STOCK EXCHANGE ANNOUNCEMENT

25 September 2012

2011/12 Annual Financial Report and Management's Discussion and Analysis

Bannerman Resources Limited (ASX: BMN, TSX: BAN, NSX: BMN) attaches the following documents:

- Annual Financial Report for the year ended 30 June 2012; and
- Annual Management's Discussion and Analysis for the year ended 30 June 2012.

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

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***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 Uranium 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 development of a large open pit uranium operation at Etango. More information is available on Bannerman's website at www.bannermanresources.com.*

www.bannermanresources.com

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BANNERMAN RESOURCES LIMITED AND CONTROLLED ENTITIES

Annual Financial Report
For the Year Ended
30 June 2012

About Bannerman Resources Limited

Bannerman Resources Limited ("**Bannerman**" or the "**Company**") is a uranium development company with interests 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 uranium mine. Etango is one of the world's largest undeveloped uranium deposits. Bannerman is focused on development of a large open pit mining and processing operation at Etango.

More information is available on Bannerman's website at **www.bannermanresources.com**

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BANNERMAN RESOURCES LIMITED
AND CONTROLLED ENTITIES

CORPORATE DIRECTORY

NON-EXECUTIVE CHAIRMAN
David Smith

CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR
Len Jubber

NON-EXECUTIVE DIRECTORS
Ronnie Beevor
Ian Burvill
Clive Jones
Geoff Stanley
David Tucker

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

BOARD OF DIRECTORS and EXECUTIVES

BOARD OF DIRECTORS

David Smith

B.Sc, Ph.D in Metallurgy, FAICD, FAIM, FWLG
Non-Executive Chairman

Term of Office
Director since 25 November 2009, Chairman since 4 May 2010

Independent Yes

Skills, experience and expertise
David has over 30 years of technical, operational and senior management experience within the Rio Tinto organisation. He was until 2009 the President of Rio Tinto Atlantic covering the Simondou Project in Guinea, West Africa. From 2001 to 2008 David was Managing Director of Rio Tinto's iron ore businesses in Western Australia, covering Hamersley Iron and Robe River, and in 2001 he was Chief Executive Officer of Rössing Uranium Limited in Namibia responsible for annual sales of over 5 Mlbs of uranium oxide to power utilities worldwide. David was also President of the Western Australia Chamber of Minerals and Energy from 2005 to 2008.

Special Responsibilities
Member of the Health, Safety, Environment and Community Committee

ASX listed current directorships
Macmahon Holdings Limited (appointed 1 April 2010)
Atlas Iron Limited (appointed 6 November 2009)

Other current listed directorships
Nil

Former directorships over the past three years
Nil

Leonard (Len) Jubber

BCivil Eng, MBA
Chief Executive Officer (CEO) and Managing Director

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

Independent: No

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

Special Responsibilities
Managing Director

ASX listed current directorships
Nil

Former directorships over the past three years
Nil

BOARD OF DIRECTORS and EXECUTIVES

Ronald (Ronnie) Beevor
B.A. (Hons)
Non-Executive Director

Term of Office
Director since 27 July 2009

Independent: Yes

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

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

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

ASX listed current directorships
Ampella Mining Limited (appointed 5 July 2011)
Bullabulling Gold Limited (appointed 2 July 2012)
Rey Resources Limited (appointed 2 August 2010)
Unity Mining Limited (appointed 1 November 2002)

Other current listed directorships
EMED Mining Public Limited (Chairman)
Talison Lithium Limited

Former directorships over the past three years
Nil

Ian Burvill
BE (Mech), MBA, MIEAust, CPEng, M.AusIMM, GAICD
Non-Executive Director

Term of Office
Director since 14 June 2012

Independent Yes

Skills, experience and expertise
Ian is a Senior Vice President of private equity fund manager Resource Capital Funds ("RCF") and has over 25 years of mining industry experience, starting as a mechanical engineer in the design and construction of mineral process plants. In representing RCF, Ian has acted as a non-executive director of a number of mining companies including ASX listed companies Pan Australian Resources NL (now PanAust Limited), Highlands Pacific Limited and Murchison Metals Ltd. Ian has also worked as an Associate Director of Rothschild Australia Limited, providing project finance for mining projects.

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

ASX listed current directorships
Nil

Other current listed directorships
Nil

Former directorships over the past three years
Australian Solomons Gold Limited (18 December 2006 to 4 December 2009)
Highlands Pacific Limited and unlisted subsidiary companies (6 March 2007 to 31 December 2009)
Murchison Metals Ltd (1 March 2012 to 17 April 2012)

BOARD OF DIRECTORS and EXECUTIVES

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

Term of Office
Director since 12 January 2007

Independent No

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

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

ASX listed current directorships
Cazaly Resources Limited (appointed 15 September 2003)
Corazon Mining Limited (appointed 10 February 2005)
Cortona Resources Limited (appointed 12 January 2006)

Former directorships over the past three years
Nil

Geoff Stanley
BSc.Geol (Hons), F.AusIMM, F.SEG, M.CIM
Non-Executive Director

Term of Office
Director since 22 May 2008

Independent Yes

Skills, experience and expertise
Geoff's career spans 30 years in the mining industry, as a leading mining analyst in Australia and North America and subsequently as principal of his own consulting and corporate advisory business. He worked for six years as an exploration geologist in Australia for Billiton before commencing a career in the finance industry. He was a highly ranked analyst in the Australian, US and Canadian capital markets, achieving numerous number one rankings in a 20 year analytical career. He has been based in New York since 1994. Geoff is a former President of the New York Metals Analysts Group, a Fellow of the Society of Economic Geologists, a Fellow of the AusIMM, and a member of numerous other industry organisations. Since 2007 Geoff has been an independent corporate advisor and company director.

Special Responsibilities
Member of the Audit Committee

ASX listed current directorships
Nil

Other current listed directorships
Cluff Gold Plc

Former directorships over the past three years
Crescent Gold Ltd (de-listed on 21 May 2012)

BOARD OF DIRECTORS and EXECUTIVES

David Tucker

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

Term of Office
Director since 18 March 2008

Independent Yes

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

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

ASX listed current directorships
Nil

Former directorships over the past three years
Nil

COMPANY SECRETARY

Glen Smith

B.Com, ACIS

Term of Office
Since 21 January 2010

Glen is a professional Company Secretary with a Commerce degree from Curtin University in Perth, Western Australia. He has been a qualified Chartered Secretary since 2006. Glen has previously worked as a company secretary of various ASX listed companies across the mining, resources and technology industries.

EXECUTIVE

Matt Shackleton

FCA, B.Com, MBA
Chief Financial Officer

Term of Office
Appointed 10 September 2012

Skills, experience and expertise
Matt is an Australian Chartered Accountant with more than 15 years of experience in senior financial and management roles in Australia and the UK. He has held senior corporate and finance positions with companies in the gold sector, including Canyon Resources Ltd where Matt remains a non-executive director and Mount Magnet South NL, an ASX-listed WA focussed gold development company where Matt was Managing Director from April 2008 until January 2012.

BOARD OF DIRECTORS and EXECUTIVES

Peter Kerr
CA, B.Com, F.Fin, M.AusIMM, M.AICD
Chief Financial Officer

Term of Office
2 February 2009 to 10 September 2012

Skills, experience and expertise
Peter is an Australian Chartered Accountant with more than 20 years of experience in the mining industry in Australia and Canada. He has held senior corporate and finance positions with companies in the gold and base metals sectors, including Teck Cominco Ltd and Northern Gold NL, the latter being an ASX-listed company which Peter, as Managing Director, built up from 2002 before it was acquired by Canadian company GBS Gold International Inc. via a public takeover offer in 2006.

Werner Ewald
B.Sc (Elect), MBA
General Manager, Bannerman Mining Resources (Namibia) (Pty) Ltd

Term of Office
Since 24 June 2010

Skills, experience and expertise
Werner is Bannerman's General Manager based in Swakopmund, Namibia. Mr Ewald joined Bannerman in June 2010 as the Etango Project Co-ordinator following 22 years with Rio Tinto which included 20 years at the Rössing Uranium Mine in Namibia and 2 years at the Tarong Coal Mine in Queensland, Australia. He has occupied numerous operational roles such as Engineering Manager, Mine Operations Manager and Business Improvement Manager at Rio Tinto. Prior to which he worked with the De Beers Group at their underground operations at Kimberly, South Africa and the Namdeb alluvial operations in Namibia . He is an Electrical Engineer and has completed an MBA at the University of Stellenbosch.

John Turney
BE(Chem), MS (Met)
Project Director

Term of Office
Since 31 August 2009

Skills, experience and expertise
John has more than 35 years of experience in the resources industry, working for mining and engineering companies in Australia and North America. While at Homestake Mining Company and Barrick Gold Corporation, he worked in mining and milling operations and project development in the USA, Canada, South America, Australia and Africa. Prior to joining Bannerman he was General Manager Leaching at Bateman Engineering based in Australia. In the past ten years, Mr Turney led the successful development of the Cowal gold project in Australia, the Tulawaka gold project in Tanzania, as well as other development and capital project roles for both Homestake and Barrick.

CORPORATE GOVERNANCE

Statement on corporate governance at Bannerman

This statement reports on Bannerman's key governance framework, principles and practices as at 30 June 2012. These principles and practices are reviewed regularly and revised as appropriate to reflect changes in law and good practice in corporate governance.

ASX principles of corporate governance

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

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

Compliance with ASX principles of good corporate governance

Details of the Company's compliance with the ASX Principles are set out below. A checklist, cross referencing the ASX Principles to the relevant section of this Statement and the Remuneration Report, is provided on pages 19 to 20 of this Report and published on the Company's website at www.bannermanresources.com.

1. The Board of directors

a) Board Composition and Expertise

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

The current Board composition includes five independent directors, one non-independent director and one executive director. Details on each director's background including experience, knowledge and skills and their status as an independent or non-independent director are set out on pages 2 to 5 of this Report.

The Board considers that the executive and non-executive directors collectively bring the range of skills, knowledge and experience necessary to direct the Company.

