

BANNERMAN PROCEEDS WITH ETANGO PROJECT DEFINITIVE FEASIBILITY STUDY

Perth, Australia – Uranium exploration and development company Bannerman Resources Limited (ASX: BMN, TSX: BAN, NSX: BMN) ("**Bannerman**" or the "**Company**") is pleased to announce Board approval to proceed with a Definitive Feasibility Study ("**DFS**") following positive results from the Preliminary Feasibility Study ("**PFS**") on its 80%-owned Etango Project in Namibia, southwestern Africa.

PFS Highlights

- Preferred route is agitated-tank leaching of a high-grade (3,500-4,000ppm U₃O₈) flotation concentrate.
- Pre-tax internal rate of return of 22% for flotation concentrate leaching and payback period of 3-4 years based on a long term uranium price of US\$70/lb U₃O₈.
- Production estimated to commence in late 2013 with modelled output of 5-7Mlbs U₃O₈ per annum over a +16 year mine life.
- Updated mineral resource estimate using a modelling technique more closely aligned with the style of envisaged open pit mining results in a 10% increase in overall grade and reductions in tonnage and metal content of 13% and 5% respectively.
- Incorporation of resource definition drilling reported since mid-2009 into the resource model is expected to expand the resource estimate further.
- Overall processing recoveries of over 90% for flotation concentrate leaching.
- Expected capital costs of US\$555 million for flotation concentrate leaching.
- Expected operating costs for flotation concentrate leaching of US\$38/lb U₃O₈ in the first five years, with an average life-of-mine cost of US\$41/lb U₃O₈.
- Key opportunities to improve project economics and extend mine life through a range of resource expansion, mine scheduling, processing flowsheet optimisation and other initiatives.
- No substantial legislative, environmental or social impediments for project development identified to date, with local community support having been received.
- On schedule for lodgement of a mining licence application by the end of 2009.
- DFS commences with a three month confirmatory metallurgical testwork program and final processing route decision scheduled for the end of the March 2010 quarter. DFS completion scheduled for a development decision in early 2011.

Referring to the PFS results, Bannerman CEO Len Jubber said: "Our Preliminary Feasibility Study has demonstrated robust economics for the large-scale Etango Project. The relatively low grade of the deposit is counteracted by a range of site-specific features including the shallowness and low strip ratio of planned mining activities, good metallurgical characteristics of the ore, and proximity to infrastructure. The first phase of the Definitive Feasibility Study will encompass further metallurgical testing to confirm the flowsheet which will form the basis for follow-on detailed engineering design."

Mr Jubber added: "With the results of the PFS now available, Bannerman will also further its existing dialogues with potential strategic partners and financing providers in order to investigate various alternative options for financing the development of the Etango Project."

Cautionary and PFS Notice

The PFS estimates reflect 100% of the Etango Project (ignoring ownership and financing structure), are stated in unescalated real 2009 dollars and are presented in US\$ unless otherwise noted.

The PFS results are indicative only. They are based on various assumptions considered reasonable by Bannerman and its external technical consultants, but which may or may not be ultimately achieved. Technical and economic estimates in the PFS are prepared to a tolerance of $\pm 30\%$ other than for the processing aspects of the flotation concentrate leaching option which, given the metallurgical testwork status, reflect a $\pm 40\%$ tolerance. The final decision to proceed with development of the Etango Project will be based on the DFS which will include the preparation of a formal ore reserve estimate. Accordingly, at this PFS stage, there is no certainty that the Etango Project will be developed or, if developed, will be economically viable.

It should be noted that Bannerman is not declaring an ore reserve estimate as part of the PFS, with this work being scheduled for the DFS. Estimates of mineable PFS resources comprise 2% Measured, 75% Indicated and 23% Inferred resource material by metal content. However, given the proximity of the Inferred resource material to the Measured and Indicated resources, the Company expects that the drilling undertaken and planned since the preparation of the resource model would convert a reasonable proportion of the Inferred resource material to Indicated status such that this can then be considered for conversion to an ore reserve as part of the DFS. In accordance with relevant regulations governing the disclosure of mineral projects, readers are cautioned that mineable resources based on Inferred resource material are considered too speculative geologically to enable them to be classified as ore reserves.

