STOCK EXCHANGE ANNOUNCEMENT

12 November 2015

FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE PERIOD ENDED 30 SEPTEMBER 2015

Bannerman Resources Limited (ASX: BMN, TSX: BAN, NSX: BMN) attaches its consolidated Financial Statements and Management's Discussion and Analysis for the period ended 30 September 2015.

The above documents are also filed with the relevant regulatory authorities in Canada.

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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 and an optimisation study have 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.*

November 12, 2015

Notice Pursuant to Part 4.3(3)(a) of National Instrument 51-102

Continuous Disclosure Obligations

The Interim Financial Statements of Bannerman Resources Limited filed for the three months period ended September 30, 2015 have not been reviewed by its auditor, Ernst & Young, in accordance with the standards for a review of interim financial statements as set out in the Handbook published by the Canadian Institute of Chartered Accountants.

Date: November 12, 2015

"*DAVID TUCKER*"

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David Tucker
Chairman, Audit Committee
Bannerman Resources Limited

BANNERMAN RESOURCES LIMITED AND CONTROLLED ENTITIES

FINANCIAL REPORT
FOR THE THREE MONTH PERIOD ENDED
30 SEPTEMBER 2015

www.bannermanresources.com

BANNERMAN RESOURCES LIMITED ABN 34 113 017 128

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FINANCIAL REPORT

FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2015

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UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2015
(EXPRESSED IN AUSTRALIAN DOLLARS)

	Note	3 Months Ended 30 September 2015 $'000	3 Months Ended 30 September 2014 $'000	3 Months Ended 30 September 2015 $'000	3 Months Ended 30 September 2014 $'000
Other revenue	2	10	28	10	28
Other income	3	2	-	2	-
Employee benefits	4(a)	(374)	(394)	(374)	(394)
Borrowing costs	4(b)	(580)	(508)	(580)	(508)
Compliance and regulatory expenses		(100)	(71)	(100)	(71)
Depreciation expense		(22)	(21)	(22)	(21)
Other expenses	4(c)	(429)	(144)	(429)	(144)
Loss before income tax		**(1,493)**	**(1,110)**	**(1,493)**	**(1,110)**
Income tax benefit	5	145	500	145	500
Net loss for the period		**(1,348)**	**(610)**	**(1,348)**	**(610)**
Other comprehensive (loss)/income					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation	13(b)	(2,296)	748	(2,296)	748
Other comprehensive (loss)/income for the period (net of tax)		**(2,296)**	**748**	**(2,296)**	**748**
Total comprehensive loss		**(3,644)**	**138**	**(3,644)**	**138**
Net loss is attributable to:					
Equity holders of Bannerman Resources Limited		(1,325)	(589)	(1,325)	(589)
Non-controlling interest		(23)	(21)	(23)	(21)
		(1,348)	**(610)**	**(1,348)**	**(610)**
Total comprehensive loss is attributable to:					
Equity holders of Bannerman Resources Limited		(3,604)	154	(3,604)	154
Non-controlling interest		(40)	(16)	(40)	(16)
		(3,644)	**138**	**(3,644)**	**138**
Weighted average number of shares ('000)		**387,389**	**312,435**	**387,389**	**312,435**
Basic and diluted loss per share to the ordinary equity holders of the Company (cents per share)		**(0.35)**	**(0.36)**	**(0.35)**	**(0.36)**

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

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

	Note	30 September 2015 $'000	30 June 2015 $'000
CURRENT ASSETS			
Cash and cash equivalents	6	1,014	2,291
Other receivables	7	221	166
Other		51	82
TOTAL CURRENT ASSETS		1,286	2,539
NON-CURRENT ASSETS			
Other receivables	7	15	15
Property, plant and equipment	8	822	872
Exploration and evaluation expenditure	9	59,593	61,262
TOTAL NON-CURRENT ASSETS		60,430	61,262
TOTAL ASSETS		**61,716**	**64,688**
CURRENT LIABILITIES			
Trade and other payables		697	693
Interest bearing liabilities	10	10,591	-
Provisions		206	198
TOTAL CURRENT LIABILITIES		11,494	891
NON CURRENT LIABILITIES			
Interest bearing liabilities	10	-	10,281
Provisions	11	391	399
TOTAL NON CURRENT LIABILITIES		391	10,680
TOTAL LIABILITES		**11,885**	**11,571**
NET ASSETS		**49,831**	**53,117**
EQUITY			
Contributed equity	12	119,707	119,468
Reserves	13	33,430	35,590
Accumulated losses		(102,239)	(100,914)
TOTAL PARENT ENTITY INTEREST		**50,898**	**54,144**
Non-controlling interest		(1,067)	(1,027)
TOTAL EQUITY		**49,831**	**53,117**

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

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2015
(EXPRESSED IN AUSTRALIAN DOLLARS)

		3 Months Ended 30 September		3 Months Ended 30 September	
		2015	**2014**	**2015**	**2014**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
CASHFLOWS FROM OPERATING ACTIVITIES					
Payments to suppliers and employees		(696)	(647)	(696)	(647)
Interest received		11	26	11	26
Other – R&D refund		145	500	145	500
Net cash utilised in operating activities		(540)	(121)	(540)	(121)
CASHFLOWS FROM INVESTING ACTIVITIES					
Payments for exploration and evaluation		(738)	(309)	(738)	(309)
Purchase of plant and equipment		(2)	(5)	(2)	(5)
Proceeds from disposal of plant and equipment		-	-	-	-
Net cash utilised in investing activities		(740)	(314)	(740)	(314)
Net decrease in cash and cash equivalents		(1,280)	(435)	(1,280)	(435)
Cash and cash equivalents at beginning of period		2,291	5,112	2,291	5,112
Effects of exchange rate changes on the balance of cash held in foreign currencies		3	-	3	-
Cash and cash equivalents at end of period	6	**1,014**	**4,677**	**1,014**	**4,677**

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

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2015
(EXPRESSED IN AUSTRALIAN DOLLARS)

	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Share Based Payment Reserve	Convertible Note Reserve	Asset Revaluation Reserve	Non-controlling Interest	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2015	**119,468**	**(100,914)**	**(22,673)**	**54,058**	**4,038**	**167**	**(1,027)**	**53,117**
Loss for the period	-	(1,325)	-	-	-	-	(23)	(1,348)
Other comprehensive income	-	-	(2,279)	-	-	-	(17)	(2,296)
Total comprehensive (loss)/income for the period	-	(1,325)	(2,279)	-	-	-	(40)	(3,644)
Shares issued during the period	239	-	-	-	-	-	-	239
Share-based payments	-	-	-	119	-	-	-	119
Total Equity at 30 September 2015	**119,707**	**(102,239)**	**(24,952)**	**54,177**	**4,038**	**167**	**(1,067)**	**49,831**

	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Share Based Payment Reserve	Convertible Note Reserve	Asset Revaluation Reserve	Non-controlling Interest	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2014	**116,730**	**(96,777)**	**(25,648)**	**53,523**	**4,038**	**167**	**(947)**	**51,086**
Loss for the period	-	(589)	-	-	-	-	(21)	(610)
Other comprehensive income	-	-	743	-	-	-	5	748
Total comprehensive income/(loss) for the period	-	(589)	743	-	-	-	(16)	138
Shares issued during the period	163	-	-	-	-	-	-	163
Share-based payments	-	-	-	142	-	-	-	142
Total Equity at 30 September 2014	**116,893**	**(97,366)**	**(24,905)**	**53,665**	**4,038**	**167**	**(963)**	**51,529**

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

Bannerman is a company incorporated in Australia and limited by shares. Bannerman's shares are publicly traded on the Australian Securities Exchange ("**ASX**") with additional listings on the Toronto Stock Exchange and the Namibian Stock Exchange.