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

- the Chairman should be non-executive;
- the role of the Chairman and Chief Executive Officer ("**CEO**") should not be filled by the same person;
- the CEO should be a full-time employee of the Company; and
- the Board should include a majority of independent non-executive directors.

b) Board Role and Responsibilities

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

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

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

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

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

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

c) Chairman

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

Dr Smith was appointed as non-executive Chairman in May 2010. Dr Smith is also a director of listed companies Atlas Iron Limited and Macmahon Holdings Limited. The Board considers that neither of these roles interfere with the discharge of his duties to the Company.

d) Director Independence

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

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

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

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

Non-executive director Clive Jones is not regarded as being independent, as he is one of the vendors of the Etango Project in which Bannerman acquired an 80% interest. Bannerman's interest in the Etango Project is held through its 80% subsidiary Bannerman Mining Resources (Namibia) (Pty) Ltd ("**BMRN**"), the holder of the Etango Project and Swakop River Project exclusive prospecting licences. Mr Jones has a 20% shareholding in BMRN, which he holds for himself and an associate. Mr Jones also holds a relevant interest in 15,206,940 shares in Bannerman, representing 5.03% of Bannerman's issued capital.

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

Non-executive director David Tucker is regarded as independent. He provides part time consulting advice as sole director of Responsible Resources Pty Ltd ("**RRPL**"). RRPL was engaged during the year for Mr Tucker to provide consulting services in relation to the Company's environmental licencing activities in Namibia. Mr Tucker is considered to be independent given that revenue derived from the activities of RRPL is not material with respect to Mr Tucker's personal circumstances.

Non-executive director Ian Burvill is regarded as independent. Mr Burvill is a Senior Vice President of the RCF Group of companies, one of the managed funds of which has provided a convertible note with a face value of A$8 million. RCF also holds 26,963,212 Bannerman shares representing 8.93% of the voting capital in Bannerman. Mr Burvill is considered to be independent given he brings independent judgement to all Board deliberations and that RCF's investments in Bannerman are not controlled by Mr Burvill.

Mason Hills, a Non-executive director of the Company until his retirement in June 2012, is a partner of RCF and was considered independent for the same reasons as Mr Burvill above.

e) Directors' Retirement and Re-election

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

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

In accordance with the Company's Constitution, Mr Burvill and Mr Tucker will seek election and re-election respectively, as non-executive directors at the Annual General Meeting to be held in November 2012. Mr Burvill was appointed as a director following the retirement of Mr Mason Hills in June 2012.

f) Board Succession Planning

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

g) Board Performance Evaluation

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

The performance of the Board was last formally reviewed in early 2011.

h) Nominations and Appointment of New Directors

Recommendations for nomination of new directors are considered by the Remuneration, Nomination and Corporate Governance Committee and approved by the Board as a whole.

i) Professional Advice

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

j) Conflicts of Interest

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

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

The Board has developed a formal protocol for dealing with the provision of confidential information to Mr Jones regarding potential development partner transactions, and to third parties interested in acquiring Mr Jones' 20% shareholding in BMRN. The protocol assists the Board and management in dealing with conflicts of interest that may arise between Bannerman, BMRN and Mr Jones. In accordance with this protocol, the Board has the discretion to permit Mr Jones to participate in discussions, but not vote, in relation to potential development financing transactions which may affect his 20% shareholding in

BMRN, on the basis that Mr Jones fully informs the Board regarding all material matters related to his 20% shareholding in BMRN. Mr Jones does not participate in discussions or vote in respect to any matters relating to potential transactions involving Bannerman and Mr Jones' 20% shareholding in BMRN or matters pertaining to the operation of the May 2005 Share Sale Agreement.

k) Terms of Appointment, Induction Training and Continuing Education

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

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

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

l) Directors' Remuneration

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

m) Board Meetings

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

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

n) Company Secretary

The Company Secretary is Mr Glen Smith, who is a qualified company secretary and member of Chartered Secretaries Australia. Mr Smith was appointed in January 2010 and is responsible for the secretarial function including providing advice to directors and executives on corporate governance and regulatory matters, recording minutes of directors' and committee meetings, administering Bannerman's corporate governance framework and giving effect to the Board's decisions. All directors have access to advice from the Company Secretary.

2. Board committees

a) Board Committees and Membership

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

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

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

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

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

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

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

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

The Company Secretary provides secretariat services for each committee.

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

b) Audit Committee

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

The Audit Committee is required to have a minimum of three members and be composed of independent non-executive directors.

The external auditors, CEO, Chief Financial Officer ("**CFO**") and Group Financial Controller attend Audit Committee meetings by invitation. The Committee meets at least four times per year.

c) Remuneration, Nomination and Corporate Governance Committee

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

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

The Remuneration Committee has three members, a majority of whom are independent. Whilst the Remuneration Committee is chaired by Mr Jones, a non-independent director, the Board has formed the view that this is appropriate given the number of Board committees and the spread of workload amongst the Board members.

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

d) HSEC Committee

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

The CEO, Project Director and the General Manager Namibia attend the HSEC Committee meetings by invitation. The HSEC Committee met once during the year reflecting the reduced level of on-ground activity and continued safety and environmental performance improvements. The HSEC Committee normally meets at least two times per year.

e) Board and Committee Meetings during the year ended 30 June 2012

Table 1. Directors in Office and attendance at Board and Board Committee Meetings during 2011/2012

	Board meetings		Board committee meetings					
			Audit Committee		Remuneration, Nomination & Corp. Governance Committee		HSEC Committee	
	A	B	A	B	A	B	A	B
David Smith	15	16	-	-	1*	4	1	1
Len Jubber	15	16	1*	4	3*	4	1*	1
Ronnie Beevor	13	16	4	4	4	4	-	-
Ian Burvill	1	1	-	-	-	-	-	-
Mason Hills	10	15	-	-	4	4	-	-
Clive Jones	16	16	-	-	4	4	1	1
Geoff Stanley	14	16	4	4	-	-	-	-
David Tucker	14	16	3	4	-	-	1	1

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the relevant committee during the year.
* Indicates that a Director attended some or all meetings by invitation whilst not being a member of a specific committee.

3. External Auditor relationship and independence

a) Approach to Audit and Governance

The Board is committed to the basic requirements that:

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

b) External Auditor Relationship

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

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

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

c) Attendance of Auditor at the Annual General Meeting

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

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

4. Risk management and internal control

a) Approach to Risk Management

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

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

b) Risk Management Roles and Responsibilities

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

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

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

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

c) CEO and CFO Assurance on Corporate Reporting

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

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

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

5. Promoting ethical and responsible behaviour

a) Health, Safety, Environment and Community

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

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

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

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

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

b) Code of Conduct

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

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

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

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

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

c) Ethical Behaviour

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

d) Securities Trading Policy

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

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

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

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

6. Shareholders and corporate responsibility

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

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

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

a) Continuous Disclosure

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

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

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

b) Investor Communications and Participation

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

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

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

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

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

7. Remuneration framework

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

8. Diversity

During the year, Bannerman developed a Diversity Policy in accordance with the ASX Principles, and introduced the following measureable objectives regarding gender diversity:

1. Develop and implement a diversity policy - achieved
2. Review pay equity at all levels and action any inequities - achieved

The Board will consider adopting further measureable objectives for the financial year ending 30 June 2013, taking into account the size, industry and operations of the Company.

CORPORATE GOVERNANCE STATEMENT

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

Roles	Female		Male	
	Number	**%**	**Number**	**%**
Non-Executive Directors	0	0%	6	100%
Management	0	0%	4	100%
Other [(i)]	10	31%	22	69%
TOTAL	**10**	**24%**	**32**	**76%**

(i) Included in ‘Other’ is Ms Monica Kalondo, who is a non-executive director of Bannerman Mining Resources (Namibia) (Proprietary) Ltd, a subsidiary of the Group.

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

ASX PRINCIPLES COMPLIANCE STATEMENT

	ASX Corporate Governance Council's Corporate Governance Principles and Recommendations	Reference	Compliance
Principle 1	**Lay solid foundations for management and oversight**		
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	1b	✓
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Remuneration report	✓
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.	1b Remuneration report	✓
Principle 2	**Structure the Board to add value**		
2.1	A majority of the Board should be independent directors.	1a, 1d	✓
2.2	The chair should be an independent director.	1c	✓
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	1a, 1c	✓
2.4	The Board should establish a nomination committee.	1h, 2a, 2c	✓
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	1g	✓
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2.	1a, 1d, 1e, 1f 1g 1h, 1i, 2a, 2e Directors' Report	✓
Principle 3	**Promote ethical and responsible decision-making**		
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity; and • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	5b, 5c	✓
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measureable objectives for achieving gender diversity and for the Board to assess annually both the objectives and the progress in achieving them.	8	✓
3.3	Disclose in each annual report the measureable objectives for achieving gender diversity set by the Board in accordance with the Diversity policy and progress towards achieving them.	8	✓
3.4	Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	8	✓
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3.	5b, 8	✓
Principle 4	**Safeguard integrity in financial reporting**		
4.1	The Board should establish an audit committee.	2a, 2b	✓
4.2	The audit committee should be structured so that it: • consists of only non-executive directors; • consists of a majority of independent directors; • is chaired by an independent chair, who is not chair of the	 2a, 2b 2a, 2b 2a	✓

	Board; and • has at least three members.	2a, 2b	
4.3	The audit committee should have a formal charter.	2a	✓
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	2a, 2e, 3b Directors' Report	✓
Principle 5	**Make timely and balanced disclosure**		
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	6, 6a	✓
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	6a	✓
Principle 6	**Respect the rights of shareholders**		
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose that policy or a summary of that policy.	6b	✓
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	6b	✓
Principle 7	**Recognise and manage risk**		
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	4a, 4b	✓
7.2	The board should require management to design and implement the risk management and internal control systems to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	4b	✓
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	4c	✓
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	4b, 4c	✓
Principle 8	**Remunerate fairly and responsibly**		
8.1	The board should establish a remuneration committee.	2a, 2c Remuneration Report	✓
8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors; • is chaired by an independent director; and • has at least three members.	2a, 2c	Partial compliance ✓ ✗ ✓
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Remuneration Report	✓
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8.	2a, 2e, 5d Remuneration Report	✓

DIRECTORS' REPORT

The directors present their report on the consolidated entity comprising Bannerman Resources Limited ("**Bannerman**" or the "**Company**") and its controlled entities (the "**Group**") for the year ended 30 June 2012 ("**the financial year**"). Bannerman is a company limited by shares that is incorporated and domiciled in Australia.