Conference Call and Webcast Notice

Bannerman will hold a conference call and simultaneous on-line slideshow commencing at 9:00am Australian Western Standard Time today (8:00pm Toronto/New York time Sunday December 13, 2009) during which the CEO, Mr Len Jubber, will discuss the results of the PFS. Participants will have the opportunity to ask on-line and over-the-telephone questions. The on-line slideshow is accessible from a link on the Bannerman website at www.bannermanresources.com.au. The briefing will be available shortly after the live event on the same link as the on-line slideshow. The telephone numbers for the conference call are as follows:

Australia (toll free)	1800 701 269
Canada (toll free)	1888 447 3085
United Kingdom (toll free)	0808 234 7860
United States (toll free)	1866 242 1388
International Toll Dial-In Number:	+ 61 2 8823 6760
Conference call ID number (please quote Bannerman and this number):	ID # 46816481

For further information please contact:

Len Jubber
Chief Executive Officer
Perth, Western Australia
Tel: +61 (0)8 9381 1436
admin@bannermanresources.com.au

Peter Kerr
Chief Financial Officer
Perth, Western Australia
Tel: +61 (0)8 9381 1436

Ann Gibbs
Investor Relations
Toronto, Ontario, Canada
Tel: +1 416 388 7247
ann@bannermanresources.com

Australasian Media
David Tasker
Professional Public Relations
Tel: +61 (0)433 112 936
david.tasker@ppr.com.au

Summary of the Etango Project Prefeasibility Study

The Etango Project is located in the Erongo region of central western Namibia, approximately 40 km inland from the regional coastal town of Swakopmund and 67 km by road from the deepwater port of Walvis Bay. This region also hosts the Rössing uranium mine operated by Rio Tinto plc, the Langer-Heinrich uranium mine operated by Paladin Energy Limited, the Trekkopje uranium mine operated by AREVA, and the Husab Uranium Project owned by Extract Resources Limited.

Bannerman acquired its 80% interest in the Etango Project in 2005 and since 2006 has completed extensive exploration and resource definition drilling programs, and is now releasing the PFS results.

Since July 2009, Bannerman's PFS activities have focused upon infill and extensional drilling of the Etango deposits, and in particular upon metallurgical testwork of both the heap leaching and the tank-based flotation concentrate leaching processing options. A successful 12 week testwork program recently completed on the flotation concentrate leaching option consistently achieved a 5-6% mass pull of over 94% of the contained uranium oxide (expressed as U_3O_8) in the ore resulting in a high-grade concentrate of approximately 3,500-4,000 parts per million ("ppm") U_3O_8 . High leaching recoveries of the concentrate are expected, resulting in an estimated overall processing recovery of 91%. This testwork has confirmed flotation concentrate leaching as the preferred processing route for development of the Etango Project.

A 16 tonne metallurgical sample is currently being prepared in Perth to enable further flotation concentrate and associated leaching testwork to be completed in the March 2010 quarter. This testwork is designed to confirm a decision on the flotation concentrate leaching processing route. Commencement of detailed DFS engineering design and costing of the processing plant and infrastructure will occur shortly thereafter.

The PFS was completed with support from various technical consultants, including AMEC Minproc Pty Ltd, Coffey Mining Pty Ltd, Independent Metallurgical Operations Pty Ltd and specialised assay and metallurgical laboratories.

Economic Analysis

The results of Bannerman's PFS demonstrate the economic viability of the Etango Project over a period in excess of 16 years at or around current long term U_3O_8 prices. The key physical and financial parameters of the PFS are tabulated below.

Technical and economic estimates in the PFS are prepared to a tolerance of $\pm 30\%$ other than for the processing aspects of the flotation concentrate leaching option which, given the metallurgical testwork status, reflect a $\pm 40\%$ tolerance. The PFS estimates reflect 100% of the Etango Project (ignoring ownership and financing structure), are based on real 2009 dollars and are presented in US\$ unless otherwise noted.

The PFS mining schedule provides for approximately 16 years of production of 5-7 million pounds ("**Mlbs**") of U_3O_8 per annum, with substantial additional material expected to be included in the ultimate open pit mine design based upon more recent drilling work undertaken in the northern section of the Etango deposit, and with further iterations of the mine planning process.

Life-of-mine production is estimated as 97Mlbs U_3O_8 for the flotation concentrate leaching option. Mineable resources for the PFS comprise 2% Measured, 75% Indicated and 23% Inferred resource material by metal content. Refer the cautionary language under *Mining* below in relation to the financial modelling of Inferred resources.

For after-tax figures, the Namibian mining tax rate of 37.5% has been applied. Capital costs are generally deducted for tax purposes over a three year period following incurrence.