Basis of Preparation

This general purpose condensed financial report for the three month period ended 30 September 2015 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

The financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Bannerman and its controlled entities (the "**Group**") as the annual financial report.

It is recommended that this interim financial report be read in conjunction with the annual report for the year ended 30 June 2015 and considered together with any public announcements made by Bannerman since that time in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The financial report is presented in Australian dollars and, unless otherwise stated, all values are rounded to the nearest thousand dollars (A$1,000) in accordance with the option available to the Company under Australian Securities and Investments Commission (ASIC) Class Order 98/0100. The Company is an entity to which the class orders applies.

Changes in Accounting Policies

From 1 July 2015, the Group has adopted all the Standards and Interpretations mandatory for annual periods beginning on 1 July 2015. 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 accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2015.

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 current financial year in addition to 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.

On 11 November 2015, the Company announced the signing of agreements with Resource Capital Fund IV L.P., Resource Capital Fund VI L.P. and Mr Clive Jones to effect a Corporate Restructure, if approved by shareholders, on the terms below:

- 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.

- 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; grant 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
- 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 and A$1 million in cash;

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 further 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.

	3 Months Ended 30 September		**3 Months Ended 30 September**	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**

2. OTHER REVENUE

	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Interest income	10	28	10	28

3. OTHER INCOME

	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Profit on disposal of plant and equipment	-	-	-	-
Other	2	-	2	-
	2	-	2	-

	3 Months Ended 30 September		3 Months Ended 30 September	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000

4. EXPENSES

(a) Employee benefits

Salaries and wages	188	182	188	182
Superannuation	12	14	12	14
Employee share-based payment expense	84	108	84	108
Other	3	4	3	4
Directors' fees	53	53	53	53
Directors' share-based payment expense	34	33	34	33
	374	394	374	394

(b) Borrowing costs

Interest accreted or payable	580	508	580	508
	580	508	580	508

(c) Other expenses

Corporate and overheads	64	45	64	45
Consulting - fees	246	25	246	21
Consulting - share based payment expense	-	1	-	-
Legal	50	20	50	20
Travel	22	12	22	12
Employer related taxes	8	-	8	-
Occupancy	26	25	26	25
Insurance	13	12	13	12
Loss on disposal of plant and equipment	-	4	-	4
	429	144	429	144

5. INCOME TAX

Current income tax benefit	145	500	145	500
	-	-	-	-

Current income tax benefit comprises the receipt of research and development incentive refunds from government authorities.

6. CASH & CASH EQUIVALENTS

	30 September 2015 $'000	30 June 2015 $'000
Cash on hand	3	3
Cash at bank and on call (interest bearing)	164	1,441
Short term cash deposits (interest bearing)	847	847
	1,014	2,291

Under the terms of the existing Convertible Notes (Note 10), the Company must, unless otherwise approved, maintain a minimum cash and cash equivalents balance of not less than A$1,250,000. The requirement was waived on 1 September 2015.

7. OTHER RECEIVABLES

Current		
GST/VAT receivable	221	165
Other receivables	-	1
	221	166
Non Current		
Restricted cash	15	15
	15	15

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

8. PROPERTY, PLANT & EQUIPMENT

	Cost $'000	Accumulated Depreciation $'000	Net Book Value $'000
30 September 2015			
Land and buildings	643	(10)	633
Vehicles	206	(167)	39
Plant and equipment	133	(115)	18
Office furniture and equipment	842	(710)	132
	1,824	(1,002)	822
30 June 2015			
Land and buildings	669	(9)	660
Vehicles	215	(168)	47
Plant and equipment	136	(116)	20
Office furniture and equipment	853	(708)	145
	1,873	(1,001)	872

9. EXPLORATION & EVALUATION EXPENDITURE

	Three months ended 30 September 2015 $'000	Year ended 30 June 2015 $'000
Opening balance	61,262	54,899
Expenditure incurred during the period	599	3,289
Foreign currency translation movements	(2,268)	3,074
	59,593	61,262

Expenditure incurred during the period comprised 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. Bannerman, in 2012, completed a Definitive Feasibility Study ("**DFS**") on a 7-9 million pounds U_3O_8 per annum open pit mining and heap leach processing operation at Etango. The DFS 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 commenced 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.

On 11 November 2015, the Company announced the results of the DFS Optimisation Study ("**OS**"). The OS focussed primarily on the geology and mining aspects of the project and incorporated an updated Mineral Resource model that simulates the selectivity associated with the established process of radiometric truck scanning in uranium mining. A relatively minor amount of additional drilling was also included in the model. Capital costs and operating costs were updated to ensure that these estimates remained current and reflect the prevailing economic climate. The mine plan was updated to incorporate the aforementioned changes and included updated pit optimisations, pit designs, geotechnical review and mine production schedules employing variable cut-off grade policies.

Financial analysis of the revised mine production schedules demonstrate drastically improved economics with an NPV_8 of US$419 million and corresponding IRR of 15%.

In addition, on 11 November 2015, the Company announced the signing of an agreement with Mr Clive Jones, subject to shareholders approval, to acquire 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 and A$1 million in cash. Therefore, if approved at the forthcoming Extraordinary General Meeting by shareholders, the Company would have 100% ownership of the Etango Uranium Project.

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 accordance 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

	Three months ended 30 September 2015 $'000	Year ended 30 June 2015 $'000
Opening balance	**61,262**	**54,899**
Drilling and consumables	-	4
Assays and freight	1	-
Salaries and wages	192	675
Consultants and contractors	198	181
Demonstration plant construction cost	27	1631
Demonstration plant change in rehabilitation provision	8	399
Demonstration plant operational cost	137	317
Travel and accommodation	3	15
Other	33	67
Total expenditure for the period	**599**	**3,289**
Foreign currency translation movements	(2,268)	3,074
Exploration expenditure written off	-	-
Closing balance	**59,593**	**61,262**

10. INTEREST BEARING LIABILITIES

	30 September 2015 $'000	30 June 2015 $'000
Current liabilities		
Secured convertible note	10,591	-
Non Current liabilities		
Secured convertible note	-	10,281

Resource Capital Fund IV L.P. ("**RCFIV**") convertible note

In November 2008, Bannerman entered into a financing agreement with RCFIV for A$20 million through a convertible note facility comprising an initial tranche of A$10 million ("**First Tranche**") and a standby tranche of A$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 RCFIV was reduced to A$8 million through the issue of A$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 RCFIV 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 RCFIV note are a conversion price of A$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 A$160,000 satisfied through the issue of 2,539,683 new Bannerman shares. The amended convertible note with RCFIV 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 RCFIV 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 A$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 A$160,000 for accrued 8% coupon interest on the RCFIV convertible note to 30 September 2015 (June 2015: A$160,000).