Board of directors

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

Name	Position	Independent	Appointed / resigned
David Smith	Non-Executive Chairman	Yes	25 November 2009
Len Jubber	Chief Executive Officer	No	17 November 2008
Ronnie Beevor	Non-Executive Director	Yes	27July 2009
Ian Burvill	Non-Executive Director	Yes	Appointed 14 June 2012
Mason Hills	Non-Executive Director	Yes	Resigned 14 June 2012
Clive Jones	Non-Executive Director	No	12 January 2007
Geoff Stanley	Non-Executive Director	Yes	22 May 2008
David Tucker	Non -Executive Director	Yes	18 March 2008

Details of the directors' independence are set out in the Corporate Governance Statement on page 9 of this report.

Company secretary

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

Name	Appointed
Glen Smith	21 January 2010

Information on directors and company secretary

Particulars on the skills, experience, expertise and responsibilities of each director and the company secretary at the date of this report, including all directorships of other companies listed on the Australian Securities Exchange, held or previously held by a director at any time in the past three years, are set out on pages 2 to 6 of this report.

Board meeting attendance

Particulars of the number of meetings of the Board of directors of Bannerman and each Board committee of directors held and attended by each director during the 12 months ended 30 June 2012 are set out in Table 1 below.

Table 1. Directors in Office and attendance at Board and Board Committee Meetings during 2011/2012

	Board meetings		Board committee meetings					
			Audit Committee		Remuneration, Nomination & Corp. Governance Committee		HSEC Committee	
	A	B	A	B	A	B	A	B
David Smith	15	16	-	-	1*	4	1	1
Len Jubber	15	16	1*	4	3*	4	1*	1
Ronnie Beevor	13	16	4	4	4	4	-	-
Ian Burvill	1	1	-	-	-	-	-	-
Mason Hills	10	15	-	-	4	4	-	-
Clive Jones	16	16	-	-	4	4	1	1
Geoff Stanley	14	16	4	4	-	-	-	-
David Tucker	14	16	3	4	-	-	1	1

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the relevant committee during the year.
* Indicates that a Director attended some or all meetings by invitation whilst not being a member of a specific committee.

Directors' interests in securities in Bannerman

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

	Fully paid ordinary shares		Options		Performance Rights	
	Beneficial, private company or trust	Own name	Beneficial, private company or trust	Own name	Beneficial, private company or trust	Own name
David Smith	-	-	496,200	-	422,600	-
Len Jubber	869,599	-	-	5,500,000	-	1,900,674
Ronnie Beevor	111,159	-	213,750	-	-	211,300
Ian Burvill (1)	-	-	614,550	-	-	-
Clive Jones	15,206,940	-	614,550	-	-	-
Geoff Stanley	-	-	184,600	128,250	-	211,300
David Tucker	168,099	-	220,550	-	211,300	-

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

Principal activities

The principal activities of the Group during the financial year comprised the exploration for and feasibility assessment of uranium projects, primarily the Group's 80%-owned Etango Uranium Project in Namibia.

Review of operations

Etango Uranium Project (Bannerman 80%)

The Etango Uranium Project is one of the world's largest undeveloped uranium deposits, located in the Erongo region of Namibia which hosts the Rössing and Langer-Heinrich mines and the Husab project. Etango is 73km by road from Walvis Bay, a deep water port through which uranium has been exported for over 35 years. Road, rail, electricity and water networks are all located nearby.

Definitive Feasibility Study

The Definitive Feasibility Study ("**DFS**") was completed in early April 2012 and confirmed the viability of the long life and large scale Etango Project.

Key outcomes from the DFS, as announced to the market on 10 April 2012, are as follows:

- Declaration of Proved and Probable Ore Reserves totalling 279.6 million tonnes (comprising Proved Ore Reserves of 64.2 million tonnes and Probable Ore Reserves of 215.3 million tonnes) at an average grade of 194ppm (comprising Proved Ore Reserves of 194ppm and Probable Ore Reserves of 193ppm) U_3O_8 for 119.3 million pounds ("**Mlbs**") of contained U_3O_8 (comprising Proved Ore Reserves of 27.4 Mlbs and Probable Ore Reserves of 91.8 Mlbs), in accordance with Australian JORC and Canadian NI 43-101 reporting standards;
- Production of 7-9 Mlbs U_3O_8 per year for the first five years and 6-8 Mlbs U_3O_8 per year thereafter, which would rank Etango as a global top 10 pure uranium project;
- Cash operating costs of US$41/lb U_3O_8 in the first five years and an average of US$46/lb U_3O_8 over the life of mine, with programs to seek reductions;
- Cash operating margin of 24% at current long term contract prices (US$60/lb U_3O_8) and 39% at an assumed base case long term price of US$75/lb U_3O_8;
- At a uranium price of US$75/lb U_3O_8, the Etango Project generates operating cashflow of US$2.7 billion before capital and tax, and free cashflow of US$923 million after capital and tax;
- Pre-production capital cost of US$870 million; and
- Minimum open pit mine life of 16 years, with further extensions sought through the conversion of existing Inferred Resources and new drilling programs.

Expenditure on the DFS has now come to an end and ongoing work is focused on the pursuit of licencing for the Project, as well as internal analysis of various improvement opportunities identified as part of the DFS completion process.

Project Licencing

Shortly after the end of the financial year, the Namibian Ministry of Environment and Tourism issued Bannerman with formal environmental approval for development of the Etango Project. Receipt of the environmental approval followed lodgment of the Environmental and Social Impact Assessment ("**ESIA**") and associated Environmental Management Plan ("**EMP**") earlier in April 2012, as well as the public consultation process conducted in the March 2012 quarter. The public consultation process involved Bannerman making available a comprehensive report and associated specialist studies, as well as presentations to key stakeholders and local communities in Namibia. Feedback from the public meetings was incorporated in the final ESIA and EMP documentation.

The environmental approval for the Project complements the environmental approval received in 2011 for the Etango Project's off-site infrastructure.

The environmental approval is a necessary step in obtaining a Mining Licence for the Etango Project. Bannerman has now also lodged the DFS with the Namibian Ministry of Mines and Energy, in support of the existing Etango Mining Licence application.

Exploration

The Etango Exclusive Prospecting Licence (EPL 3345) covers an area of approximately 500km^2 and contains numerous known uranium occurrences including the Etango deposit. During the year, Bannerman completed a drilling program on the deeper levels in the Anomaly A area and the Onkelo West area of the Etango deposit.

Corporate

Board Change

Effective 14 June 2012, Mr Ian Burvill was appointed as a non-executive director representing Bannerman's major institutional shareholder, Resource Capital Funds, following the retirement of Mr Mason Hills.

Epangelo Transaction

Subsequent to year end, on 9 August 2012, Bannerman announced that the Company and Epangelo Mining Company (Pty) Ltd ("**Epangelo**") were unable to complete a mutually acceptable agreement reflecting the commercial substance of the signed Term Sheet. In April 2012, the Company and Epangelo had signed a Term Sheet setting out the terms and conditions offered to Epangelo for it to acquire an initial 5% interest (plus a follow-on option for an additional 5% interest) in Bannerman's 80%-owned Namibian subsidiary, the sole owner of the Etango Uranium Project. The Term Sheet required certain conditions to be satisfied within four months (ending 9 August 2012), including Epangelo completing its due diligence investigations and obtaining its acquisition finance. Since that time, Epangelo has completed technical due diligence investigations to its satisfaction and confirmed its recognition of the importance of the Etango Project to Namibia. However, the parties have been unable to complete a mutually acceptable agreement reflecting the commercial substance of the Term Sheet.

Consolidated results

The consolidated net loss after tax for the 12 months ending 30 June 2012 was A$9,600,000 (2011: A$13,075,000).

Corporate, administration, personnel and other expenses for the reporting period were A$11,028,000 (2011: A$10,911,000), including employee and director share-based payment expenses of A$861,000 (2011: A$1,515,000). Refer to the Remuneration Report and Note 16 of the financial report for further details on share-based payments.

Income for the reporting period included interest income of A$532,000 (2011: A$803,000). During the year, the Company received research and development incentive funds of A$403,000 (2011: A$282,000).

Capitalised exploration and evaluation expenditure, before foreign currency movements and write-offs, increased during the reporting period by A$8,887,000 (2011: A$8,979,000) to A$61,181,000 as the Company advanced and completed the DFS for the Etango Project. Expenditure related to drilling and assays, geological, feasibility and associated activities. Capitalised exploration associated with the Company's Swakop River Exploration Project of A$12,000 (2011: A$3,226,000) and Botswana Project of A$nil (2011: A$23,000) was written-off during the year.

Cash Flows

Cash outflow from operating activities during the reporting period was A$7,378,000 (2011: A$6,097,000).

Cash outflow from investing activities during the reporting period was A$9,044,000 (2011: A$9,170,000), related primarily to the exploration and feasibility activities.

Cash inflow from financing activities during the reporting period was A$10,779,000 (cash inflow 2011: A$14,072,000), related primarily to the net proceeds of equity issuances.

Equity

Issued capital at the end of the financial period amounted to A$115,170,000 (2011: A$101,009,000). The increase of A$14,161,000 (2011 increase: A$14,932,000) related to a share placement of 44,504,445 shares at A$0.225 each, a share purchase plan of 17,777,350 shares at A$0.225 each and the issue of 2,821,246 shares in satisfaction of extension fees and interest relating to the Company's convertible note.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

Other than the matters already discussed elsewhere in this report, there has not arisen, in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material or unusual nature which, in the opinion of the directors has, or may, significantly affect the operations or financial position of the Group, the results of those operations, or the state of affairs of the Group, in future periods.