	Flotation Concentrate Leaching
Mineable resources (M tonnes)	231 Mt
Annual throughput (M tonnes ore)	15 Mt
Average grade (ppm U ₃ O ₈)	211
Stripping ratio (waste/ore)	3.5 : 1.0
Metallurgical recovery	91%
Life of mine production (Mlbs U ₃ O ₈)	97 Mlbs
Annual production (Mlbs U ₃ O ₈)	5-7 Mlbs
Mine life	+16 years
Initial capital cost	US\$555 million
First 5 years operating cost (US\$/lb U ₃ O ₈)	US\$38
Life of mine operating cost (US\$/lb U ₃ O ₈)	US\$41
Assumed uranium price received (US\$/lb U ₃ O ₈)	US\$70
Internal rate of return (before tax)	22%
Internal rate of return (after tax)	18%
Net present value 10% (before tax)	US\$431 million
Net present value 10% (after tax)	US\$241 million
Capital payback period	3-4 years

A range of sensitivity analyses of the Etango Project economics have been undertaken to assess the variance of modelled returns (net present value, NPV, and internal rate of return, IRR) to changes in uranium prices, operating costs and discount rates, as tabulated below.

**Flotation Concentrate Leaching
Pre-Tax NPV (US\$M) and IRR (%) Sensitivities**

NPV (US\$M) / IRR (%)	Uranium Price (US\$/lb U ₃ O ₈)		
	60	70	80
Discount Rate			
12%	US\$0M / 12%	US\$313M / 22%	US\$633M / 31%
10%	US\$59M / 12%	US\$431M / 22%	US\$802M / 31%
8%	US\$143M / 12%	US\$580M / 22%	US\$1,017M / 31%
Operating Costs (NPV at 10% discount rate)			
+10%	US\$(105M) / 7%	US\$266M / 18%	US\$638M / 27%
+5%	US\$(23M) / 9%	US\$348M / 20%	US\$720M / 29%
Base case	US\$59M / 12%	US\$431M / 22%	US\$802M / 31%
-5%	US\$141M / 14%	US\$513M / 24%	US\$885M / 33%
-10%	US\$223M / 17%	US\$595M / 26%	US\$967M / 35%

The analysis demonstrates that, due to the Project's large volume, relatively low grade and long mine life, operating margins and investment returns are highly leveraged to movements in uranium prices and operating costs.

Geology

Uranium occurrences within the Etango Project are generally located along the western flank of a local basement structure known as the Palmenhorst Dome, primarily in alaskite granites. Minor uranium mineralisation is also found in the metasedimentary sequences close to the alaskite contacts. The dominant primary uranium mineral is uraninite (UO₂).

The primary uranium mineralisation occurs as disseminations within rock fractures, at crystal interfaces, and as inclusion within other minerals. Secondary uranium minerals occur as replacement of the primary minerals or as coatings along fractures.

Bannerman has to date completed over 275,000 metres of reverse circulation and diamond core drilling at the Etango Project (of which 223,000 metres has to date been included in the resource model), and the strike length of the mineralisation now totals approximately 6 km. Drilling has rarely penetrated deeper than 350-400 metres below surface, with the focus of previous programs being on the delineation of near-surface resources which could justify an open pit mining decision. The Etango deposit remains open at depth to the west, and potential exists for later mine life extensions.

Mineral Resource Estimate

As reported by the Company on July 20, 2009, the mineral resource estimate for the Etango Project was calculated using the Ordinary Kriged (“OK”) methodology as tabulated on the following page. The estimate encompasses the Anomaly A, Oshiveli and Onkelo areas within the Etango Project.

Subsequent to this update, in August 2009, Bannerman commissioned Coffey Mining Pty Ltd to remodel the deposit utilising the widely accepted Uniform Conditioning (“UC”) methodology. The UC model better emulates the selective mining of smaller units than the block sizes which were previously utilised in the OK model, thereby more closely reflecting the open pit mining methods proposed to be employed. The block sizes of the OK model reported in July 2009 were 25m x 25m x 10m at Anomaly A and Oshiveli, and 50m x 30m x 10m at Onkelo. The UC model emulates a selective mining unit block size of 12.5m x 12.5m x 5m. The UC resource estimate is also tabulated on the following page.

The effect of the UC mineral resource estimate, as reported at a cut-off grade of 100ppm U₃O₈, was to increase the estimated average grade by 10% and reduce overall tonnages and contained metal (by 13% and 5% respectively).

Since calculation of the respective OK and UC resource estimates (which incorporate drilling only up to the end of May 2009), Bannerman has continued to aggressively drill the Etango deposits with a combination of infill and extensional programs being completed. Accordingly, based on the results of these drilling programs, there are likely to be improvements in both quantum and level of confidence to the resource model which will ultimately be utilised in the DFS. A resource update is expected in the March 2010 quarter.

Mining

Contract and owner-mining estimates were completed for the PFS, with contractor mining assumed for mine planning and costing purposes. Detailed contract and owner-mining scenarios will be further evaluated in the DFS.