Resource Capital Fund VI L.P. ("**RCFVI**") convertible note

In April 2014, Bannerman reached an agreement with its major shareholder Resource Capital Funds ("**RCF**") on a A$4 million convertible note facility with RCFVI with a maturity date of September 30, 2016. The key terms of the note are a conversion price of A$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 A$120,000 satisfied through the issue of 1,714,286 new Bannerman shares. The convertible note with RCFVI 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 RCFVI 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 A$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 A$80,000 for accrued 8% coupon interest on the RCFVI convertible note to 30 September 2015 (June 2015: A$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 interests 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 A$1,250,000. The requirement was waived on 1 September 2015.

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 notes (including all accrued interest thereon) or to convert the convertible notes (including all accrued interest thereon) to shares in Bannerman.

On 11 November 2015, the Company announced the signing of agreements with Resource Capital Fund IV L.P. and Resource Capital Fund VI L.P., which if approved by shareholders, will eliminate the convertible notes. The agreement entails the 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; grant 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).

11. PROVISIONS – NON-CURRENT

	Three months ended 30 September 2015 $'000	Year ended 30 June 2015 $'000
Balance 1 July 2015	399	-
Arising during the year	-	399
Unwinding of discount	8	-
Foreign exchange translation movements	(16)	-
	391	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 September 2015 is 8.5%.

12. CONTRIBUTED EQUITY

(a) Issued and outstanding:

	September 2015	September 2014	September 2015	September 2014
	Number of Shares		Amount	
	'000	'000	$'000	$'000
Ordinary shares				
Issued and fully paid	387,701	329,745	119,707	116,893

Movements in ordinary shares on issue	No. of Shares '000	Amount $'000
Balance 1 July 2014	326,653	116,730
- Issue of shares (i)	750	-
- Issue of shares (ii)	2,342	163
Balance 30 September 2014	**329,745**	**116,893**
Balance 1 July 2015	382,914	119,468
- Issue of shares (iii)	4,787	239
Balance 30 September 2015	**387,701**	**119,707**

(i) On 9 August 2014, 750,000 ordinary shares were issued upon vesting of performance rights.

(ii) The following shares were issued in satisfaction of the interest payable on the convertible notes in accordance with the respective convertible note 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 1 April 2014 to 30 June 2014.

(iii) 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 7 July 2015, 3,191,233 shares were issued in satisfaction of the A$159,562 interest payable on the convertible note with RCFIV for the period 1 April 2015 to 30 June 2015.
   b. On 7 July 2015, 1,595,616 shares were issued in satisfaction of the A$79,781 interest payable on the convertible note with RCFVI for the period 1 April 2015 to 30 June 2015.

(b) Share options on issue:

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

Expiry Dates	Exercise Price	Balance 1 Jul 15	Granted	Exercised	Expired / Cancelled	Balance 30 Sep 15	Vested 30 Sep 15
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$0.089	3,664,400	-	-	-	3,664,400	-
		9,963,600	-	-	-	9,963,600	6,299,200
Weighted average exercise price ($)		0.09	-	-	-	0.06	0.09
Average life to expiry (years)		0.9	-	-	-	1.14	1.1

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 September 2015 with an average exercise price of A$0.09 per share and an average life to expiry of 1.3 years.

(c) Performance share rights on issue

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

Vesting Dates	Balance 1 Jul 15	Granted	Vested	Cancelled	Balance 30 Sep 2015
November 11, 2015	170,000	-	-	-	170,000
November 15, 2015	423,700	-	-	-	423,700
November 21, 2015	3,502,674	-	-	-	3,502,674
November 22, 2015	759,519	-	-	-	759,519
November 15, 2016	1,755,825	-	-	-	1,755,825
November 22, 2016	5,095,630	-	-	-	5,095,630
November 15, 2017	6,976,650	-	-	-	6,976,650
	20,075,211	-	-	-	20,075,211
Average life to vesting (years)	0.73	-	-	-	0.7

Note: Performance share rights have no exercise price.

The performance share rights have been issued in accordance with the shareholder approved Employee Incentive Plan and Non-Executive Director Share Incentive Plan, 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 September 2015 with an average life to vesting of 0.89 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. 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.

13. RESERVES

		30 September 2015 $'000	30 June 2015 $'000
Share-based payment reserve	(a)	54,177	54,058
Foreign currency translation reserve	(b)	(24,952)	(22,673)
Asset revaluation reserve	(c)	167	167
Convertible note reserve	(d)	4,038	4,038
TOTAL RESERVES		**33,430**	**32,080**

	Three months ended 30 September 2015 $'000	Year ended 30 June 2015 $'000
(a) Share-based payment reserve		
Balance at the beginning of the reporting period	**54,058**	**53,523**
Share-based payment vesting expense during the period	119	535
Balance at the end of the reporting period	**54,177**	**54,058**

(EXPRESSED IN AUSTRALIAN DOLLARS)

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	**(22,673)**	**(25,648)**
Currency translation differences arising during the period	(2,279)	2,975
Balance at the end of the reporting period	**(24,952)**	**(22,673)**

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.

Over the quarter ended 30 September 2015, the Australian dollar strengthened by approximately 4% against the Namibian dollar from the rate of A$1:N$9.42 as at 30 June 2015 to A$1:N$9.79 as at 30 September 2015. As per the Statement of Comprehensive Income, the consequential foreign currency translation difference arising for the quarter ended 30 September 2015 amounted to $2,296,000, allocated between non-controlling interests $17,000 and the Group $2,279,000.

(c) Asset revaluation reserve

Reserves at the beginning of the reporting period	**167**	**167**
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

Balance at the beginning of the reporting period	**4,038**	**4,038**
Balance at the end of the reporting period	**4,038**	**4,038**

The convertible note reserve records the equity portion of the RCFIV convertible note issued on 16 December 2008, refinanced on 31 March 2012 and 22 November 2013 and the RCFVI convertible note issued on 19 June 2014, as described in Note 10.

14. SUBSEQUENT EVENTS

Subsequent to the period end, Bannerman issued 8,065,753 ordinary shares to RCF in settlement of the respective RCFIV and RCFVI convertible note interest charges for the September quarter.

On 11 November 2015, the Company announced the signing of agreements with Resource Capital Fund IV L.P., Resource Capital Fund VI L.P. and Mr Clive Jones to effect a Corporate Restructure, if approved by shareholders at a forthcoming Extraordinary General Meeting, on the terms below:

- 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.
- 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; grant 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
- 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 and A$1 million in cash.

Other than the matters stated above, there are no matters or circumstances that have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group.