Likely developments and expected results of operations

Further information regarding the likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

Options / Performance Rights on Issue

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

Security Type	Number	Exercise price	Grant date	Expiry date
Options	100,000	CAD$4.12	11 January 2008	1 November 2012
Options	100,000	A$3.64	28 January 2008	28 January 2013
Options	600,000	A$0.91	6 February 2009	2 February 2013
Options	2,500,000	A$0.434	17 April 2009	17 November 2012
Options	1,500,000	A$0.543	17 April 2009	17 November 2013
Options	1,500,000	A$0.678	17 April 2009	17 November 2014
Options	600,000	A$1.46	31 August 2009	31 August 2013
Options	600,000	A$1.82	31 August 2009	31 August 2014
Options	600,000	A$2.28	31 August 2009	31 August 2015
Options	602,100	A$1.45	23 December 2009	25 November 2012
Options	184,600	A$1.45	22 November 2010	25 November 2012
Options	250,000	A$0.40	24 June 2010	24 June 2014

Security Type	Number	Exercise price	Grant date	Expiry date
Options	250,000	A$0.50	24 June 2010	24 June 2015
Options	250,000	A$0.62	24 June 2010	24 June 2016
Options	897,750	A$0.77	22 November 2010	22 November 2013
Options	43,000	A$0.77	31 December 2010	22 November 2013
Options	902,500	A$0.36	17 November 2011	17 November 2014
Performance Rights	663,765	n/a	30 June 2011	23 November 2012
Performance Rights	850,242	n/a	30 June 2011	23 November 2013
Performance Rights	1,056,500	n/a	17 November 2011	17 November 2012
Performance Rights	1,172,500	n/a	29 November 2011	17 November 2013
Performance Rights	1,981,940	n/a	29 November 2011	17 November 2014
	17,204,897			

Options and Performance Rights issued

During the financial period, 902,500 options and 5,746,465 performance rights were issued.

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

Options exercised

During or since the end of the financial period, no options (2011: 2,725,000) were exercised.

Performance Rights vested

During or since the end of the financial period 1,201,117 performance rights (2011: nil) vested.

Options and Performance Rights forfeited or cancelled

During or since the end of the financial period, 2,700,000 (2011: 50,000) options and 2,068,901 (2011: nil) performance rights were forfeited or cancelled.

Options expired or lapsed

During or since the end of the financial period, 5,150,000 options (2011: 3,750,000) have expired or lapsed.

Environmental disclosure

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

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

Indemnities and insurance

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

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

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

Proceedings on behalf of the Group

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

Dividends

No dividend has been declared or paid during the year (2011: nil).

Rounding

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

Non-audit services

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

Details of the amounts paid or payable to the auditor, Ernst & Young, for audit and non-audit services provided during the financial year are set out in Note 6 of the financial report.

The Board of directors, in accordance with advice received from the Audit Committee, is satisfied that the provision of the non-audit services detailed in Note 6 of the financial report is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are also satisfied that the provision of these non-audit services did not compromise the auditor independence requirements of the *Corporations Act 2001* because:

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

Auditor's independence declaration

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

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

In relation to our audit of the financial report of Bannerman Resources Limited for the financial year ended 30 June 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Gavin Buckingham

G A Buckingham
Partner
Perth
25 September 2012

REMUNERATION REPORT (AUDITED)

Introduction and Remuneration Strategy

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

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

Summary

The remuneration report summarises the remuneration arrangements for the reporting period 1 July 2011 to 30 June 2012 for the directors and executives of Bannerman and the Group in office during the financial year.

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

Key Management Personnel

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

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

Table 1 - Key management personnel

Current key management personnel - as at the date of this report

Name	Position	Period (if less than the entire period)
Non-Executive Directors		
David Smith	Non-Executive Chairman	Full financial period
Ronnie Beevor	Non-Executive Director	Full financial period
Ian Burvill	Non-Executive Director	Commenced 14 June 2012
Clive Jones	Non-Executive Director	Full financial period
Geoff Stanley	Non-Executive Director	Full financial period
David Tucker	Non-Executive Director	Full financial period
Executives		
Len Jubber	Chief Executive Officer and Managing Director	Full financial period
Matthew Shackleton	Chief Financial Officer	Commenced 10 September 2012
John Turney	Project Director	Full financial period
Werner Ewald	General Manager - Namibia	Full financial period

Key management personnel – who either during or since the end of the year have left the employment of the Group or are no longer defined as key management personnel

Name	Position	Period (if less than the entire period)
Mason Hills	Non-Executive Director	Retired on 14 June 2012
Peter Kerr	Chief Financial Officer	Full financial period
Brandon Munro	General Manager – Corporate Development	Resigned on 30 September 2011

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

Board Remuneration, Nomination and Corporate Governance Committee

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

The Remuneration Committee's responsibilities include reviewing the Company's remuneration framework and evaluating the performance of the Chief Executive Officer ("**CEO**") and monitoring the performance of the executive team.

Independent remuneration consultants are engaged by the Remuneration Committee from time to time to ensure the Company's remuneration system and reward practices are consistent with market practices. No remuneration consultant was engaged during the financial year.

Directors' remuneration policy and structure

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

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

Fees paid to the non-executive directors of Bannerman are usually reviewed annually by the Remuneration Committee, and based on periodic advice from external remuneration consultants. Non-executive director remuneration remained unchanged during the year. Subsequent to the financial year ended 30 June 2012, the Board decided that in light of the current operating environment it was appropriate to reduce annual non-executive director remuneration. Accordingly, the Board sought and received advice from an external remuneration consultant and non-executive director remuneration was reduced by 37.5%, effective 1 July 2012. Refer to Table 2 for further details.

Directors' remuneration limits

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

Directors' remuneration framework

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

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

	Year ended 30 June 2011		Year ended 30 June 2012		Year ended 30 June 2013	
Position	**Cash A$**	**Options/Rights* A$**	**Cash A$**	**Options/Rights* A$**	**Cash A$**	**Options/Rights* A$**
Chairman of the Board	120,000	120,000	120,000	120,000	100,000	50,000
Non-Executive Director	60,000	60,000	60,000	60,000	50,000	25,000
Additional fees for:						
Chairman of the Audit Committee	10,000	-	10,000	-	10,000	-
Member of the Audit Committee	-	-	-	-	-	-
Chairman of any other committee	-	-	-	-	-	-
Member of any other committee	-	-	-	-	-	-

* Options and rights issued to non-executive directors vest after a 12 month period.

No retirement benefits are paid other than the statutory superannuation contributions of 9% required under Australian superannuation guarantee legislation. Superannuation amounts are deducted from the directors' overall fee entitlements, where appropriate.

Non-executive directors are also entitled to an initial grant of options or share rights on commencement. Option and share right entitlements are subject to ASX Listing Rules, the Corporations Act and shareholder approvals.

On 17 November 2011, the Company sought and received shareholder approval for the adoption of the Non-Executive Director Share Incentive Plan ("**NEDSIP**") to allow for the provision of either share rights or options to Directors. Under the NEDSIP, the Company's non-executive directors will receive 50% of their director's fees in the form of either share rights or options. The directors consider that the issue of share rights or options to non-executive directors as part of their remuneration package is reasonable and appropriate given:

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

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

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

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

Executive remuneration policy and structure

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

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

Executive remuneration structure

Bannerman's remuneration structure for the CEO and senior executives for the year ended 30 June 2012 was divided into two principal components:

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

Performance reviews for all senior executives are conducted by each senior executive's direct manager on an annual basis. The performance of each senior executive is measured against pre-determined key performance indicators. The most recent performance reviews were completed in June 2012.

Base pay

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

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

Short-term incentive component (STI)

For the purpose of seeking to incentivise and retain key senior management personnel to pursue the completion of a successful Definitive Feasibility Study, the Company granted 1,066,300 performance rights on 30 June 2011, as well as 65,625 performance rights on 21 December 2011 to those key personnel ("**DFS Performance Rights**"). These DFS Performance Rights vested in July 2012 upon completion of the Board-approved DFS for the Etango Project, resulting in the issue of 1,131,925 ordinary shares to relevant executives, including the CEO. The issue of DFS Performance Rights to the CEO was approved by shareholders at the annual general meeting held in November 2011.

There are no STI arrangements currently in place as at the date of this report.

Long-term incentive component (LTI)

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

During the 2012 financial year, performance rights which will vest subject to pre-defined performance hurdles were allocated to all executives. The grant of performance rights aims to reward executives in a manner that aligns remuneration with the creation of shareholder wealth. Refer to Table 7 for the number and value of performance rights issued to executives during the year.

Performance measures to determine vesting

The vesting of half of the performance rights is subject to the Company's relative Total Shareholder Return ("**TSR**") as measured by share price performance (allowing for the reinvestment of dividends) over the life of the performance rights, versus a comparator group of uranium development companies. The vesting of the other half is subject to the attainment of defined individual and group performance criteria, including safety performance, as assessed by the Board in line with the work schedules under the Company's operating plans.

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

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

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

Options

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

Further details regarding the options issued to executives are outlined in section 4 below. No options were granted to executives during the financial reporting period or subsequent to the end of the year (2011: nil).

Termination and change of control provisions

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

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

No hedging of LTIs

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

2. DETAILS OF REMUNERATION

Non-Executive Directors' Remuneration

Details of the nature and amount of remuneration of Bannerman's non-executive directors for the year ended 30 June 2012 are as follows:

Table 3 – Non-executive director remuneration

		Short-term		Post Employment	Sub-total	Share Based Payments	Total	Performance Related
Non-Executive Directors	**Year**	**Base Fees $**	**Other $**	**Superannuation $**	**$**	**Options / Rights $**	**$**	**%**
David Smith	2012	96,000	-	24,000	120,000	69,836	189,836	
	2011	97,600	-	22,400	120,000	8,279(i)	128,279	-
Ronnie Beevor	2012	60,000	10,000	-	70,000	34,918	104,918	
	2011	60,000	10,000	-	70,000	47,068	117,068	-
Ian Burvill	2012	2,667	-	-	2,667	-	2,667	-
	2011	-	-	-	-	-	-	-
Mason Hills	2012	57,333	-	-	57,333	36,986	94,319	-
	2011	5,000	-	-	5,000	-	5,000	-
Clive Jones	2012	55,046	-	4,954	60,000	36,986	96,986	
	2011	60,000	-	-	60,000	47,068	107,068	-
James McClements (ii)	2012	-	-	-	-	-	-	
	2011	55,000	-	-	55,000	47,068	102,068	-
Geoff Stanley	2012	60,000	-	-	60,000	34,918	94,918	
	2011	60,000	-	-	60,000	47,068	107,068	-
David Tucker (iii)	2012	25,029	59,700	34,971	119,700	34,918	154,618	
	2011	18,337	-	41,663	60,000	47,068	107,068	-
Total	**2012**	**356,075**	**69,700**	**63,925**	**489,700**	**248,562**	**738,262**	
	2011	355,937	10,000	64,063	430,000	243,619	673,619	

(i) Dr David Smith was granted 184,600 non-executive director options in December 2009 subject to shareholder approval (which was subsequently obtained in November 2010), and 256,500 options in December 2010 under the shareholder-approved Non-Executive Director Share Option Plan. For accounting purposes, the initial grant of options in December 2010 was recorded at fair value in the 2009/10 financial statements and, upon shareholder approval being obtained in November 2010, the fair value was re-assessed downwards in line with the depleted period to expiry of the options and the lower underlying share price at the time. The equity-based compensation expense shown in the table above for Dr Smith therefore represents the fair value of the initial option grant in December 2009 of A$94,136, an adjustment for the re-assessed fair value of these options on shareholder approval being obtained in November 2010, plus the second option grant in December 2010.