The mining method proposed is a conventional hard rock open pit operation, with drilling, blasting, loading and truck hauling. The contract mining fleet comprises 300 tonne excavators, in both face shovel and backhoe configuration, and 150 tonne haul trucks. A smaller fleet is assumed to be utilised in the Onkelo area commensurate with the reduced mineralisation dimensions and equipment access in that location. The ultimate pit dimensions for the Anomaly A/Oshiveli deposits are modelled at 3.8 km long x 0.8 km wide x 320 metres deep, and for the Onkelo deposit are modelled as 1.3 km long x 0.4 km wide x 180 metres deep.

**Etango Project - Mineral Resource Estimate - July 2009
Ordinary Kriged (“OK”) Method**

Lower Cut-off (ppm U ₃ O ₈)	Measured Resources				Indicated Resources				Measured & Indicated Resources				Inferred Resources			
	Tonnes	Grade	Contained U ₃ O ₈		Tonnes	Grade	Contained U ₃ O ₈		Tonnes	Grade	Contained U ₃ O ₈		Tonnes	Grade	Contained U ₃ O ₈	
	(Mt)	(ppm U ₃ O ₈)	(Tonnes)	(Mlbs)	(Mt)	(ppm U ₃ O ₈)	(Tonnes)	(Mlbs)	(Mt)	(ppm U ₃ O ₈)	(Tonnes)	(Mlbs)	(Mt)	(ppm U ₃ O ₈)	(Tonnes)	(Mlbs)
100	3.8	240	900	2.0	231.2	207	47,900	105.7	235.0	208	48,900	107.7	120.7	197	23,800	52.4
150	3.5	249	900	1.9	173.3	234	40,600	89.4	176.8	234	41,500	91.3	89.7	221	19,800	43.6

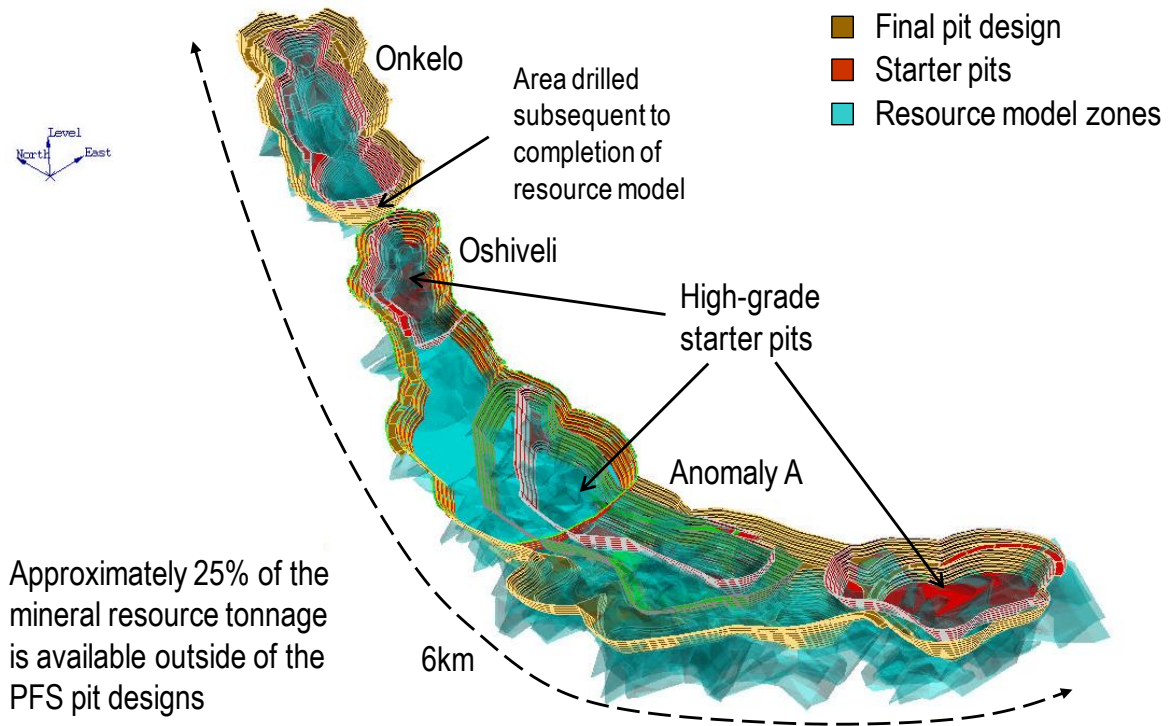
Note: Figures may not add due to rounding; bulk density of 2.63t/m³; Ordinary Kriged estimate based on cut 3m (Anomaly A and Oshiveli) and 2m (Onkelo) U₃O₈ composites; Block dimensions of 25mNS x 25mEW x 10mRL (Anomaly A and Oshiveli) and 50mNS x 30mEW x 10mRL (Onkelo).

