pty) Ltd	Namibia	20%	20%

Accumulated balances of material non-controlling interest:	**$'000**	**$'000**
Bannerman Mining Resources (Namibia) (Pty) Ltd	(1,027)	(947)
Loss allocated to material non-controlling interest:		
Bannerman Mining Resources (Namibia) (Pty) Ltd	(80)	(120)

The summarised financial information of the subsidiary is provided below. This information is based on amounts before inter-company eliminations.

Bannerman Mining Resources (Namibia) (Pty) Ltd	**2015**	**2014**
Summarised statement of comprehensive income:	**$'000**	**$'000**
Other income	25	27
Administrative expenses	(546)	(514)
Loss before tax	**(521)**	**(487)**
Income tax	-	-
Loss for the year	**(521)**	**(487)**
Total comprehensive loss	**(521)**	**(598)**
Attributable to non-controlling interests	(80)	(120)
Summarised statement of financial position:		
Cash and bank balances and receivables (current)	357	64
Property, plant and equipment (non current)	801	773
Exploration and evaluation expenditure (non current)	56,074	50,040
Trade and other payables (current)	(215)	(45)
Other payables (non current)	(62,069)	(55,284)
Total equity	**(5,052)**	**(4,452)**
Attributable to:		
Equity holders of parent	(4,025)	(3,505)
Non-Controlling interest	(1,026)	(947)
Summarised cash flow information:		
Operating	(232)	(261)
Investing	(3,105)	(569)
Financing	3,169	668
Net decrease in cash and cash equivalents	**(168)**	**(162)**

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Bannerman Resources Limited, I state that:

1. In the opinion of the directors:

(a) The financial statements, notes and additional disclosures included in the directors' report designated as audited, of the Group are in accordance with the Corporations Act 2001, including:

- i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and its performance for the year ended on that date.
- ii) Complying with Accounting Standards and Corporations Regulations 2001.

(b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and

(c) Subject to the matters outlined in Note 1 "Going Concern", there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with s295A of the Corporations Act 2001 for the financial year ended 30 June 2015.

On behalf of the Board

Len Jubber
Managing Director & CEO
Perth, 7 September 2015

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Independent auditor's report to the members of Bannerman Resources Limited

Report on the financial report

We have audited the accompanying financial report of Bannerman Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2015 and 30 June 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the years then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial years.

Directors' Responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian and International Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

a. the financial report of Bannerman Resources Limited is in accordance with the *Corporations Act 2001,* Including:

   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and 30 June 2014 and of its performance for each of the years ended on those dates; and

   ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following:

- Note 1 to the financial report details the conditions that indicate the existence of a material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.
- As detailed in Note 10 to the financial report the company has an asset representing exploration and evaluation expenditure relating to the Etango uranium project of $61,262,000. The carry forward of this asset is dependent upon, amongst other matters, the continued right to tenure over the Etango uranium project via an Exclusive Prospecting License ("EPL"). The existing EPL expired on 26 April 2015. An application to renew the EPL was lodged on 26 January 2015 and the right to tenure continues whilst the renewed application is determined. As at the date of this opinion no determination in respect to the renewal application has occurred.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and the presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act* 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Bannerman Resources Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001.*

Ernst & Young

Robert A Kirkby
Partner
Perth
7 September 2015

ADDITIONAL SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report is set out below. The information was applicable as at 8 September 2015.

Distribution of Equity Securities

There were 2,591 holders of less than a marketable parcel of ordinary shares. The number of shareholders by size of holding is set out below:

Fully Paid Ordinary Shares

Size of Holding	Number of holders	Number of shares
1 - 1,000	724	365,620
1,001 - 5,000	1,142	3,415,213
5,001 - 10,000	580	4,685,010
10,001 - 100,000	1,273	45,919,195
100,001 and over	335	333,315,795
TOTALS	**4,076**	**387,700,833**

Unlisted Share Options and Performance Rights

	Share options		Performance Rights	
Size of Holding	Number of holders	Number of share options	Number of holders	Number of performance rights
1 - 1,000	-	-	-	-
1,001 - 5,000	-	-	-	-
5,001 - 10,000	-	-	-	-
10,001 - 100,000	-	-	2	67,640
100,001 and over	4	9,963,600	11	20,007,571
TOTALS	**4**	**9,963,600**	**13**	**20,075,211**

Substantial Shareholders

An extract of the Company's register of substantial shareholders (who held 5% or more of the issued capital) is set out below:

Shareholder	Number of shares	Percentage Held	Date of last lodgement
Resource Capital Fund IV L.P. and Resource Capital Fund VI L.P.	77,648,273	21.05%	28 April 2015
Global X Uranium ETF	24,681,963	6.37%	27 March 2014

On 19 June 2014, shareholders granted approval for Resource Capital Funds Management Pty Ltd, RCF IV and RCF VI ("**RCF entities**") to increase their voting power in the Company to a maximum percentage of 43.0%. As at 1 September 2015, the RCF entities held 82,435,122 Shares (being 21.26% of the Company's issued capital). Based upon the issued share capital of the Company and the voting power of the RCF entities as at 8 September 2015, this shareholder approval would allow the RCF entities to be issued approximately 127,791,274 additional Shares by the conversion of the RCF Convertible Notes, the related share issues under the RCF Convertible Notes and the exercise of the existing share options held by Resource Capital Funds Management Pty Ltd.

Top 20 Shareholders

The top 20 largest shareholders are listed below:

Name	Number of Shares	Percentage Held %
Merrill Lynch (Australia) Nominees Pty Limited	82,740,971	21.34
HSBC Custody Nominees (Australia) Limited	36,745,049	9.48
CDS & Co (Canadian Control A/C)	25,041,735	6.46
Widerange Corporation Pty Ltd	15,495,401	4.00
Regent Pacific Group Ltd	10,854,568	2.80
HSBC Custody Nominees (Australia) Limited - A/C 3	9,000,002	2.32
Citicorp Nominees Pty Limited	8,981,880	2.32
Mrs Alexandra Maidment Jubber	8,639,334	2.23
J P Morgan Nominees Australia Limited	8,516,079	2.20
Peter Batten	5,206,940	1.34
Motte & Bailey Pty Ltd <Bailey Super Fund A/C>	4,948,112	1.28
City Natural Resources High Yield Trust Plc	4,807,692	1.24
Mr Feng Chen	3,382,008	0.87
Mr Werner Ewald	2,627,227	0.68
IJG Nominees Pty Ltd	2,548,020	0.66
Mr Mustafa Haddad	2,454,010	0.63
Seven Four Seven Pty Ltd <Bluebird Super Fund A/C>	2,120,000	0.55
Mr Mustafa Haddad	1,670,871	0.43
Tarmel Pty Limited <Superannuation Fund A/C>	1,615,000	0.42
ABN Amro Clearing Sydney Nominees Pty Ltd <Custodian A/C>	1,576,462	0.41
TOTAL TOP 20 HOLDERS	**238,971,361**	**61.64**
TOTAL NON-TOP 20 HOLDERS	**148,729,472**	**38.36**
TOTAL	**387,700,833**	**100**

Voting Rights

Ordinary Shares

For all ordinary shares, voting rights are on a show of hands whereby every member present in person or by proxy shall have one vote and upon a poll, each share shall have one vote.

Share options and Performance Rights

There are no voting rights attached to share options and performance rights.

Share Options (unlisted)

There are 9,963,600 unlisted share options on issue which are held by Bannerman directors and a BMRN non-executive director.

Unlisted Share Options

The Company has 427,600 share options on issue with exercise prices of $0.12 per share, issued with Board approval or in accordance with, or on similar terms as the 2013 Employee Incentive Plan as approved by shareholders. The share options are held by Ms Monica Geingos (nee Kalondo), a non-executive director of BMRN.

Unlisted Director Share Options

The Company has 9,536,000 unlisted director share options on issue with exercise prices between $0.072 and $0.12 per share, which were issued with shareholder approval. The director share options are held by three current directors of Bannerman.

Performance Rights (unlisted)

Unlisted Performance Rights

The Company has 20,075,211 employee and director performance rights on issue. Performance rights have been issued under the Employee Incentive Plan, as approved by shareholders on 22 November 2013, and the Non-Executive Director Share Incentive Plan, as approved by shareholders on 22 November 2013. The number of holders of performance rights totals 13.

Stock Exchanges

Bannerman has a primary listing of its ordinary shares on the Australian Securities Exchange (ASX code: BMN) and has additional listings of its ordinary shares on the Toronto Stock Exchange in Canada (TSX code: BAN) and on the Namibian Stock Exchange (NSX code: BAN).

Mineral Licence Schedule

The mineral licence schedule for the Group is tabulated below:

Licence Type	Licence No.	Grant Date	Expiry Date	Holder	Area (Ha)	Country in which the Licence is held
EPL	3345	27-Apr-2006	26-Apr-2017*	Bannerman Mining Resources (Namibia) (Pty) Ltd	24,326	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.

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