(ii) Mr James McClements retired on 26 May 2011.

(iii) Mr David Tucker provided consulting services in relation to the Company's environmental licencing activities in Namibia during the financial year.

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

Executive Remuneration

Details on the nature and amount of remuneration of Bannerman's executives for the year ended 30 June 2012 are as follows.

Table 4 – Executive remuneration

	Year	Short–term: Salary & Fees $	Short–term: Other $	Post Employment: Superannuation $	Sub-total $	Share Based Payments: Options / Performance Rights $	Total $	Performance Related %
Executive Directors								
Len Jubber	2012	379,841	-	33,027	412,868	665,162	1,078,030	61.7
	2011	366,972	-	33,028	400,000	553,815	953,815	58.1
Other Executive Personnel								
Peter Kerr	2012	322,752	-	29,047	351,799	(177,513) (i)	174,286	-
	2011	275,229	-	24,771	300,000	148,627	448,627	33.1
John Turney	2012	187,797	-	49,601	237,398	238,710	476,108	50.6
	2011	272,578	-	47,422	320,000	253,111	573,111	44.2
Brandon Munro	2012	42,181	6,284	3,303	51,768	(598,604) (ii)	(546,836)	-
	2011	220,183	33,600	19,817	273,600	254,680	528,280	48.2
Werner Ewald	2012	161,371	49,781	31,149	242,301	104,243	346,544	30.1
	2011	199,814	108,737	39,963	348,514	47,735	396,249	12.1
Total	**2012**	**1,093,942**	**56,065**	**146,127**	**1,296,134**	**231,998**	**1,528,132**	
	2011	1,334,776	142,337	165,001	1,642,114	1,257,968	2,900,082	

(i) Mr Peter Kerr gave notice of his resignation prior to 30 June 2012 and forfeited his share options and performance rights. Any share-based payment expense previously recognised under AASB 2 in respect of the options and rights has been reversed.
(ii) Mr Brandon Munro resigned effective 30 September 2011 and forfeited his share options. Any share-based payment expense previously recognised under AASB 2 in respect of the options has been reversed.

3. SERVICE AGREEMENTS

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

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

Remuneration of the Chief Executive Officer

Mr Jubber was appointed on 17 November 2008 as CEO and Managing Director. Under the employment contract with Mr Jubber, he is entitled to receive an annual salary, superannuation, and LTI awards (grant of options, which are subject to performance hurdles). Details of Mr Jubber's contract and remuneration are described below and are set out in Table 4 above.

The remuneration provisions of Mr Jubber's employment contract as it applied for 2011/12 provided for the following:

Annual Salary

Following completion of the Board-approved DFS on the Etango Project, Mr Jubber's annual salary increased from A$400,000 per annum to A$462,500 per annum (rate set in 2008), inclusive of 9% superannuation, effective 10 April 2012. This amount will increase to A$525,000 upon attainment of development finance for the Etango Project. No short term incentive is payable.

Share-Based Payments

Mr Jubber's employment contract provided for the grant of 5,500,000 options, subject to shareholder approval, which was obtained in April 2009. The options, which are subject to performance hurdles, will lapse if Mr Jubber leaves the employment of the Group and immediately vest in the event of a change of control.

During the year, Mr Jubber was granted 1,408,940 performance rights subject to shareholder approval, which was obtained in November 2011. The performance rights were offered and the terms and conditions were agreed to and accepted by Mr Jubber on 12 December 2011. The rights are subject to performance hurdles and lapse if Mr Jubber leaves the employment of the Group and immediately vest in the event of a change of control. Refer to Table 6 below.

Subsequent to the end of the year, in July 2012 312,500 performance rights vested upon completion of the Board-approved Definitive Feasibility Study for the Etango project.

Termination Benefits

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

Contracts for executives – employed in the Group as at 30 June 2012

A summary of the key contractual provisions for each of the current key management personnel is set out in Table 5 below.

Table 5 - Contractual provisions for executives engaged as at 30 June 2012

Name and job title	Employing company	Contract duration	Notice period company	Notice period employee	Termination provision
Len Jubber – CEO & Managing Director	Bannerman Resources Limited	No fixed term	3 months	3 months	6 months base salary and accrued leave entitlements.
Peter Kerr – Chief Financial Officer	Bannerman Resources Limited	No fixed term	3 months	2 months	6 months base salary and accrued leave entitlements.
John Turney – Project Director, Etango	Bannerman Resources Limited	30 September 2012	3 months	3 months	6 months base salary and accrued leave entitlements.
Werner Ewald – Project Coordinator	Bannerman Resources Limited	No fixed term	3 months	3 months	6 months base salary and accrued leave entitlements.

4. SHARE-BASED COMPENSATION

Key management personnel are eligible to participate in the company's Non-Executive Director Share Incentive Plan or Employee Incentive Plan.

Long Term Incentives

The details of options and performance rights over Bannerman shares issued and/or vested pursuant to the Employee Incentive Plan during the year which affect the remuneration of the key management personnel in office at the end of the reporting period are set out in Table 6 below. The performance hurdles for the performance rights relate to the Company's relative TSR and defined individual and group performance targets, including operational targets and safety performance.

Table 6 – Key terms over options and performance rights issued and/or vested to key management personnel during the year ended 30 June 2012

Name	Grant date (i)	Type of Award	No. Granted	No. Of Options Vested	Exercise price	Accounting fair value per right / option at grant date	Performance Hurdles	Vesting date	Expiry date
Non-Executive Directors									
David Smith	21 Dec 2011	Rights	422,600	-	N/A	A$0.28	-	17 Nov 2012	17 Nov 2012
Ronnie Beevor	21 Dec 2011	Rights	211,300	-	N/A	A$0.28	-	17 Nov 2012	17 Nov 2012
Mason Hills	21 Dec 2011	Options	394,000	-	A$0.36	A$0.15	-	17 Nov 2012	17 Nov 2014
Clive Jones	21 Dec 2011	Options	394,000	-	A$0.36	A$0.15	-	17 Nov 2012	17 Nov 2014
Geoff Stanley	21 Dec 2011	Rights	211,300	-	N/A	A$0.28	-	17 Nov 2012	17 Nov 2012
David Tucker	21 Dec 2011	Rights	211,300	-	N/A	A$0.28	-	17 Nov 2012	17 Nov 2012
Executives									
Len Jubber	17 Nov 2011	Performance Rights	1,408,940	-	N/A	704,470 @ A$0.25	Relative TSR	17 Nov 2014	17 Nov 2014
					N/A	704,470 @ A$0.27	Operational targets	17 Nov 2014	17 Nov 2014
		Performance Rights	312,500	-	N/A	A$0.27	Board approved DFS for the Etango Project	1 July 2012	1 July 2012
Peter Kerr	21 Dec 2011	Performance Rights	697,400	-	N/A	348,700 @ A$0.22	Relative TSR	17 Nov 2014	17 Nov 2014
					N/A	348,700 @ A$0.25	Operational targets	17 Nov 2014	17 Nov 2014
John Turney	21 Dec 2011	Performance Rights	253,600	-	N/A	126,800 @ A$0.22	Relative TSR	17 Nov 2014	17 Nov 2014
					N/A	126,800 @ A$0.25	Operational targets	17 Nov 2014	17 Nov 2014
	21 Dec 2011	Performance Rights	65,625	-	N/A	A$0.25	Board approved DFS for the Etango Project	1 July 2012	1 July 2012
Werner Ewald	21 Dec 2011	Performance Rights	319,400	-	N/A	159,700 @ A$0.22	Relative TSR	17 Nov 2014	17 Nov 2014
					N/A	159,700 @ A$0.25	Operational targets	17 Nov 2014	17 Nov 2014

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

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

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

Other remuneration information

Further details relating to options and rights and the proportion of key management personnel remuneration related to equity compensation in the 2011/12 year are tabulated below.

Table 7 – Value of options and performance rights issued during the year ended 30 June 2012

	Type	Proportion of remuneration consisting of options / rights for the year(1) %	Options / rights granted during the year #	Value of options / rights granted during the year(2) $	Value of options exercised / rights vested during the year $	Value of options / rights lapsed/ cancelled during the year $
Non-Executive Directors						
David Smith	Rights	37%	422,600	120,000	-	-
Ronnie Beevor	Rights	33%	211,300	60,000	-	-
Mason Hills	Options	39%	394,000	60,000	-	-
Clive Jones	Options	38%	394,000	60,000	-	-
Geoff Stanley	Rights	37%	211,300	60,000	-	-
David Tucker	Rights	22%	211,300	60,000	-	-
Executives					-	-
Len Jubber	Performance Rights	62%	1,721,440	450,699	-	-
Peter Kerr	Performance Rights	40%	697,400	163,889	-	-
John Turney	Performance Rights	50%	319,225	76,002	-	-
Werner Ewald	Performance Rights	30%	319,400	75,059	-	-

(1) Calculated based on Tables 3 & 4 as the option expense for the year as a percentage of total remuneration. The percentage of total remuneration varies among each director given the impact of consulting or other fees paid during the financial year.
(2) Based on fair value at time of grant

The movements in holdings of options and rights for key management personnel during the financial year are tabulated below.