**Etango Project - Mineral Resource Estimate - December 2009
Uniform Conditioning (“UC”) Method**

Lower Cut-off (ppm U ₃ O ₈)	Measured Resources				Indicated Resources				Measured & Indicated Resources				Inferred Resources			
	Tonnes	Grade	Contained U ₃ O ₈		Tonnes	Grade	Contained U ₃ O ₈		Tonnes	Grade	Contained U ₃ O ₈		Tonnes	Grade	Contained U ₃ O ₈	
	(Mt)	(ppm U ₃ O ₈)	(Tonnes)	(Mlbs)	(Mt)	(ppm U ₃ O ₈)	(Tonnes)	(Mlbs)	(Mt)	(ppm U ₃ O ₈)	(Tonnes)	(Mlbs)	(Mt)	(ppm U ₃ O ₈)	(Tonnes)	(Mlbs)
100	3.6	249	900	2.0	201.8	227	45,800	100.8	205.4	227	46,700	102.8	102.9	217	22,300	49.2
150	3.0	268	800	1.8	146.9	262	38,500	85.0	149.9	262	39,300	86.8	73.5	251	18,400	40.7

Note: Figures may not add due to rounding; bulk density of 2.63t/m³; Uniform Conditioning estimate; Panel dimensions of 25mNS x 25mEW x 10mRL (Anomaly A and Oshiveli) and 50mNS x 50mEW x 10mRL (Onkelo) and SMU dimensions of 12.5mNS x 12.5mEW x 5mRL with Information Effect.

Etango Project – PFS resource model and pit designs



It should be noted that Bannerman is not declaring an ore reserve estimate as part of the PFS, with this work being scheduled for the DFS. The UC mineral resource model was utilised in the PFS to calculate estimated mineable resources. Mineable resources for the PFS comprise 2% Measured, 75% Indicated and 23% Inferred resource material by metal content. However, given the proximity of the Inferred resource material to the Measured and Indicated resources, the Company expects that the drilling undertaken and planned since the preparation of the resource model would convert a reasonable proportion of the Inferred resource material to Indicated status such that this can then be considered for conversion to an ore reserve as part of the DFS. In accordance with relevant regulations governing the disclosure of mineral projects, readers are cautioned that mineable resources based on Inferred resource material are considered too speculative geologically to enable them to be classified as ore reserves.

Mineable resources of 231Mt at an average grade of 211ppm U_3O_8 represent approximately 75% of the total UC resource tonnage tabulated above, giving rise to potential for mine life increases. In particular, opportunities exist for further pit expansions to add significantly to life-of-mine production given that the next two optimised open pit shells beyond the current mine design contain approximately 35Mt of mineralised material.

The average life-of-mine strip ratio for the operation is 3.5 tonnes of waste for every tonne of ore, with an annual total mining movement of 33-87 million tonnes and an average total mining movement of approximately 67.5 million tonnes per year. Annual ore output is estimated to be 15 million tonnes per year.

The average direct contract mining costs were estimated at A\$2.16 per tonne of material mined, excluding mobilisation and demobilisation costs. The potential operating cost savings associated with electrically-powered haul trucks (known as “trolley assist”) has not yet been considered in detail and provides opportunity for efficiency and cost savings to be included as part of the DFS.

Processing

Work on processing options in the PFS has focused on a range of tank and heap leach scenarios, including a number of beneficiation approaches, with an extensive amount of systematic metallurgical testwork

having been undertaken. Two viable processing routes have been identified, being tank leaching of a high-grade flotation concentrate and heap leaching.

Following extensive beneficiation testwork to investigate the ability for the Etango ore to be upgraded prior to tank-based agitated acid leaching, Bannerman and its metallurgical consultants, Independent Metallurgical Operations Pty Ltd, identified the potential for creation of a high-grade uranium concentrate using standard flotation techniques with a unique flotation reagent suite. Since announced in July 2009, Bannerman has completed a successful 12 week testwork program on the flotation concentrate leaching option. This testwork, on a laboratory batch test scale, has consistently demonstrated that the ore is amenable to selective flotation beneficiation into a low mass pull and high-grade uranium concentrate.

The PFS “flotation concentrate leaching” scenario is based on the crushing and grinding of 15 million tonnes of ore per year through a three stage crushing circuit (with the third stage incorporating a high pressure grinding roll) and a grinding (ball mill) circuit, with material milled down to a size of approximately 300 microns (i.e. 0.3mm), followed by a flotation circuit. Recovery of the uranium content involves tank-based acid leaching of the concentrate at the Etango site, utilising less sulphuric acid than for the heap leaching option. Alternative scenarios involving the off-site processing or direct sale of high-grade uranium concentrates may also present viable and economically attractive options for Bannerman which will be investigated as part of the DFS.