15. 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, the first tranche payment of A$3.0 million and 5.5 million shares was made in early 2009. The second and final tranche payment of A$500,000 and 4.0 million ordinary shares is due to Savanna upon receipt of the Etango Project mining licence. The mining licence application was lodged in December 2009, and further supplementary information has since been lodged in support of the application. As at 30 September 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 September 2015.

16. 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 EPL 3345, the Group has exploration and evaluation expenditure obligations up until the expiry of the licence. 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:

	30 September 2015 $'000	30 June 2015 $'000
Not longer than one year	773	801
Longer than one year, but not longer than five years	442	663
Longer than five years	-	-
	1,215	1,464

If the Group decides to relinquish EPL 3345 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 and photocopiers. These leases have an initial term of 3 years:

	30 September 2015 $'000	30 June 2015 $'000
Not longer than one year	36	57
Longer than one year, but not longer than five years	-	-
Longer than five years	-	-
	36	57

(EXPRESSED IN AUSTRALIAN DOLLARS)

17. 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.

18. 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**	
		30 September 2015	**30 June 2015**
Bannerman Mining Resources (Namibia) (Pty) Ltd	Namibia	80	80
Bannerman Resources Nominees (UK) Limited	United Kingdom	100	100
Elfort Nominees Pty Ltd	Australia	100	100

Ultimate Parent

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

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 Bannerman Mining Resources (Namibia) (Pty) Ltd ("**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 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**"). RCFIV and RCFVI 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 A$8 million and A$4 million respectively, together with 90,500,875 Bannerman shares representing 22.87% of the voting capital in Bannerman.

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

Subsequent to period end, the Company announced the signing of agreements with Resource Capital Fund IV L.P., Resource Capital Fund VI L.P. and Mr Clive Jones to effect a Corporate Restructure, if approved by shareholders at a forthcoming Extraordinary General Meeting, on the terms below:

- 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.
- 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; grant 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
- 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 and A$1 million in cash.

19. FINANCIAL INSTRUMENTS

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

	30 September 2015 $'000 Loans and receivables	30 June 2015 $'000 Loans and receivables
Financial assets		
Trade and other receivables	15	15
Total non-current	**15**	**15**
Trade and other receivables	221	166
Total current	**221**	**166**
Total	**236**	**181**
Financial liabilities		
Interest bearing liabilities	-	10,281
Total non-current	**-**	**10,281**
Trade and other payables	697	693
Interest bearing liabilities	10,591	-
Total current	**11,288**	**693**
Total	**11,288**	**10,974**

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.

Net Fair Values

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

	30 September 2015		30 June 2015	
	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	221	221	166	166
Total current	**221**	**221**	**166**	**166**
Total	**236**	**236**	**181**	**181**
Financial liabilities				
Interest bearing liabilities	-	-	10,281	10,281
Total non-current	**-**	**-**	**10,281**	**10,281**
Trade and other payables	697	697	693	693
Interest bearing liabilities	10,591	10,591	-	-
Total current	**11,288**	**11,288**	**693**	**693**
Total	**11,288**	**11,288**	**10,974**	**10,974**

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE QUARTER ENDED SEPTEMBER 30, 2015

This Management's Discussion and Analysis ("**MD&A**") of Bannerman Resources Limited ("**Bannerman**" or the "**Company**") is dated November 12, 2015 and provides an analysis of the Company's performance and financial position for the three months ended September 30, 2015 (the "**Quarter**"). It should be read in conjunction with the Company's June 30, 2015 audited annual financial statements and notes thereto and the reviewed December 31, 2014 half year financial statements and notes thereto. The financial statements (and the financial information contained in this MD&A) comply 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. These documents, along with others published by the Company, including the Company's Annual Information Form ("**AIF**"), are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

This MD&A may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out in this MD&A under "*Risk Factors*". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements. Readers are also referred to the "*Cautionary Note Regarding Forward Looking Statements*" in this MD&A.

References to "A$", "C$" and "US$" are to Australian, Canadian and United States dollars.

OVERVIEW

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 China General Nuclear Power Company's ("**CGNPC**") Husab uranium mine currently under construction.

Subsequent to the quarter, on November 11, 2015, the Company announced that it had entered into agreements with the Company's major shareholders, Resource Capital Fund IV L.P. and Resource Capital Fund VI L.P. and with Mr Clive Jones, a director and shareholder of the Company, in relation to proposed transactions that would deliver 100% project ownership and balance sheet restructure (refer to page 2).

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. In addition, Bannerman conducted a DFS optimisation study (November 2015) which updated the Mineral Resource model, operating cost estimates, capital cost estimates, mine design, mine production schedules and updated Mineral Reserves.

The Etango Project area forms part of Exclusive Prospecting Licence ("**EPL**") 3345 which was granted to Bannerman's 80% subsidiary, Bannerman Mining Resources (Namibia) (Pty) Ltd, on April 27, 2006 to explore for nuclear fuels, including uranium, expressed as uranium oxide (U_3O_8). 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 accordance 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.

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HIGHLIGHTS OF THE QUARTER

- Advanced discussions to achieve 100% Etango project ownership, balance sheet restructure and A$4 million of new funding.
- Heap Leach Demonstration Plant
  - Phase 1 results strongly support the assumptions and projections incorporated in the Definitive Feasibility Study ("DFS").
  - Completed Phase 2 with results currently being externally reviewed.
  - Commenced Phase 3.
- DFS Optimisation Study progressing well and due for release in December 2015 Quarter.

Subsequent to the quarter, on November 11, 2015, the Company announced that it had entered into agreements 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 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 17.4% 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;
- grant 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 VI at A$0.0474 per share to raise A$3 million in cash.

The proposed transactions would be subject to the approval of Bannerman shareholders, which will be sought at a forthcoming Extraordinary General Meeting.

ETANGO PROJECT (BANNERMAN 80%)

BACKGROUND

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

HEAP LEACH DEMONSTRATION PLANT PROGRAM

The 18 – 24 month heap leach demonstration plant program, which commenced in April 2015, is a key component of the project's detailed 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.

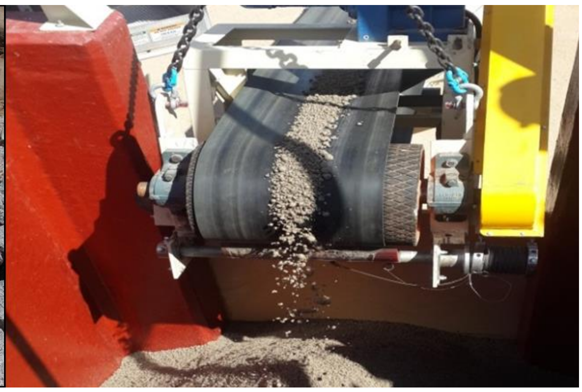
On July 15, 2015, Bannerman reported on the objectives and various phases of the Heap Leach Demonstration Plant Program, and the key observations, results and preliminary conclusions from **Phase 1**:

1. **Demonstrating the design and projected performance reflected in the 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 heap and the integrity of the agglomerated material.
   - 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, coupled with rapid and high leach extraction at a larger scale point towards the potential to further optimise the heap leach configuration.
   - The DFS design considered the final extraction from the heap as 87%. The number was obtained applying scale up factors which are derived from the industry experience of heap leaching with other commodities. In this respect the slight difference between the columns and cribs results, is encouraging, indicating that the scale up factor applied during the DFS should be reviewed.

