QUARTERLY ACTIVITIES REPORT

For the Period Ended 31 March 2016

Bannerman Resources Limited (ASX:BMN | TSX:BAN | NSX:BMN) had a successful March quarter, completing a significant corporate restructuring process, appointing new leadership and delivering positive results from Phase 3 of its Heap Leach Demonstration Plant.

HIGHLIGHTS

- **Successful Heap Leach Demonstration Plant Program**
  - Results from Phase 3 of the Heap Leach Demonstration Plant further highlights the robustness of the Etango DFS and Optimisation Study
  - Indicates further improvement opportunities
  - Commencement of Phase 4
- **New leadership appointed**
  - Appointment of Brandon Munro as Chief Executive Officer/Managing Director
  - Promotion of Werner Ewald to Managing Director – Namibia
- **Announced completion of Ownership Consolidation, Debt Extinguishment and New Funding Transaction**
  - Acquisition of the minority interest (20%) in the Etango Project
  - Extinguishment of the A$12 million convertible note
  - A$3 million capital raising
- **Cash balance as at 31 March 2016 was A$2.5 million.**

Details on the above milestones follow below.

Figure 1 - Etango Heap Leach Demonstration Plant

ETANGO PROJECT (Bannerman 100%)

Successful Heap Leach Demonstration Plant Program

On 7 April 2016, Bannerman announced further positive results from Phase 3 of the Etango Heap Leach Demonstration Plant Program. The Phase 3 results are similar to or better than the assumptions used in the Etango Definitive Feasibility Study ("**DFS**") and have delivered the clear potential to further reduce operating cost estimates. Phase 3 involved trial leaching of Etango ore in three cribs (2m x 2m x 5m high) and six columns (185mm x 5m high) in a configuration designed to mirror the set-up of a full-scale heap operation. The key observations, results and preliminary conclusions from Phase 3 are:

Fast leach extraction with high recoveries

Total leach extraction of ~93% from a 90 tonne sample over 22 days for the three cribs and six columns (compared to the DFS projection for a scaled up heap of 87%).

Low sulphuric acid consumption

On average 13.6 kg/tonne for the three cribs and 14.2 kg/tonne for the six columns (compared with the DFS projection of 17.6 kg/tonne).

Excellent material properties

Clear and clean leach solution with uniform percolation through the material and integrity of the agglomerate.

High purity product

No evidence of build-up of deleterious elements occurring during the recycling of leach solution.

Capability building

Growing metallurgical database now reflects large scale testing of 273 tonnes of material since commencement of the heap leach demonstration plant program in April 2015.

Phase 3 of the Demonstration Plant work program entailed the closed circuit heap leach operation of three cribs (cribs 7, 8 & 9). Leach irrigation was conducted for a total of 22 days in two separate stages in order to simulate the conditions of a commercial heap leach operation. The leach solution collected was designated as the pregnant leach solution and was stored separately to be utilised for the solvent extraction (SX) work, which is part of the pending Phase 4 program.

Integrity of the agglomerates was again clearly evident during the unloading process and no percolation issues were observed. This together with rapid drainage occurring during the curing period suggests that the ore has high hydraulic conductivity (permeability) and low moisture retention.

Leach irrigation was stopped at day 22 and the overall uranium extraction achieved after the drain, rinse and post rinse drain phase was approximately 92.8% (compared with DFS projections for a scaled up heap of 86.9%). See Figure 2.