Testwork has demonstrated rapid flotation kinetics and shown the ability to concentrate over 94% of the uranium oxide (expressed as U_3O_8) content of the ore into approximately 5-6% of the starting ore mass (i.e. a 5-6% “mass pull”). On this basis, the flotation process results in the production of a high-grade concentrate of approximately 3,500 - 4,000 parts per million U_3O_8 . Advantages of the ability to produce such a concentrate include lower acid consumption in the follow-on leach process, a smaller process plant footprint, opportunities to pursue capital saving approaches, and increased ability to control and optimise the process as compared with a heap leach scenario.

High leaching recoveries of the concentrate are expected. As a result, the PFS work has considered a flotation circuit capable of producing approximately 825,000 tonnes per annum of high-grade uranium concentrates which can be leached in an agitated tank circuit resulting in an overall metallurgical processing recovery rate of approximately 91%.

Tests have also been performed to identify optimal ore grind sizes ranging from 75 to 300 micron (i.e. 0.075-0.300mm), with the preferred coarser size being 300 micron. At this grind size, uranium recovery of 94.5% into a flotation concentrate with a mass pull of 5.5% was observed.

Other testwork has also been carried out on the sensitivity of uranium recovery of using different temperatures and pH levels in the flotation process. This work has demonstrated the potential to reduce flotation reagent consumption.

The above encouraging batch test results have resulted in Bannerman planning locked cycle testwork as a prelude to a flotation concentrate leaching pilot test program in early 2010. Locked cycle tests are similar in scale to batch tests but are run in a closed circuit to simulate a continuous operation.

The PFS work has also demonstrated the technical and economic viability of using a heap leaching processing option. Heap leaching is considered a valuable back-up option for development of the Etango Project with the flotation concentrate leaching considered to be the preferred development scenario. The PFS results of the heap leaching option are set out in the *Heap Leaching* section below.

Infrastructure and Utilities

The Etango Project is located approximately 40 km by road from Swakopmund and is easily accessible. Utilities, comprising power, water and rail (for the heap leach option only), are proposed to be supplied from the established and extended national infrastructure.

The PFS estimates incorporate provision of the following:

- high-voltage power lines and reticulation systems;
- desalinated water supply with pumping and storage facilities;
- access roads; and
- railway line with relevant infrastructure for the higher acid consuming heap leach option only.

NamPower, the Namibian state-owned power utility, has confirmed its ability to provide power to the Etango Project site and has offered a 30MVA supply for the Project equating to about a 25MW capacity, with indicative rates inclusive of capital contributions and normal tariff charges. For the flotation concentrate leaching option, a slightly increased supply of 35MVA might ultimately be required, with a minor capital cost implication.

NamWater, the Namibian state-owned water utility, is expanding capacity in the Erongo region over the next two years to meet increasing demand, not least as a result of increased uranium mining activity in the area. A NamWater project is presently underway for the installation of a second desalination plant on the coast to the north of Swakopmund to satisfy future industrial demand for fresh water. Opportunities also exist to secure water from third party operators in the region. The water requirement for the Etango Project is estimated at approximately 5.4 million cubic metres (i.e. 5.4GL) per annum for the flotation concentrate processing route. The cost estimates within the PFS are based on capital and tariff rates supplied by NamWater.

The PFS engineering and cost estimates also include construction of a spur road to the minesite for use in the construction and operating phases. Under the flotation concentrate leaching scenario, the reduced amounts of key processing consumables required, particularly sulphuric acid, are anticipated to be transported by road.

Capital Expenditure

Capital expenditure estimates for the PFS include on-site items for the processing plant, storage facilities for either depleted heap leach material or processing tailings, administration and service facilities, consumables storage, mining infrastructure and pre-production waste stripping activities, and access and site roads. Off-site items in the costing include items such as water pipelines, high-voltage power lines and related equipment and railway access (for the heap leach processing route only).

	Flotation Concentrate Leaching (US\$ million)
Mining (including pre-stripping)	41
Processing plant	328
Infrastructure and utilities	97
Owner, EPCM & mobilisation/demobilisation	90
Total initial capital	555
Life-of-mine sustaining capital	99
Rehabilitation	32

The capital cost estimates are based on contract mining and exclude working capital and financing charges but include mining establishment, waste pre-stripping and EPCM (engineering, procurement, construction and management) costs. Accuracy allowances have been separately assessed for key item groups and included in the capital cost estimate, equating to an average contingency of approximately 14%.

Initial capital expenditure equates to approximately US\$5.70/lb U₃O₈ produced for the flotation concentrate leaching option.

Operating Expenditure

For the flotation concentrate leaching option, operating costs are estimated to be in the range US\$30-35/lb U_3O_8 in the first two years of the mine life, rising to an average of US\$38/lb U_3O_8 for the first five years and US\$41/lb U_3O_8 for the life-of-mine.