Phase 2 was commenced in July and focussed on reproducing the results obtained during Phase 1. The leach extraction performance of the two cribs and 4 columns was in line with Phase 1 and will be released post completion of the external review.

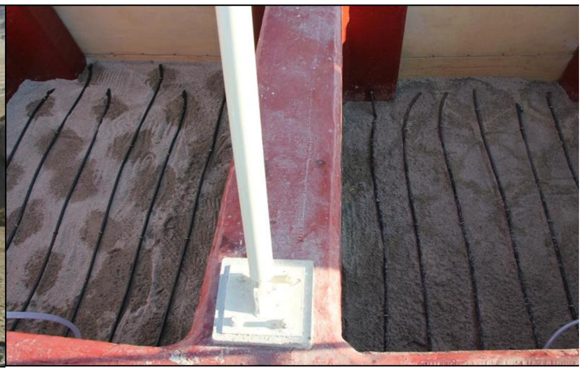
Phase 3 which aims to simulate the full scale heap operation by way of closed circuit operation of three cribs was commenced in September and is expected to be completed by the end of the December 2015 quarter.

A comprehensive description of the Heap Leach Demonstration Plant Program and the Phase 1 results are included on the Company's website. The following photographs highlight the substantial nature of the plant and demonstration program underway.

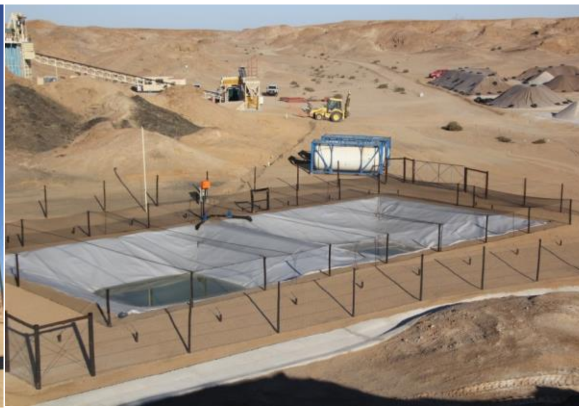



Blasted Alaskite Ore **Crib Loading**

3,000t Crushed Ore Sample **Reagent Storage & Mixing**



Agglomeration **Irrigation**



Crib Loading **Pregnant Liquor Solution (PLS)**

DFS Optimisation Study

Bannerman completed the DFS Optimisation Study (OS) in November 2015. The OS focussed primarily on the geology and mining aspects of the project and incorporated an updated Mineral Resource model that simulates the selectivity associated with the established process of radiometric truck scanning in uranium mining. A relatively minor amount of additional drilling was also included in the model. Capital costs and operating costs were updated to ensure that these estimates remained current and reflect the prevailing economic climate. The mine plan was updated to incorporate the aforementioned changes and included updated pit optimisations, pit designs, geotechnical review and mine production schedules employing variable cut-off grade policies.

Key outcomes from the OS, as announced to the market on November 11, 2015, are as follows:

- JORC and NI 43-101 compliant Ore Reserves totalling 303.3 million tonnes at an average grade of 195ppm U_3O_8 for 130.1 Mlbs of contained U_3O_8;
- Average annual production of 7.2Mlbs U_3O_8 over an initial 15.7 year open pit mine life and 9.2Mlbs U_3O_8 per annum over the first five full production years;
- Average life-of-mine cash operating costs of US$38/lb U_3O_8 and S$33/lb U_3O_8 over the first five full production years;

- Pre-production capital of US$793M including mining fleet;
- At a uranium price of US$75/lb U_3O_8, the Etango project generates operating cash flow of US$3.7B before capital and tax, and free cash flow of US$1.6B after capital and tax;
- Rapid payback from first production (4.4 years) and initial mine life to payback ratio of 3.6 times.

All material assumptions and technical parameters underpinning Mineral Resource Estimates, Ore Reserve Estimates, production targets and forecast financial information in the OS (as previously announced on November 11, 2015 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.

KEY ECONOMIC TRENDS IN THE URANIUM INDUSTRY

Key news flow during and post the quarter related to significant events in China, Japan and the UK.

China, currently the largest constructor of new reactors, continues to ramp up its nuclear energy program in line with its stated goal of increasing electricity generated from nuclear plants from 23 GW currently to 58 GW by 2020 and 150 GW by 2030. In September the National Development Reform Council in China approved 31 inland sites in the nuclear reactor development program. In terms of reactors, China has 26 reactors in operation, 25 under construction, 43 on order or planned and 136 proposed.

Furthermore, in October 2015, China General Nuclear Power Corporation ("**CGNPC**") signed a Strategic Investment Agreement for joint investment, with EDF, the French national power utility, in two nuclear power reactors at Hinkley Point C, UK.

The restarting of Sendai reactors #1 in September and #2 in October are important milestones in the planned return to nuclear energy comprising approximately 20% of total energy generation in Japan.

Globally, according to the World Nuclear Association, there are currently 436 operable nuclear reactors and 67 under construction, 166 on order or planned and 322 proposed.

CORPORATE

PROJECT FINANCING

The results from Phase 1 of the program strongly support the heap leach assumptions and projections incorporated in the DFS, and as expected, therefore, to enhance 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.

Upon successful conclusion, the agreements on eliminating the existing A$12 million debt, acquiring 100% ownership of the Etango Project and a capital raising, would enhance the ability to attract further cornerstone investors and development partners. The transactions are subject to shareholder approval.

RESULTS OF OPERATIONS

The Company incurred a net loss of A$1.3 million for the Quarter compared with the net loss of A$0.6 million for the prior corresponding quarter ended September 30, 2014. The result for the Quarter was attributable primarily to administrative and corporate expenses, employee costs, borrowing costs and non-cash share-based compensation expenses.

Operating expenses for the Quarter totalled A$1.5 million versus A$1.1 million for the prior corresponding period, with the key items including administrative costs of A$0.4 million (A$0.1 million in the prior period), employee costs of A$0.4 million (A$0.4 million) and interest expenses of A$0.6 million (A$0.5 million).

A research and development incentive refund was received during the Quarter of $0.15 million versus $0.5 million for the prior corresponding period.

Interest income for the Quarter was A$0.01 million, versus A$0.03 million in the prior corresponding period.

Total capitalised exploration and evaluation expenditure for the Quarter decreased by A$1.7 million compared to the prior Quarter, reflecting costs of A$0.1 million related to the operation of the heap leach demonstration plant, A$0.5 million related to feasibility study activities and project personnel costs, and foreign exchange translation movements of A$2.3 million.