Table 8 – Movement of options and performance rights for key management personnel during 2011/12

Name	Type	Balance at the start of the year	Granted during the year as remuneration	Exercised during the year	Forfeited/ Lapsed/Other	Balance at the end of the year	Vested during the year	Vested and exercisable at the end of the year
Non-Executive Directors								
David Smith	Options	496,200	-	-	-	**496,200**	-	**496,200**
	Rights	-	422,600	-	-	**422,600**	-	**-**
Ronnie Beevor	Options	413,750	-	-	-	**413,750(4)**	-	**413,750**
	Rights	-	211,300	-	-	**211,300**	-	**-**
Ian Burvill	Options	-	-	-	614,550(2)	**614,550**	-	**220,550**
Mason Hills	Options	220,550	394,000	-	(614,550)(2)	**-**	-	**-**
Clive Jones	Options	720,550	394,000	-	(500,000)	**614,550**	-	**220,550**
Geoff Stanley	Options	2,312,850	-	-	(1,000,000)	**1,312,850(1)**	-	**1,312,850**
	Rights	-	211,300	-	-	**211,300**	-	**-**
David Tucker	Options	720,550	-	-	(250,000)	**470,550(3)**	-	**470,550**
	Rights	-	211,300	-	-	**211,300**	-	**-**
Executives								
Len Jubber	Options	5,500,000	-	-	-	**5,500,000**	1,500,000	**4,000,000**
	Rights	680,600	1,721,440	-	(188,886)	**2,213,154**	-	-
Peter Kerr	Options	1,800,000	-	-	-	**1,800,000**	600,000	**600,000**
	Rights	554,700	697,400	-	(84,232)	**1,167,868**	-	-
John Turney	Options	1,800,000	-	-	-	**1,800,000**	600,000	**600,000**
	Rights	326,700	319,225	-	(91,476)	**554,449**	-	-
Brandon Munro	Options	1,500,000	-	-	(1,500,000)	**-**	-	-
Werner Ewald	Options	750,000	-	-	-	**750,000**	250,000	**250,000**
	Rights	322,200	319,400	-	(24,716)	**616,884**	-	-
Total		**18,118,650**	**4,901,965**	**-**	**(3,639,310)**	**19,381,305**	**2,950,000**	**8,584,450**

(1) 1,000,000 Options issued to Mr Geoff Stanley have an expiry date of 1 September 2012.
(2) These options are held by Resource Capital Funds Management Pty Ltd, and are noted above against the relevant RCF representative director.
(3) 250,000 Options issued to Mr David Tucker have an expiry date of 1 September 2012.
(4) 200,000 Options issued to Mr Ronnie Beevor have an expiry date of 27 July 2012.

There were no ordinary shares in the Company issued to key management personnel as a result of the exercise of options or vesting of rights

5. ADDITIONAL INFORMATION

Performance over the Past 5 Years

The objective of the LTI program is to reward and incentivise non-executive directors and executives in a manner which aligns with the creation of shareholder wealth. Bannerman's performance during 2011/12 and the previous four financial years is tabulated below:

Table 9 – Bannerman's performance for the past five years

Year ended 30 June	2012	2011	2010	2009	2008
Net loss after tax (A$'000)	(9,600)	(13,075)	(9,840)	(9,881)	(15,637)
Net Assets (A$'000)	64,453	69,463	74,414	81,752	36,396
Market capitalisation (A$ million) at 30 June	36	61	54	228	365
Closing share price (A$)	A$0.12	A$0.26	A$0.27	A$1.13	A$2.50

END OF REMUNERATION REPORT (AUDITED)

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

Len Jubber
CEO and Managing Director
Perth, 25 September 2012

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. The following are important factors that could cause Bannerman'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 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 which are not Ore Reserves do not have demonstrated economic viability.

The information in this report relating to the Ore Reserves of the Etango Project is based on information compiled or reviewed by Mr Harry Warries, a full time employee of Coffey Mining Pty Ltd. Mr Warries is a Fellow of The Australasian Institute of Mining and Metallurgy and 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 is an independent consultant to Bannerman and a Qualified Person as defined by Canadian National Instrument 43-101. Mr Warries consents, and provides corporate consent for Coffey Mining Pty Ltd, to the inclusion in this report of the matters based on his information in the form and context in which it appears.

BANNERMAN RESOURCES LIMITED
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Expressed in Australian dollars)
For the Year Ended 30 June 2012

	Note	Consolidated 2012 $'000	Consolidated 2011 $'000
Other revenue	2	532	803
Other income	3	3	-
Employee benefits	4(a)	(3,297)	(4,080)
Borrowing costs	4(b)	(2,206)	(1,726)
Compliance and regulatory expenses		(634)	(442)
Depreciation expense		(241)	(248)
Exploration expenditure written off	11	(12)	(3,249)
Other expenses	4(c)	(4,650)	(4,415)
Loss before income tax		**(10,505)**	**(13,357)**
Income tax	7	905	282
Net loss for the year		**(9,600)**	**(13,075)**
Other comprehensive income			
Gain on revaluation of property, plant and equipment		-	70
Foreign currency translation	17(b)	(11,604)	(8,393)
Other comprehensive income for the year, net of tax		**(11,604)**	**(8,323)**
Total comprehensive loss		**(21,204)**	**(21,398)**
Loss is attributable to:			
Equity holders of Bannerman Resources Limited		(9,409)	(12,179)
Non-controlling interest		(191)	(896)
		(9,600)	**(13,075)**
Total comprehensive loss is attributable to:			
Equity holders of Bannerman Resources Limited		(20,912)	(20,829)
Non-controlling interest		(292)	(569)
		(21,204)	**(21,398)**
Basic and diluted loss per share to the ordinary equity holders of the Company (cents per share):	19	**(3.6)**	**(5.6)**

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

BANNERMAN RESOURCES LIMITED
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in Australian dollars)
As at 30 June 2012

	Note	Consolidated 2012 $'000	Consolidated 2011 $'000
CURRENT ASSETS			
Cash and cash equivalents	8	9,613	15,291
Other receivables	9	480	310
Other	10	122	102
TOTAL CURRENT ASSETS		10,215	15,703
NON CURRENT ASSETS			
Other receivables	9	26	26
Property, plant and equipment	12	1,208	1,499
Exploration and evaluation expenditure	11	61,181	63,643
TOTAL NON CURRENT ASSETS		62,415	65,168
TOTAL ASSETS		**72,630**	**80,871**
CURRENT LIABILITIES			
Trade and other payables	13	1,196	1,658
Interest bearing liabilities	15	3	9,566
Provisions	14	227	184
TOTAL CURRENT LIABILITIES		1,426	11,408
NON CURRENT LIABILITIES			
Interest bearing liabilities	15	6,751	-
TOTAL NON CURRENT LIABILITIES		6,751	-
TOTAL LIABILITIES		**8,177**	**11,408**
NET ASSETS		**64,453**	**69,463**
EQUITY			
Contributed equity	16	115,170	101,009
Reserves	17	38,851	48,321
Accumulated losses		(88,911)	(79,502)
TOTAL PARENT ENTITY INTEREST		**65,110**	**69,828**
Non-controlling interest		(657)	(365)
TOTAL EQUITY		**64,453**	**69,463**

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

CONSOLIDATED CASH FLOW STATEMENT
(Expressed in Australian dollars)
For the Year Ended 30 June 2012

	Note	Consolidated 2012 $'000	Consolidated 2011 $'000
Cash Flows from Operating Activities			
Payments to suppliers and employees		(8,309)	(7,171)
Interest received		528	792
Other income received		403	282
Net cash flows used in operating activities	20	(7,378)	(6,097)
Cash Flows From Investing Activities			
Payments for exploration and evaluation		(8,887)	(8,979)
Purchase of property, plant & equipment		(157)	(291)
Proceeds from disposal of property, plant & equipment		-	100
Net cash flows used in investing activities		(9,044)	(9,170)
Cash Flows from Financing Activities			
Proceeds from issue of shares and options		11,992	15,545
Payments for other financing costs		(641)	(860)
Payments for cost of issue of shares and options		(572)	(613)
Net cash flows provided by financing activities		10,779	14,072
Net decrease in cash and cash equivalents		(5,643)	(1,195)
Cash and cash equivalents at beginning of year		15,291	16,575
Net foreign exchange differences		(35)	(89)
Cash and cash equivalents at end of year	8	**9,613**	**15,291**

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

BANNERMAN RESOURCES LIMITED
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in Australian dollars)
For the Year Ended 30 June 2012

	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 2011	**101,009**	**(79,502)**	**(5,593)**	**52,896**	**940**	**78**	**(365)**	**69,463**
Loss for the year	-	(9,409)	-	-		-	(191)	(9,600)
Other comprehensive loss	-	-	(11,503)	-		-	(101)	(11,604)
Total comprehensive loss for the year	-	(9,409)	(11,503)	-		-	(292)	(21,204)
Equity component of the convertible note	-	-	-	-	1,674	-	-	1,674
Deferred tax on the equity component of the convertible note	-	-	-	-	(502)	-	-	(502)
Shares issued during the period	14,733	-	-	-	-	-	-	14,733
Share issue costs	(572)	-	-	-	-	-	-	(572)
Share-based payments	-	-	-	861		-	-	861
Total Equity at 30 June 2012	**115,170**	**(88,911)**	**(17,096)**	**53,757**	**2,112**	**78**	**(657)**	**64,453**

	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 2010	**86,077**	**(67,323)**	**2,661**	**51,381**	**940**	**22**	**656**	**74,414**
Loss for the year	-	(12,179)					(896)	(13,075)
Other comprehensive loss	-	-	(8,254)		-	56	(125)	(8,323)
Total comprehensive loss for the year	-	(12,179)	(8,254)		-	56	(1,021)	(21,398)
Shares issued during the period	15,545	-	-	-	-	-	-	15,545
Share issue costs	(613)	-	-	-	-	-	-	(613)
Share-based payments	-	-	-	1,515	-	-	-	1,515
Total Equity at 30 June 2011	**101,009**	**(79,502)**	**(5,593)**	**52,896**	**940**	**78**	**(365)**	**69,463**

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

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Corporate Information

This financial report of Bannerman Resources Limited ("**Bannerman**" or the "**Company**") for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the directors on 25 September 2012.

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

Basis of Preparation and Accounting Policies

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

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

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

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

Statement of Compliance

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

Going Concern

The Group's consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group's medium term cash flow forecasts reflect that additional working capital will need to be raised during this period to continue its planned business activities and expenditure levels. At the date of this financial report, the directors are satisfied there are reasonable grounds to believe that, having regard to the Group's position and its available financing options, the Group will be able to raise additional capital and/or modify planned expenditure levels to enable it to meet its obligations as and when they fall due.