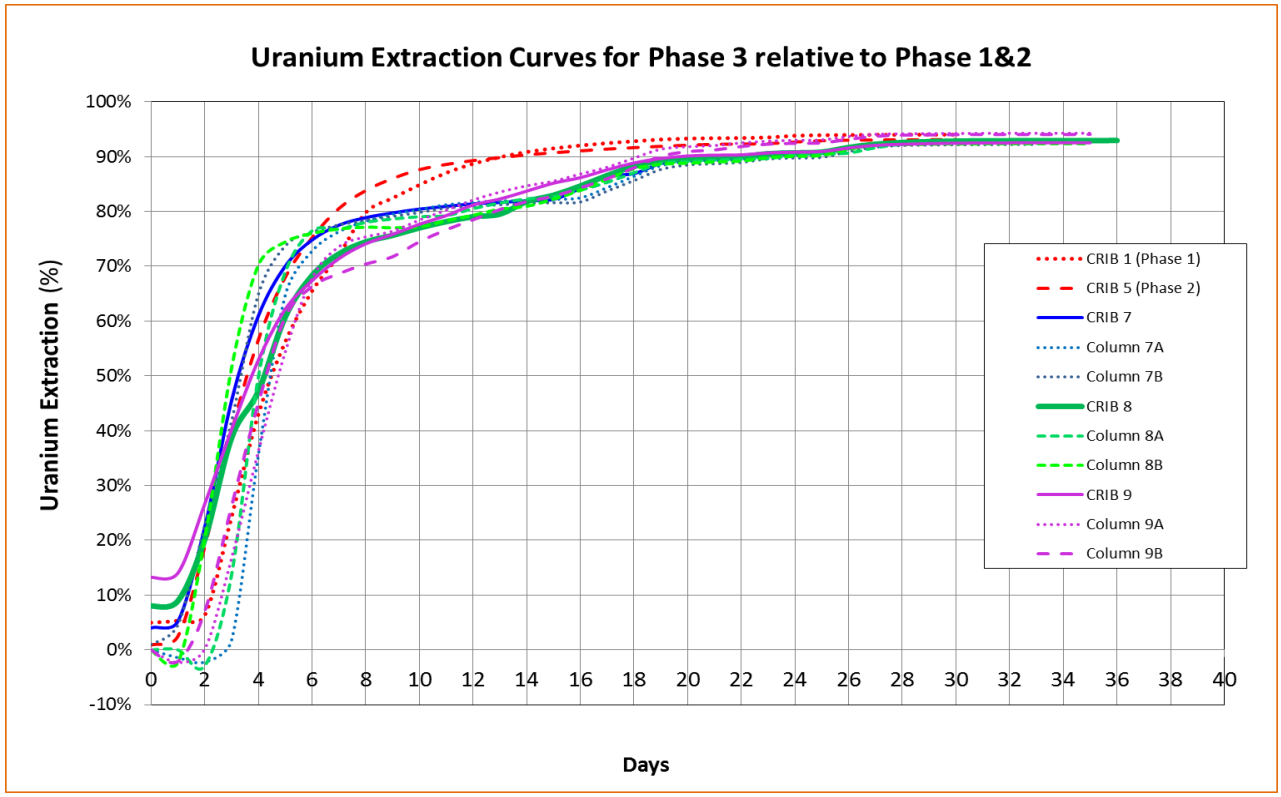

Figure 2 - Uranium extraction curves for Phase 3

The rate of acid consumption was in-line with previous testing and averaged 13.6 kg/tonne for the four cribs (compared with DFS projections of 17.6kg/t).

These results are in-line with or better than those obtained in laboratory scale test work performed at similar conditions during the DFS. There was also no evidence of 'channelling' and the agglomerated material retained integrity during the leaching process.

These crib results are considered to be highly significant as the conditions are more representative of the agglomeration, stacking, irrigation and drainage methodology expected during a commercial heap leach operation and as such would provide a more accurate picture of the expected results for the full scale plant.

Phase 4 is the next step in the Demonstration Plant work program, to be completed in the June quarter. This will utilise the Phase 3 pregnant leach solution to confirm the DFS assumptions relating to the solvent extraction circuit. This is planned to be followed by a further program in which a variety of scenarios will be tested to identify opportunities for further cost reductions (Phase 5).

CORPORATE

New leadership appointed

Brandon Munro was appointed on 9 March 2016 as Bannerman's Chief Executive Officer/Managing Director, based in Perth, Australia. Mr Munro succeeded Len Jubber, who resigned to pursue other business interests. Mr Munro worked for Bannerman as General Manager – Corporate Development between 2009 and 2011, lived in Namibia from 2010 until 2015 and has built up extensive relationships with the Namibian Government and the wider community.

As part of the leadership change, Mr Werner Ewald was promoted to Managing Director – Namibia. Mr Ewald, a born Namibian based in Swakopmund, has worked for Bannerman since 2010, prior to which he was Mining Manager at Namibia's Rossing Uranium Mine.

Completion of Ownership Consolidation, Debt Extinguishment and New Funding Transaction

Bannerman announced on 4 January 2016 the completion of the transactions that shareholders approved at the Extraordinary General Meeting held on 29 December 2015. These transactions achieved the acquisition of the minority interest (20%) in the Etango Project, extinguishment of the A$12 million convertible note and completion of a A$3 million capital raising.

As a result, Bannerman now owns 100% of the Etango Uranium Project, is debt free and funded for the operation of the Heap Leach Demonstration Plant and working capital needs.

TSX De-Listing

Subsequent to quarter end, Bannerman made an application to the Toronto Stock Exchange ("**TSX**") to de-list Bannerman's securities. The decision to de-list is due to several factors, including the limited trading volume of Bannerman's shares on the TSX over a sustained period of time. Over a 12 month period to the end of March, 90% of securities traded occurred on the ASX. In addition, approximately only 3.5% of Bannerman's shares are held on the Canadian register. As a result, the Board considers the regulatory and other costs associated with maintaining the TSX listing cannot be justified.

Subject to the application being accepted, it is expected that the Company's securities will be de-listed and therefore no longer traded on the TSX after close of trading on Wednesday 11 May 2016.

No change will occur to the quotation and trading of Bannerman shares on the Australian Securities Exchange ("**ASX**") or the Namibian Stock Exchange ("**NSX**") and Bannerman's securities remain available for trading on the ASX and NSX under the code BMN.

Project Financing

The results from Phase 1, 2 and 3 of the Demonstration Plant Program strongly support the heap leach assumptions and projections incorporated in the DFS, and are expected, therefore, to enhance the bankability of the project. The program scheduled for the coming quarters will focus on utilising the Phase 3 pregnant leach solution, aims to confirm the DFS assumptions relating to the solvent extraction circuit and further value engineering.