SUMMARY OF QUARTERLY RESULTS

	Sep 2015	Jun 2015	Mar 2015	Dec 2014	Sept 2014	Jun 2014	Mar 2014	Dec 2013
Interest income (A$'000)	10	10	14	23	28	9	13	24
Net loss (A$'000)	(1,348)	(1,233)	(1,242)	(1,155)	(610)	557	(1,199)	(621)
Basic/Diluted loss per share (A$)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Cash and cash equivalents (A$'000)	1,014	2,291	1,763	2,787	4,677	5,112	1,857	2,590
Total assets (A$'000)	61,716	64,688	62,867	63,271	61,502	60,998	58,538	61,853
Total liabilities (A$'000)	11,494	11,571	11,241	10,662	9,973	9,912	6,860	6,649
Net assets (A$'000)	49,831	53,117	51,626	52,609	51,529	51,086	51,678	55,204

The changes in net assets across the last eight quarters reflect various activities of the Company, including:

- the Company's activities in further evaluating its properties, in particular, the project optimisation activities and the design and construction of the heap leach demonstration plant undertaken at the Etango Project in Namibia;
- the impact of foreign currency fluctuations and the movement of the A$ to the N$;
- administrative and corporate expenses incurred by the Company and recognised through the income statement; and
- The losses incurred in each quarter reflecting the general and administrative costs of the Company and, in particular, non-cash stock-based compensation expenses.

Cash balances reflect the movements related to expenditure and the various capital raising programs undertaken by the Company.

DISCUSSION OF QUARTERLY CASH FLOWS

Cash Flows A$'000	September Quarter 2015	September Quarter 2014
Operating activities	(540)	(121)
Investing activities	(740)	(314)
Financing activities	-	-

Cash outflow from operating activities during the Quarter was A$0.5 million compared with A$0.1 million for the prior corresponding period.

Cash outflow from investing activities during the Quarter was A$0.7 million compared with A$0.3 million in the prior corresponding period. The increased outflow related primarily to the operation of the heap leach demonstration plant, feasibility study activities and transaction costs associated with the transactions announced on November 11, 2015.

Cash outflow from financing activities for the Quarter was A$nil. Interest in the current Quarter was settled through issue of shares and therefore had no cash flow impact.

Discussion of Financial Position

Cash and Cash Equivalents

Cash and cash equivalents totalled A$1 million as at September 30, 2015 versus A$2.3 million as at June 30, 2015. The decrease reflects the expenditure incurred on exploration, feasibility and corporate activities.

Trade and Other Receivables

Trade and other receivables were A$0.2 million as at September 30, 2015 (June 30, 2015: A$0.1 million) with the balance primarily reflecting GST and VAT receivables.

Property, Plant and Equipment

Property, plant and equipment was A$0.8 million as at September, 2015 (June 30, 2015: A$0.9 million) reflecting the depreciated book value of various site and office equipment, including vehicles.

Exploration and Evaluation Expenditure

Capitalised exploration and evaluation expenditure was A$59.6 million as at September 30, 2015 (June 30, 2015: A$55.8 million) reflecting the capitalisation of costs relating to the Etango Project heap leach demonstration plant, feasibility study, resource definition drilling and assaying, and other exploration costs, net of foreign currency translation movements. Significant items for the Quarter included the operation of the heap leach demonstration plant (A$0.1m) and project optimisation activities and project personnel costs (A$0.5 million). A foreign exchange translation adjustment of A$2.3 million resulting in a decrease in carrying value, was also recorded for the Quarter. This adjustment reflects the strengthening of the A$ against the N$ over the period.

Trade and Other Payables

Trade and other payables was A$0.7 million as at September 30, 2015 (June 30, 2015: A$0.7 million).

Interest-bearing Liabilities

Interest-bearing liabilities as at September 30, 2015 totalled A$10.6 million (June 30, 2015: A$10.3 million) primarily attributable to the convertible note.

RCFIV A$8 million convertible note

On September 6, 2013, the Group reached agreement with RCFIV for the extension and refinancing of the note from its maturity date of March 31, 2014 to September 30, 2016. The key terms of the amended RCFIV note are a conversion price of A$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 A$160,000 satisfied through the issue of 2,539,683 new Bannerman shares. The amended convertible note with RCFIV was approved by the Bannerman shareholders at the Annual General Meeting on November 22, 2013. The amendments came into effect after March 31, 2014.

At the refinancing date of November 22, 2013, the existing convertible note was derecognised and the amended RCFIV 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 A$8 million at the maturity date of September 30, 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 A$160,000 for accrued 8% coupon interest on the RCFIV convertible note to September 30, 2015 (June 2015: A$160,000).

RCFVI A$4 million convertible note

In April 2014, Bannerman reached an agreement with its major shareholder RCF on a A$4 million convertible note facility with RCFVI with a maturity date of September 30, 2016. The key terms of the note are a conversion price of A$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 A$120,000 satisfied through the issue of 1,714,286 new Bannerman shares. The convertible note with RCFVI was approved by the Bannerman shareholders at the Extraordinary General Meeting on June 19, 2014. The note was drawn down in full on June 26, 2014.

At the date of recognition of the RCFVI 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 A$4 million at the maturity date of September 30, 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 A$80,000 for accrued 8% coupon interest on the RCFVI convertible note to September 30, 2015 (June 2015: A$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 interests 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 A$1,250,000. The requirement was waived on September 1, 2015.

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 notes (including all accrued interest thereon) or to convert the convertible notes (including all accrued interest thereon) to shares in Bannerman.

On November 11, 2015, the Company announced the signing of agreements with Resource Capital Fund IV L.P. and Resource Capital Fund VI L.P., which if approved by shareholders, will eliminate the convertible notes. The agreement entails the 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; grant 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).

PROVISIONS – NON-CURRENT

Non-Current Provisions were A$0.4 million as at September 30, 2015 (June 30, 2015: A$0.4 million).

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 September 2015 is 8.5%.

EQUITY

Issued capital was A$119.7 million as at September 30, 2015 (June 30, 2015: A$119.4 million). The increase reflects the following transactions:

- The issue of 3,191,233 shares in satisfaction of the A$159,562 interest payable on the convertible note with RCFIV for the period April 1, 2015 to June 30, 2015.
- The issue of 1,595,616 shares in satisfaction of the A$79,781 interest payable on the convertible note with RCFVI for the period April 1, 2015 to June 30, 2015.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

The Company's cash reserves as at September 30, 2015 totalled A$1.0 million.

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 current financial year in addition to 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.

On November 11, 2015, the Company announced the signing of agreements with Resource Capital Fund IV L.P., Resource Capital Fund VI L.P. and Mr Clive Jones to effect a Corporate Restructure, if approved by shareholders, on the terms below:

- 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.
- 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; grant 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
- 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 and A$1 million in cash;

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 further 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.

Project Financing

Assuming Bannerman commits to the development of the Etango Project, funding will comprise a combination of equity and debt. The Company is presently seeking to secure a development partner to provide financial support for future debt and equity requirements. Key matters which will require funding include the purchase of equipment, the construction of plant and other infrastructure, mining pre-stripping and working capital. The success and pricing of any such capital raising and debt financing will be dependent upon the prevailing market conditions.