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

(Expressed in Australian dollars)

New Accounting Standards and Interpretations

The adoption of the new and amended Australian Accounting Standards and AASB interpretations did not have an impact on the financial statements or performance of the Group for the financial year ended 30 June 2012.

Australian Accounting Standards and interpretations which have recently been issued or amended but are not yet effective have not been early-adopted by the Group for the annual reporting period ending 30 June 2012. These standards and interpretations are tabulated below:

Reference	Title	Summary	Application date of standard	Application date for Group
2010-8	Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]	These amendments address the determination of deferred tax on investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that the carrying amount will be recoverable through sale. The amendments also incorporate *SIC-21 Income Taxes – Recovery of Revalued Non-Depreciable Assets* into AASB 112.	1 Jan 2012	1 July 2012
AASB 2011-9	Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	This Standard requires entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those that will not.	1 July 2012	1 July 2012
AASB 10	Consolidated Financial Statements	AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG-112 *Consolidation – Special Purpose Entities.* The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. Consequential amendments were also made to other standards via AASB 2011-7.	1 January 2013	1 July 2013

(Expressed in Australian dollars)

Reference	**Title**	**Summary**	**Application date of standard**	**Application date for Group**
AASB 12	Disclosure of Interests in Other Entities	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	1 January 2013	1 July 2013
AASB 13	Fair Value Measurement	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8.	1 January 2013	1 July 2013
AASB 119	Employee Benefits	The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognised in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. Consequential amendments were also made to other standards via AASB 2011-10.	1 January 2013	1 July 2013

(Expressed in Australian dollars)

Reference	Title	Summary	Application date of standard	Application date for Group
Annual Improvements 2009–2011 Cycle AASB 2012-5	Annual Improvements to IFRSs 2009–2011 Cycle	This standard sets out amendments to International Financial Reporting Standards (IFRSs) and the related bases for conclusions and guidance made during the International Accounting Standards Board's Annual Improvements process. The following items are addressed by this standard: AASB 1 First-time Adoption of Australian Accounting Standards • Repeated application of AASB 1 • Borrowing costs AASB 101 Presentation of Financial Statements • Clarification of the requirements for comparative information AASB 116 Property, Plant and Equipment • Classification of servicing equipment AASB 132 Financial Instruments: Presentation • Tax effect of distribution to holders of equity instruments AASB 134 Interim Financial Reporting • Interim financial reporting and segment information for total assets and liabilities	1 January 2013	1 July 2013

(Expressed in Australian dollars)

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 1053	Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements: (a) Tier 1: Australian Accounting Standards (b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements: (a) For-profit entities in the private sector that have public accountability (as defined in this Standard) (b) The Australian Government and State, Territory and Local Governments The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements: (a) For-profit private sector entities that do not have public accountability (b) All not-for-profit private sector entities (c) Public sector entities other than the Australian Government and State, Territory and Local Governments. Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2, 2011-2, 2011-6, 2011-11 and 2012-1.	1 July 2013	1 July 2013
AASB 2012-2	Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities	AASB 2012-2 principally amends AASB 7 Financial Instruments: Disclosures to require disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.	1 January 2013	1 July 2013
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	1 July 2015

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 9	Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.	1 January 2015	1 July 2015

The impact of the adoption of these new and revised standards and interpretations has not been determined by the Group.

Accounting Policies

a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as at 30 June 2012.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiaries held by Bannerman are accounted for at cost in the accounts of the parent entity (less any impairment charges).

Non-controlling interests are allocated their share of net profit after tax and other comprehensive profit in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent. Losses are attributed to the non-controlling interest even if that results in a deficit balance.

Prior to 1 January 2009

In comparison to the above mentioned requirements which were applied on a prospective basis from 1 January 2009, the following differences applied:

- Non-controlling interests (formerly known as minority interests) represented the portion of profit or loss and net assets of a subsidiary what were not wholly-owned by the Group and were presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.
- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributed to the parent, unless the non-controlling interest had a binding obligation to cover these.

b) Income and Other Taxes

Income taxes

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

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

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

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

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

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

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

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

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

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

Other taxes

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

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

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

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

(Expressed in Australian dollars)

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

c) Exploration and Evaluation Expenditure

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

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

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

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

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

d) Property, Plant and Equipment

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

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

Land and buildings are measured at fair value, based on periodic valuations by external independent valuers less accumulated depreciation on buildings less any impairment losses recognised after the date of re-valuation.

Depreciation

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

Class of Fixed Asset	**Depreciation Rate**	
	2012	**2011**
Buildings	2.0%	2.0%
Plant and equipment	33.3%	33.3%
Office Furniture & Equipment	33.3%	33.3%
Vehicles	33.3%	33.3%

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

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

e) Leases

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

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

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

f) Basic Earnings/Loss Per Share

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

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

g) Revenue

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

Interest

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

h) Cash and Cash Equivalents

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

i) Impairment of Assets

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

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

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

j) Payables

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

k) Interest Bearing Loans and Borrowings

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

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

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

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

<u>Borrowing Costs</u>

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

l) Financial Assets

Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, financial assets which are classified as available-for-sale are measured at fair value.

Gains or losses on available-for-sale financial assets are recognised as a separate component of equity until the financial asset is sold, collected or otherwise disposed of, or until the financial asset is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the statement of comprehensive income.

For financial assets that are actively traded in organised financial markets, fair value is determined by reference to the relevant stock exchange quoted market bid prices at the close of business on the reporting date.

m) Provisions

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

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

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

n) Employee Benefits

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

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

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

o) Contributed Equity

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

p) Share-based Payment Transactions

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

There is currently a Non-Executive Director Share Option Plan and an Employee Incentive Plan (“**EIP**”) which enable the provision of benefits to directors, executives and staff.

The cost of these equity-settled transactions with employees and directors is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black Scholes option pricing model. A Monte Carlo simulation is applied to fair value the Total Shareholder Return element of the EIP incentives. Further details of which are given in Note 22.

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

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

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

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

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

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

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

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

q) Foreign Currency Translation

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

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

(iii) Group companies
For all Group entities with a functional currency other than Australian dollars, the functional currency has been translated into Australian dollars for presentation purposes. Assets and liabilities are translated using exchange rates prevailing at the reporting date; revenues and expenses are translated using average exchange rates prevailing for the statement of comprehensive income year; and equity transactions are translated at exchange rates prevailing at the dates of transactions. The resulting difference from translation is recognised in a foreign currency translation reserve.

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

r) Receivables

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

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

s) Segment Reporting

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

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

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

t) Financial Risk Management Objectives and Policies

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

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

u) Significant Accounting Judgements, Estimates and Assumptions

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

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

Impairment of capitalised exploration and evaluation expenditure

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

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

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

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted and taking into consideration the likelihood of non-market based conditions occurring. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 22.

	Consolidated 2012 $'000	Consolidated 2011 $'000

2. OTHER REVENUE

Interest revenue	532	803
	532	803

3. OTHER INCOME

Sundry income	3	-
	3	-

4. EXPENSES

(a) Employee Benefits

Salaries and wages	1,750	1,878
Superannuation	192	196
Employee share-based payment expense	589	1,271
Other	58	61
Directors' fees	430	430
Directors' consulting fees	29	-
Directors' share-based payment expense	249	244
	3,297	4,080

(b) Borrowing Costs

Interest accreted or payable	1,378	1,726
Convertible note extension fee	550	-
Loss on extinguishment of convertible note	278	-
	2,206	1,726

	Consolidated 2012 $'000	Consolidated 2011 $'000
(c) Other Expenses		
Corporate and overheads	947	850
Consulting – fees	1,810	1,700
Consulting – share-based payment expense	23	-
Legal	582	297
Travel	611	849
Employer related taxes	174	164
Recruitment	50	52
Occupancy	339	364
Insurance	101	116
Loss on sale of property, plant and equipment	13	23
	4,650	4,415
Included in the above expenses are operating lease payments of the following amounts:		
Minimum lease payments	230	293

5. KEY MANAGEMENT PERSONNEL

a) Compensation of Key Management Personnel by Category*:*

	2012 $'000	2011 $'000
Directors (Executive and Non-Executive)		
Short-term employee benefits	806	733
Post-employment benefits	97	97
Share-based payments	913	797
	1,816	1,627
Officers		
Short-term employee benefits	770	1,110
Post-employment benefits	113	132
Share-based payments	(433)	704
	450	1,946
Total		
Short-term employee benefits	1,576	1,843
Post-employment benefits	210	229
Share-based payments	480	1,501
	2,266	3,573

(Expressed in Australian dollars)

b) Option/ Performance Right Holdings of Key Management Personnel

The numbers of options and performance rights over ordinary shares in the Company held during the period by each director of the Company and other key management personnel, including their personally related parties, are set out below:

30 June 2012	Type	Opening Balance	Granted as Remuneration	Exercised	Forfeited	Expired	Other	Closing Balance
Directors								
David Smith (i)	Options	496,200	-	-	-	-	-	496,200
	Rights	-	422,600	-	-	-	-	422,600
Len Jubber (v)	Options	5,500,000	-	-	-	-	-	5,500,000
	Rights	680,600	1,721,440	-	(188,886)	-	-	2,213,154
Ronnie Beevor (ii)	Options	413,750	-	-	-	-	-	413,750
	Rights	-	211,300	-	-	-	-	211,300
Ian Burvill	Options	-	-	-	-	-	614,550 (iv)	614,550
Mason Hills (iii)	Options	220,550	394,000	-	-	-	(614,550) (iv)	-
Clive Jones (iii)	Options	720,550	394,000	-	-	(500,000)	-	614,550
Geoff Stanley (ii)	Options	2,312,850	-	-	-	(1,000,000)	-	1,312,850
	Rights	-	211,300	-	-	-	-	211,300
David Tucker (ii)	Options	720,550	-	-	-	(250,000)	-	470,550
	Rights	-	211,300	-	-	-	-	211,300
		11,065,050	3,565,940	-	(188,886)	(1,750,000)	-	12,692,104
Officers								
Peter Kerr (vi)	Options	1,800,000	-	-	-	-	-	1,800,000
	Rights	554,700	697,400	-	(84,232)	-	-	1,167,868
John Turney (vii)	Options	1,800,000	-	-	-	-	-	1,800,000
	Rights	326,700	319,225	-	(91,476)	-	-	554,449
Brandon Munro	Options	1,500,000	-	-	(1,500,000)	-	-	-
Werner Ewald (viii)	Options	750,000	-	-	-	-	-	750,000
	Rights	322,200	319,400	-	(24,716)	-	-	616,884
		7,053,600	1,336,025	-	(1,700,424)	-	-	6,689,201

(i) 422,600 share rights issued to Dr David Smith as Chairman (vesting on 17 November 2012) in accordance with the Non-Executive Director Share Incentive Plan ("**NEDSIP**") approved by shareholders at the Annual General Meeting on 17 November 2011.