Cash Position and Operating Expenditure

Bannerman's cash reserves as at 31 March 2016 totalled A$2.5 million (31 December 2015: A$4.16 million). Net operating cash outflow during the quarter totalled A$1.675 million. This outflow included transaction costs of the corporate transactions completed in December 2015. Anticipated expenditure for the June quarter is $1.05m (including payment of entitlements to the Company's previous Managing Director).

Issued Securities

At the date of this report, Bannerman has 709,974,393 ordinary shares on issue.

Subsequent to quarter end, the Board applied its discretion and issued 8,040,205 ordinary shares in satisfaction of performance criteria, pursuant to the terms of the Employee Incentive Plan ("**EIP**"), a further 14,180,873 have been forfeited and cancelled following non-satisfaction of the relevant performance criteria.

At the date of this report, Bannerman had on issue 19,585,658 performance and share rights and 16,014,400 unlisted share options. The share rights and share options are subject to various performance targets and continuous employment periods.

Schedule of Mining Tenements

The Bannerman Group currently holds Exclusive Prospecting Licence 3345 ("**EPL 3345**") in Namibia. An application to renew EPL3345, which expired on 26 April 2015, was lodged on 26 January 2015.

During the March quarter the Namibian Ministry of Mines and Energy provided a notice of intention to grant the renewal of EPL 3345. The notice included additional terms and conditions requiring Bannerman to submit a proposal on how it can achieve local Namibian ownership (5% equity ownership) and employment of historically disadvantaged Namibians in management of the Etango project, together with

a broader corporate social responsibility plan. These additional terms and conditions are applicable to licence applications industry wide, and hence are not unique to Bannerman's application. The Ministry has 30 days to confirm if it is satisfied with Bannerman's proposal, otherwise a 3 month process follows to reach agreement on meeting these additional conditions. Bannerman submitted its proposal on 21 April 2016. Until the renewal process is finalised, the Namibian Minerals (Prospecting and Mining) Act provides for continued tenure of the EPL.

There were no interests in other mining tenements or any beneficial interests in farm-in or farm-out agreements which were acquired or disposed of during the quarter.

URANIUM MARKET

The US Department of Energy's National Nuclear Security Administration (NNSA) has outlined its strategic plans for changes to the USA's program to dispose of surplus military plutonium. According to the report the US administration proposes to pursue a "dilution and disposal" approach to plutonium disposition, instead of converting it into mixed-oxide (MOX) fuel for use in light water reactors. The USA is required to dispose of some of its weapons grade plutonium under a weapons reduction agreement signed with Russia in 2000.

China's new five year plan re-affirmed the intention of having 58 GW nuclear operable by 2020. Unit 4 at Hongyanhe and Unit 4 at Ningde were connected to the grid.

In Japan, Sendai reactors #1 & 2 continue to operate following a High Court ruling whilst operation at Kansai's Takahama #3 & #4 reactors have been suspended following a court injunction. Applications for restarts have been submitted for 25 reactors and regulators have approved Ikata unit 3's safety upgrades.

South Korea's Shin Kori reactor #3 became operable and is currently going through commission testing. As a result, the number of operable reactors worldwide increased by one unit to 440. Worldwide a further 65 reactors are under construction, 173 on order or planned and 337 proposed.

Brandon Munro
Chief Executive Officer
28 April 2016

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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 100%-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 has confirmed the technical, environmental and financial (at consensus long term uranium prices) viability of a large open pit and heap leach operation at one of the world's largest undeveloped uranium deposits. In 2016, Bannerman is continuing 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.*

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 include Ore Reserves (Mineral Reserves).

Mineral Resources which are not Ore Reserves (Mineral Reserves) do not have demonstrated economic viability.

The information in this report relating to the Mineral Resources of the Etango Project is based on information prepared by Mr Ian Glacken, extracted from the Company's National Instrument 43-101 – Standards of Disclosure for Mineral Projects technical report entitled "Etango Uranium Project Optimisation Study", dated 24 December 2015 and the report entitled "Etango Uranium Project Optimisation Study November 2015" filed on 11 November 2015, which are available to view on the Company's SEDAR profile at www.sedar.com, and website at www.bannermanresources.com.au (the "Technical Reports"). Mr Glacken is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Glacken is a full-time employee of Optiro Pty Ltd. Mr Glacken 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 Glacken consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report relating to the Ore Reserves of the Etango Project is based on information prepared by Mr Leon Fouché, extracted from the Technical Reports. Mr Fouché is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Fouché is a full-time employee of the Company. Mr Fouché has sufficient experience relevant to the style of mineralisation and types of deposits under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", and a Qualified Person as defined by Canadian National Instrument 43-101. Mr Fouché consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report pertaining to Mineral Resources and Ore Reserves for the Etango deposit is extracted from the Technical Reports. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, which all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

All material assumptions detailed in this report and underpinning the production target and forecast financial information in the DFS Optimisation Study (as previously announced on 11 November 2015 in compliance with Listing Rule 5.16 and 5.17) continue to apply and have not materially changed.