Given the relatively shallow nature of the open pit mine, life-of-mine average operating costs are only approximately 7% above the first five year costs, supporting the long term viability of the Etango operation.

Revenues, Royalties and Marketing

Sales of U_3O_8 to end-users are predominantly undertaken on a term contract basis with prices determined based on pre-set formulae linked to the prevailing reported term and spot prices. For PFS modelling purposes, all production from Etango is assumed sold at a long term contract price of US\$70/lb U_3O_8 and sensitivities have been run at various price ranges. Current U_3O_8 term prices are reportedly in the range US\$62-65/lb with consensus long term pricing in the order of US\$65-75/lb U_3O_8 .

Cashflow lags have been incorporated in the PFS for working capital purposes to reflect the periods between production, shipping, delivery to established conversion facilities and receipt of sales proceeds.

Royalties have been assessed at the Namibian Government statutory rate on uranium mining of 3% of gross revenue, with an additional allowance of 2% of gross revenue made for off-site shipping, sales, marketing and related costs. For PFS modelling purposes, these amounts have been deducted from gross sales revenue and are not included in operating costs.

Heap Leaching

Heap leaching involves the crushing of 15 million tonnes of ore per year through a three stage crushing circuit, the third stage incorporating high pressure grinding rolls. Crushed material is then agglomerated and stockpiled onto an on-off heap leach pad using the type of stacking and reclaiming equipment currently employed at a number of large copper heap leach operations in South America. The heaped ore is percolated with diluted sulphuric acid to leach the uranium minerals into solution, with the solution then collected for further processing in standard solvent extraction, precipitation, calcination and packaging circuits before the U_3O_8 is placed in drums for export in containers through the nearby deepwater port of Walvis Bay. Annual production of 5-7Mlbs U_3O_8 is estimated over a mine life of +16 years, with total life-of-mine production currently modelled at 91Mlbs U_3O_8 .

Metallurgical testwork on the heap leaching option, including 4 metre column tests and a range of variability tests on 1 metre columns, has demonstrated good processing recoveries. Testwork recoveries of greater than 90% and low acid consumption of 10-15kg/tonne have been achieved over a 25 day period. The testwork has also indicated faster leaching times for ore prepared using high pressure grinding rolls, likely as a result of a greater level of liberation and faster initial leach kinetics on finer fractions. Whilst heap leaching is a robust and mature technology in arid areas and on low grade deposits, it is also more susceptible to variations in leaching durations and recoveries compared with technologies conducted in contained environments (i.e. tank-based processing routes). Accordingly, in the PFS it has been assumed that a metallurgical recovery of 85% on a heap leach pad over 45 days would more accurately reflect the expected performance of a large scale heap leach operation.

The process water requirement is estimated at approximately 3.4 million cubic metres (i.e. 3.4GL) per annum for the heap leach processing route, and power requirements are estimated at 30MVA equating to about a 25MW capacity, including an allowance for reasonable growth.

Initial capital costs for development of the Etango Project using the heap leaching option are estimated at US\$607 million (comprising mining establishment and pre-stripping of US\$41 million, processing plant US\$358 million, infrastructure and utilities US\$114 million and owner, EPCM and mobilisation and demobilisation of US\$95 million) plus life-of-mine sustaining capital of US\$177 million and rehabilitation of US\$32 million. The PFS engineering and cost estimates incorporate construction of a railway line for transportation of consumables and final product under the heap leaching scenario. Initial capital expenditure equates to approximately US\$6.70/lb U_3O_8 produced for the heap leaching processing option.

Operating costs for the heap leaching option are estimated to average US\$41/lb U₃O₈ for the first five years and US\$44/lb U₃O₈ for the life-of-mine. As for the flotation concentrate leaching option, life-of-mine average operating costs are only approximately 7% above the first five year costs, supporting the long term viability of the Etango operation.

At an assumed uranium price of US\$70/lb U₃O₈, the heap leaching processing option produces a pre-tax IRR of 16% and a post-tax IRR of 13%, with a capital payback period of 4-5 years.

Permitting

An Environmental and Social Impact Assessment (“**ESIA**”) is underway and includes the socio-economic and biophysical aspects of the Etango Project. The Environmental Protection Act of Namibia requires that a detailed ESIA be conducted for all mining projects. The ESIA supports the application for an Environmental Clearance Certificate (“**ECC**”) from the Namibian Ministry of Environment and Tourism. The ECC is also required to support the application for a mining licence from the Namibian Ministry of Mines and Energy.

Based on the results of the PFS and the ESIA studies completed to date, Bannerman intends to apply for a mining licence for the Etango Project prior to the end of 2009.

