

28 October 2015

CORPORATE UPDATE

Bannerman Resources Limited (ASX: BMN, TSX: BAN, NSX: BMN) (“**Bannerman**” or the “**Company**”) wishes to provide the following update to the market in relation to the Company’s current activities.

Potential project ownership consolidation, debt extinguishment and new funding

Bannerman is currently in discussions with the Company’s major shareholders, Resource Capital Fund IV L.P. and Resource Capital Fund VI L.P. (“**RCF IV**” and “**RCF VI**” respectively and “**RCF**” collectively), and with Mr Clive Jones, a director and shareholder of the Company, in relation to proposed transactions that would deliver a significant project ownership and balance sheet restructure.

The proposed transactions contemplate:

- acquisition of the minority interest (20%) in the Etango Project from the current owners (represented by Mr Clive Jones) for payment of approximately 123.4 million new Bannerman shares (which will represent approximately 17.7% of the enlarged issued share capital of the Company) and A\$1 million in cash;
- conversion of A\$8 million of the convertible notes held by RCF into Bannerman shares at the given conversion price of A\$0.075 per share;
- sale of a 1.5% royalty over the Etango Project to RCF for A\$6 million, comprising A\$2 million in cash and extinguishment of the residual convertible notes held by RCF (A\$4 million); and
- an equity placement of approximately 63.3 million new Bannerman shares to RCF at A\$0.0474 per share to raise A\$3 million in cash.

Upon completion on the terms outlined above, the proposed transactions would result in Bannerman moving to 100% ownership of the Etango Project and becoming debt free. The shareholdings of RCF and Mr Clive Jones would move to approximately 38.7% and 11.05% of Bannerman’s issued share capital respectively. The proposed transactions would be subject to the approval of Bannerman shareholders.

While the discussions are at an advanced stage with each of RCF IV, RCF VI and Mr Clive Jones in regards to the proposed transactions, these are ongoing and remain incomplete. There is no certainty that any agreement will be reached on the proposed transactions, or that any agreement on the proposed transactions will reflect the indicative terms outlined above.

The Company has applied for waivers of ASX Listing Rules 6.18 and 10.7 in respect of the proposed transactions and will update shareholders if and when such waivers are obtained.

The suspension of trading in Bannerman shares on the ASX enabled the negotiations of the proposed transactions to be advanced and the Company to engage with key Namibian stakeholders. The Company will continue to keep shareholders informed of all material developments in relation to the proposed transactions.

Company outlook and activities

On 15 July 2015 the Company reported positive results from Phase 1 of the Etango Heap Leach Demonstration Plant

Program, which supported the assumptions and projections incorporated in the Definitive Feasibility Study (DFS). These results further de-risk the Etango Project and enhance the project's 'early mover' status in a rising uranium price environment.

The Company is currently completing an Optimisation Study on the Etango Project development model (as reflected in the existing DFS). The study focusses on the resource modelling and mine planning aspects of the Etango Project and seeks to enhance the planned production schedule and projected net present value. The key outcomes of the Optimisation Study, including updated mineral resource and ore reserve estimates, are expected to be released in the current quarter.



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