The Company has development capital requirements in excess of its currently available capital resources. To date, the Company has been successful in raising its required funds through the exercise of outstanding share options and from equity and debt offerings. However, there can be no assurance that the Company will have sufficient funds to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

FINANCIAL INSTRUMENTS AND RELATED RISKS

The Company is exposed to commodity price risk and foreign exchange risk in the normal course of its business operations. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and approach.

(a) Fair Value

The fair value of financial instruments represents the amounts that would have been received from or paid to counterparties to settle these instruments. The carrying amounts of all financial instruments (except the convertible notes) classified as current approximates their fair values because of the short term maturities and normal trade term of these instruments. With regards to the convertible notes, at the date of issue, the debt and equity components were separated according to their fair values. The discount on the debt component is being amortised progressively into earnings as interest expense over the life of the convertible note, such that the debt component will increase to the face value of A$8 million and A$4 million at maturity date of the respective convertible notes.

(b) Liquidity Risk

The Company has in place a planning process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short term business requirements taking into account the anticipated cash inflows and its holding of cash and cash equivalents.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table provides a summary of the type and maturities of the Company's contractual liabilities as at September 30, 2015:

Contractual Obligations	**Total A$'000**	**Less than 1 Year A$'000**	**1-3 Years A$'000**	**4-5 Years A$'000**	**After 5 Years A$'000**
Debt (convertible)	12,000	12,000	-	-	-
Debt interest *	960	960	-	-	-
Litigation settlement**	624	624	-	-	-
Tenement expenditure	1,215	773	442	-	-
Operating and office leases	36	36	-	-	-
Total Contractual Obligations	14,835	14,393	442	-	-

* The Company must settle the interest obligation via the issue of new shares, or in cash in certain limited circumstances.

** Upon receipt of the Etango mining licence, the Company is obligated to pay A$0.5 million cash and issue 4.0 million shares (calculated for the purposes of the above table at a notional price of A$0.031 per share, being the Company's last traded share price on the ASX at the end of the Quarter).

Debt (convertible) comprises the A$8 million and A$4 million convertible notes which, unless converted into shares, will be repayable by the Company to the holder by September 30, 2016.

The convertible notes accrues interest at a coupon rate of 8.0% per annum and is payable quarterly in arrears in shares, or in cash in certain limited circumstances. The holders of the convertible notes are entitled at any time prior to maturity to convert the principal and any accrued interest into Bannerman ordinary shares at a conversion price of A$0.095 per share up to September 30, 2016.

On November 11, 2015, the Company announced the signing of agreements with Resource Capital Fund IV L.P. and Resource Capital Fund VI L.P., which if approved by shareholders, will eliminate the convertible notes. The agreement entails the 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; grant 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).

The litigation settlement relates to the settlement with Savanna Marble CC ("**Savanna**") in December 2008. The Company has already paid the first tranche of the settlement payment and is obligated to pay the second tranche upon receipt of a mining licence for the Etango Project. The Company applied for the Etango Project mining licence in December 2009 and, for illustration purposes, receipt of the mining licence is assumed in the table above to occur within 12 months of balance date. The second tranche payment comprises A$0.5 million in cash and 4.0 million Bannerman shares.

Tenement expenditure represents the minimum stated expenditure covenants on the Company's exploration licences in Namibia. Operating and office leases represent other contractual obligations.

(c) Foreign Exchange Risk

The Company undertakes transactions in foreign currencies and reports the results of its operations in Australian dollars, its functional currency. It is therefore exposed to foreign exchange risk arising from transactions denominated in a foreign currency and the translation of foreign currency balances to Australian dollars. The Company conducts its exploration and development activities in Namibia and thereby a substantial portion of the Company's assets, liabilities and expenses are denominated in Namibian dollars which is currently pegged on a 1:1 basis to the South African Rand.

The Company does not currently engage in foreign currency hedging, and the exposure of the Company's financial assets and liabilities to foreign exchange risk is low. As at September 30, 2015, approximately 7.4% of Bannerman's cash reserves were held in Namibian dollars.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash equivalents are highly liquid and earn interest at market rates in short term fixed and variable term deposits. Due to the short term nature of these financial instruments, fluctuations in market interest rates do not have a significant impact on the fair values of the financial instruments as at September 30, 2015.

(e) Credit Risk

The Company is exposed to credit risk primarily associated with GST/VAT receivables from governments and with cash and cash equivalents. The carrying amount of assets included on the balance sheet represents the maximum credit exposure.

OFF-BALANCE SHEET ARRANGEMENTS

There were no off-balance sheet arrangements as at September 30, 2015.

RELATED PARTY TRANSACTIONS

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

Remuneration (including fees and the issue of share options) was paid or is payable to the directors of the Company in the normal course of business. The Company pays its non-executive personnel consulting fees for extra services, if any, performed outside of normally expected non-executive duties.

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 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**"). RCFIV and RCFVI 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 A$8 million and A$4 million respectively, together with 90,500,875 Bannerman shares representing 22.87% of the voting capital in Bannerman.

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

Subsequent to period end, the Company announced the signing of agreements with Resource Capital Fund IV L.P., Resource Capital Fund VI L.P. and Mr Clive Jones to effect a Corporate Restructure, if approved by shareholders at a forthcoming Extraordinary General Meeting, on the terms below:

- 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.
- 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; grant 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
- 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 and A$1 million in cash.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements requires management to make estimates and assumptions that affect reported amounts in the financial statements. Management continually evaluates its estimates and assumptions in relation to the Company's assets, liabilities, contingent liabilities, revenue and expenses. Management bases its estimates and assumptions on historical experience and on other various factors it believes to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions, and may materially affect the Company's financial results or financial position in future periods.

Management has identified the following matters for discussion in this MD&A. Further details of the nature of these estimates and assumptions can be found in the relevant notes to the financial statements.

Valuation and impairment of exploration and evaluation expenditure

When funds are expended for exploration on the Company's mineral properties, the Company makes a determination as to the likelihood that the activities conducted will result in the eventual discovery of a mineable deposit. Where the determination is made that the potential for a future mineable deposit exists, from which the future cash flows are expected to exceed the amount expended, the Company capitalises the expenditures to the value of the property. Once in production, the capitalised costs will be amortised on a units of production basis over the property's expected economic life.

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related project 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 amount and quality of mineral resources and reserves, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations), political stability, changes to commodity prices, the issue of a mining licence and availability and pricing of project funding. 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.

The Company reviews the carrying value of each property that is in the exploration/development stage by reference to the work programs and the exploration results experienced by the Company and others, and to estimated project economics arising from any feasibility assessment activities.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with directors, employees and contractors 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. The Company measures the cost of option-based payments at fair value at the grant date using the market price and/or the Black-Scholes or other appropriate option pricing models, and taking into account the terms and conditions upon which the instruments were granted. Differences in estimated future stock price volatility, interest rates and other factors can have a material effect on the calculation of stock-based compensation expense. As such, the values derived may change significantly from period to period and are subject to significant uncertainty. The Company recorded a total stock based compensation expense of A$0.2 million for the quarter (September 2014 quarter: A$0.2 million).