No substantial legislative, environmental or social impediments have been identified for development of the Etango Project to date. The Erongo region already hosts a number of large uranium producing operations, and uranium mining and processing is well understood in the local communities and in the Government regulatory authorities. The Etango Project enjoys local community support and is expected to have a significant positive impact on the Erongo regional and Namibian national economies, in particular upon local employment and training.

Opportunities

A number of opportunities to further extend the life-of-mine production and improve the Project economics have been identified in the PFS. These include the following:

- Inclusion in the resource model of infill drilling undertaken since May 2009, which is expected to lead to an expansion of the resource estimate;
- Early mining of the broad near-surface zones intersected in the Oshiveli and Onkelo areas since the resource estimate was prepared, which is expected to enhance early period economics and ultimately result in a contiguous 6km long open pit;
- Re-optimisation of the updated resource model utilising the higher processing recoveries associated with the use of a flotation concentrate leaching processing route, such that additional ore (and mine life) is captured in the DFS open pit mine design;
- Potential reductions in mining costs associated with the benefits of economies of scale derived from utilising larger equipment, and from the use of dual-powered (diesel and electrical) mine haulage trucks;
- Optimisation of the flotation concentrate leaching processing route; and
- Access to proposed third party infrastructure developments in the local region for key consumables, including acid.

Investigation of the above opportunities has either commenced or has been scheduled for early 2010 as part of the DFS work program.

Project Timeline

Bannerman has commenced a three month confirmatory and demonstration metallurgical testwork program with the objective of making a final processing route decision as part of the DFS within or shortly after the March 2010 quarter. The DFS will continue through 2010 and is scheduled for completion in early 2011, at which time a development decision is expected to be made.

About Bannerman - Bannerman Resources Limited is an emerging uranium development company with interests in two properties in Namibia, a southern African country considered to be a premier uranium mining jurisdiction. Bannerman's principal asset is its 80%-owned Etango Project situated southwest of Rio Tinto's Rössing uranium mine and to the west of Paladin Energy's Langer-Heinrich mine. Etango is one of the world's largest undeveloped uranium deposits. Bannerman is focused on the feasibility assessment and development of a large open pit uranium operation at Etango. More information is available on the Company's website at www.bannermanresources.com.

Technical Disclosures

The Company has not completed feasibility studies on its projects. Accordingly, there is no certainty that such projects will be economically successful. Mineral resources that are not ore reserves do not have demonstrated economic viability.

Certain disclosures in this release, including management's assessment of Bannerman Resources Ltd'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. The following are important factors that could cause the Company's actual results to differ materially from those expressed or implied by such forward looking statements: fluctuations in uranium prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; general market conditions; the uncertainty of future profitability; and the uncertainty of access to additional capital. Full descriptions of these risks can be found in the Company's various statutory reports, including its Annual Information Form available on the SEDAR website, www.sedar.com. Readers are cautioned not to place undue reliance on forward-looking statements. Bannerman Resources Ltd 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.

The information in this release relating to the geology and exploration results of the projects owned by Bannerman Resources Ltd is based on information compiled by Mr Kieron Munro, Head of Geology of Bannerman and a full time consultant to the Company. Mr Munro is a Member of the Australian Institute of Geoscientists, a Recognised Professional Organisation by the Australasian Joint Ore Reserves Committee, who 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and as a Qualified Person for purposes of Canadian National Instrument 43-101. Mr Munro consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

The information in this report relating to the Mineral Resources of the Anomaly A and Oshiveli deposits within the Etango Project is based on a resource estimate completed by Mr Neil Inwood and the information in this news release relating to the Mineral Resources of the Onkelo deposit within the Etango Project is based on a resource estimate completed by both Mr Iain Macfarlane and Mr Neil Inwood who are full time employees of Coffey Mining Pty Ltd. Messrs. Inwood and Macfarlane are Members of The Australasian Institute of Mining and Metallurgy and have 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", and are independent consultants to Bannerman and Qualified Persons as defined by Canadian National Instrument 43-101. Messrs. Inwood and Macfarlane consent to the inclusion in this release of the matters based on their information in the form and context in which it appears.

The information in this release relating to mining studies undertaken on the Etango Project was completed by Mr Harry Warries of Coffey Mining Pty Ltd, a consultant to Bannerman Resources Ltd. Mr Warries is a Member of The Australasian Institute of Mining and Metallurgy and has extensive experience relevant to the activity which is being undertaken. Mr Warries consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

The information in this release relating to the metallurgical test work undertaken on the Etango Project samples was completed by Mr Daryl Evans of Independent Metallurgical Operations Pty Ltd, a consultant to Bannerman Resources Ltd. Mr Evans is a Member of The Australasian Institute of Mining and Metallurgy and has extensive experience relevant to the activity which is being undertaken. Mr Evans consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.