Income taxes

The determination of the ability of the Company to utilise tax loss carry-forwards to offset future income tax payable requires management to exercise judgment and make certain assumptions about the future performance of the Company. Management is required to assess whether it is probable that the Company would benefit from these prior losses and other future tax assets. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realised or the timing of utilising the losses. Currently the Company has not recognized any tax losses in excess of any deferred tax liabilities. When amounts that are considered not likely to be utilised to reduce future tax payable are determined to be likely to be utilised in the future, the valuation allowances against these losses would be removed by recording a future income tax recovery in the income statement.

NEW ACCOUNTING STANDARDS

From July 1, 2015 the Company has adopted all standards and Interpretations mandatory for annual periods beginning on July 1, 2015. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Company. The Company has not elected to early adopt any new Standards or Interpretations.

RISK FACTORS

The Company's operations and results are subject to a number of different risks at any given time. A comprehensive summary of these risk factors is included in the section titled "Risk Factors" in the Company's Annual Information Form for the year ended June 30, 2015, available on the Bannerman website at www.bannermanresources.com or on SEDAR at www.sedar.com.

OUTSTANDING SECURITIES DATA

The Company has on issue ordinary shares, stock options, share rights and two convertible notes. The following is a summary of the Company's capital structure as at the date of this MD&A:

	Number of Securities
Ordinary Shares on issue	395,766,586
Options on issue over Unissued Shares	9,963,600
Performance Rights on issue over Unissued Shares	20,075,211
Convertible Notes (if converted)	126,315,789
Contingent – Shares	4,000,000
Total Fully Diluted	**556,121,186**

The contingent amount comprises 4.0 million shares issuable to Savanna upon receipt of the Etango Project mining licence (refer earlier discussion under *Financial Instruments and Related Risks* above).

SHARE OPTIONS

The details of the share options on issue as at the date of this MD&A are tabulated below:

Expiry Dates	Exercise Price	Balance	Vested
November 21, 2015	A$0.12	1,795,200	1,795,200
November 22, 2016	A$0.072	4,504,000	4,504,00
November 15, 2017	A$0.089	3,664,400	-
		9,963,600	6,299,200
Weighted average exercise price (A$)		0.09	0.09
Average life to expiry (years)		1.02	0.5

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

As at the date of this MD&A, the Directors hold 9,536,000 options with an average exercise price of A$0.09 per share and an average life to expiry of approximately 1.7 years.

PERFORMANCE SHARE RIGHTS

The details of the performance share rights on issue as at the date of this MD&A are tabulated below:

Vesting Dates	Balance	Vested
November 11, 2015	170,000	-
November 15, 2015	423,700	-
November 21, 2015	3,502,674	-
November 22, 2015	759,519	-
November 15, 2016	1,755,825	-
November 22, 2016	5,095,630	-
November 15, 2017	6,976,650	-
	20,075,211	-
Average life to vesting	0.7	-

The performance share rights have been issued in accordance with the shareholder-approved Employee Incentive Plan and Non-Executive Director Share Incentive Plan and vest into shares for no consideration on the achievement of specified vesting hurdles related to the Company's relative share price performance, internal business targets, personal performance and minimum service periods.

As at the date of this MD&A, the Directors hold 11,891,770 performance share rights with an average life to vesting of approximately 0.8 years.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company maintains appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete and reliable. The Company is continuing to review and develop appropriate disclosure controls and procedures and internal controls over financial reporting for the nature and size of the Company's business.

Disclosure Controls and Procedures

The Company's disclosure controls and procedures ("**DCP**") are designed to provide reasonable assurance that all relevant information is communicated to the Company's senior management to allow timely decisions regarding disclosure. Access to material information regarding the Company is facilitated by the small size of the Company's senior management team and workforce. The Company is continuing to develop appropriate DCP for the nature and size of the Company's business.

Internal Controls over Financial Reporting

Internal controls over financial reporting ("**ICFR**") are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements in compliance with IFRS. The Board is responsible for ensuring that management fulfils its responsibilities in this regard. The Audit Committee fulfills its role of ensuring the integrity of the reported information through its review of the interim and annual financial statements. As at September 30, 2015, the Chief Executive Officer and the Financial Controller, in the capacity of the Chief Financial Officer, with participation of the Company's management, concluded that there were no material weaknesses at the end of the Quarter or changes to the Company's internal controls during the Quarter which have materially affected, or are considered to be reasonably likely to materially affect, the Company's ICFR.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and the Financial Controller in the capacity of the Chief Financial Officer, believe that any DCP or ICFR, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorised override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Cautionary Note Regarding Forward Looking Statements

Certain information contained in this MD&A constitutes "forward-looking information", which may include, but is not limited to, statements or information regarding possible events, conditions or results of operations that is based upon assumptions about future economic conditions and courses of action. All information other than matters of historical fact may be forward-looking information. In some cases, forward-looking information can be identified by the use of words such as "seeks", "expects", "is expected", "anticipates", "budget", "plans", "estimates", "continues", "forecast", "projects", "intends", "believes", "predicts", "scheduled", "potential", "targets", "may", "could", "would", "might", "will" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook.

By its nature, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to differ materially from those expressed or implied by such forward-looking information. Some of the risks and other factors that could cause actual results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to:

- risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations;
- results of initial feasibility, pre-feasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations;
- risks relating to possible variations in resources, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined;
- mining and development risks, including risks related to accidents, equipment breakdowns, labour disputes (including work stoppages and strikes) or other unanticipated difficulties with or interruptions in exploration and development;
- the potential for delays in exploration or development activities or the completion of feasibility studies;
- risks related to the inherent uncertainty of production and operating and capital cost estimates and the potential for unexpected costs and expenses;
- risks related to commodity price and foreign exchange rate fluctuations;
- the uncertainty of profitability based upon the cyclical nature of the industry in which the Company operates;
- risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities;
- risks related to environmental regulation and liability;
- political, fiscal and regulatory risks associated with mining and exploration; and
- other risks and uncertainties related to the Company's prospects, properties and business strategy.

A discussion of these and other factors that may affect the Company's actual results, performance, achievements or financial position is contained in "*Risk Factors*" elsewhere in this MD&A, and in the Company's AIF. Although the Company has attempted to identify important factors that could cause actual results or events to differ materially from those described in the forward-looking information, readers are cautioned that this list is not exhaustive and there may be other factors that we have not identified. Readers are also cautioned not to place undue reliance on forward-looking information contained in this MD&A. Forward-looking information is based upon management's beliefs, estimates and opinions as at the date of this MD&A, and no assurance can be given that these will prove to be correct. Furthermore, the Company undertakes no obligation to update or revise forward-looking information if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.

TECHNICAL DISCLOSURES

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

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

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

The information in this report relating to the Ore Reserves of the Etango Project is based on information 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.