(ii) 211,300 share rights issued to non-executive director (vesting on 17 November 2012) in accordance with the NEDSIP approved by shareholders at the Annual General Meeting on 17 November 2011.

(iii) 394,000 options issued to non-executive director (exercisable at A$0.36 on or before 17 November 2014) in accordance with the NEDSIP approved by shareholders at the Annual General Meeting on 17 November 2011.

(iv) Mr Mason Hills resigned as a non-executive director on 14 June 2012, and was replaced by Mr Ian Burvill as the representative of Resource Capital Funds. These options are held by Resource Capital Funds Management Pty Ltd and are noted against the relevant RCF representative director.

(v) 1,721,400 performance rights issued to Mr Len Jubber (1,408,940 vesting on 17 November 2014 and 312,500 vesting on 1 July 2012) as approved by shareholders at the Annual General Meeting on 17 November 2011. These rights are subject to relative TSR and various performance hurdles, details of which are set out in the remuneration report.

(vi) 697,400 performance rights issued to Mr Peter Kerr (vesting on 17 November 2014). These rights are subject to relative TSR and various performance hurdles, details of which are set out in the remuneration report.

(vii) 319,225 performance rights issued to Mr John Turney (253,600 vesting on 17 November 2014 and 65,625 vesting on 1 July 2012). These rights are subject to relative TSR and various performance hurdles, details of which are set out in the remuneration report.

(viii) 319,400 performance rights issued to Mr Werner Ewald (vesting on 17 November 2014). These rights are subject to relative TSR and various performance hurdles, details of which are set out in the remuneration report.

(Expressed in Australian dollars)

30 June 2011	**Type**	**Opening Balance**	**Granted as Remuneration**	**Exercised**	**Forfeited**	**Expired**	**Other**	**Closing Balance**
Directors								
David Smith (i)	Options	55,100	256,500	-	-	-	184,600	496,200
Len Jubber (iv)	Options	5,500,000	-					5,500,000
	Rights	-	680,600	-	-	-	-	680,600
Ronnie Beevor (ii)	Options	285,500	128,250	-	-	-	-	413,750
Mason Hills	Options	-	-	-	-	-	220,550 (iii)	220,550
Clive Jones (ii)	Options	1,092,300	128,250	-	-	(500,000)	-	720,550
James McClements	Options	92,300	128,250	-	-	-	(220,550) (iii)	-
Geoff Stanley (ii)	Options	2,184,600	128,250	-	-	-	-	2,312,850
David Tucker (ii)	Options	592,300	128,250	-	-	-	-	720,550
		9,802,100	1,578,350	-	-	-	184,600	11,565,050
Officers								
Peter Kerr (v)	Options	1,800,000	-					1,800,000
	Rights	-	554,700	-	-	-	-	554,700
John Turney (vi)	Options	1,800,000	-					1,800,000
	Rights	-	326,700	-	-	-	-	326,700
Brandon Munro	Options	1,500,000	-					1,500,000
Werner Ewald (vii)	Options	750,000	-					750,000
	Rights	-	322,200	-	-	-	-	322,200
		5,850,000	1,203,600	-	-	-	-	7,053,600

(i) 256,500 options issued to Dr David Smith as Chairman and 184,600 options issued as a sign on incentive (exercisable at A$1.45 on or before 25 November 2012). Approved by shareholders at the Annual General Meeting on 23 November 2010.

(ii) 128,500 options issued to non-executive director (exercisable at A$0.77 on or before 22 November 2011), as approved by shareholders at the Annual General Meeting on 23 November 2010.

(iii) Mr James McClements resigned as a non-executive director on 26 May 2011, and was replaced by Mr Mason Hills as the representative of Resource Capital Funds. These options are held by Resource Capital Funds Management Pty Ltd and are noted against the relevant RCF representative director.

(iv) 680,000 performance rights issued to Mr Len Jubber (vesting on 23 November 2013), which are subject to relative TSR and various performance hurdles, details of which are set out in the remuneration report. Also, 312,500 performance rights (vesting on 1 July 2012) have been accounted for under accounting standards as granted, however they are to be issued subject to shareholder approval.

(v) 554,700 performance rights issued to Mr Peter Kerr (306,300 vesting on 23 November 2013 and 248,400 vesting on 1 July 2012). These rights are subject to relative TSR and various performance hurdles, details of which are set out in the remuneration report.

(vi) 326,700 performance rights issued to Mr John Turney (vesting on 23 November 2013). These rights are subject to relative TSR and various performance hurdles, details of which are set out in the remuneration report.

(vii) 322,200 performance rights issued to Mr Werner Ewald (148,000 vesting on 23 November 2013 and 174,200 vesting on 1 July 2012). These rights are subject to relative TSR and various performance hurdles, details of which are set out in the remuneration report.

(Expressed in Australian dollars)

c) Shareholdings of Key Management Personnel

30 June 2012	Opening Balance	Granted as Remuneration	Received on Exercise of Options	(Sales) Purchases	Closing Balance
Directors					
David Smith	-	-	-	-	-
Len Jubber	295,940	-	-	261,159	557,099
Ronnie Beevor	50,000	-	-	61,159	111,159
Ian Burvill	-	-	-	-	-
Mason Hills	-	-	-	-	-
Clive Jones	15,206,940	-	-	-	15,206,940
Geoff Stanley	-	-	-	-	-
David Tucker	106,940	-	-	61,159	168,099
Officers					
Peter Kerr	26,000	-	-	-	26,000
John Turney	20,000	-	-	61,159	81,159
	15,705,820	-	-	444,636	16,150,456

30 June 2011	Opening Balance	Granted as Remuneration	Received on Exercise of Options	(Sales) Purchases	Closing Balance
Directors					
David Smith	-	-	-	-	-
Len Jubber	260,940	-	-	35,000	295,940
Ronnie Beevor	50,000	-	-	-	50,000
Mason Hills	-	-	-	-	-
Clive Jones	15,206,940	-	-	-	15,206,940
James McClements	-	-	-	-	-
Geoff Stanley	-	-	-	-	-
David Tucker	106,940	-	-	-	106,940
Officers					
Peter Kerr	26,000	-	-	-	26,000
John Turney	20,000	-	-	-	20,000
	15,670,820	-	-	35,000	15,705,820

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

6. AUDITOR'S REMUNERATION

The auditor of the Group is Ernst & Young.

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

	Consolidated	
	2012	**2011**
	$	**$**
Auditing or reviewing the financial report	117,940	116,905
Audit related	12,383	11,600
Taxation services	25,753	30,818
	156,076	159,323

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

Auditing or reviewing the financial report	28,390	28,277
Taxation services	15,047	11,352
	43,437	39,629

7. INCOME TAX

	Consolidated	
	2012	**2011**
	$'000	**$'000**
The components of income tax benefit comprise:		
Current income tax benefit	(403)	(282)
Deferred income tax benefit	(502)	-
Income tax benefit reported in the consolidated statement of comprehensive income	(905)	(282)
Income tax expense recognised in equity	-	-

(Expressed in Australian dollars)

	Consolidated	
	2012	**2011**
Accounting loss before tax	(10,505)	(13,075)
At the statutory income tax rate of 30 %	(3,152)	(3,923)
Other non deductible expenditure for income tax purposes	754	554
Effect of different tax rate for overseas subsidiary	(42)	(78)
Prior year adjustment – current tax on R&D tax offset	(403)	(282)
Unrecognised tax losses	1,938	3,447
Income tax benefit reported in the consolidated statement of comprehensive income	(905)	(282)

Deferred tax assets		
Carried forward revenue losses	11,268	9,118
Share issue costs	240	456
Provisions and accruals	75	123
Other	83	10
Gross deferred tax asset	11,666	9,707
Offset against deferred tax liability	(386)	(172)
Unrecognised tax losses	11,280	9,535
Deferred tax liabilities		
Exploration expenditure	-	30
Convertible Note	375	131
Other	11	11
Gross deferred tax liability	386	172
Offset against deferred tax asset	(386)	(172)
Net deferred tax liability	-	-

The carried forward tax losses for Bannerman Resources Limited at 30 June 2012 is $33,904,766. The carried forward tax losses for Bannerman Namibia Pty Ltd at 30 June 2012 is $2,922,941.

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

	Consolidated 2012	Consolidated 2011
	$'000	$'000

8. CASH AND CASH EQUIVALENTS

	2012 $'000	2011 $'000
Cash on hand	1	1
Cash at bank and on call (interest bearing)	2,517	1,622
Short-term deposits (interest bearing)	7,095	13,668
	9,613	15,291

The effective interest rate on short-term bank deposits was 4.24% (2011: 5.33%).
These deposits have an average maturity of 73 days (2011: 78 days).

9. OTHER RECEIVABLES

	2012 $'000	2011 $'000
Current		
GST/VAT	458	294
Other	22	16
	480	310
Non-Current		
Restricted cash	26	26
	26	26

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

Fair value and credit risk

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

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

As at 30 June 2012, the ageing analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired		
			61-90 days	91-120 days	>120 days
	$'000	$'000	$'000	$'000	$'000
2012	480	371	-	-	109
2011	310	309	-	-	1

Foreign exchange and interest rate risk

Detail regarding foreign exchange and interest rate risk exposure is disclosed in Note 18.

	Consolidated	
	2012	**2011**
	$'000	**$'000**

10. OTHER CURRENT ASSETS

Prepayments	122	102

11. EXPLORATION AND EVALUATION EXPENDITURE

Opening balance	63,643	66,078
Expenditure incurred during the year	8,887	8,979
Foreign currency translation movements	(11,337)	(8,165)
Write offs (a)	(12)	(3,249)
Closing balance	61,181	63,643

(a) The Company decided a conservative approach was appropriate in relation to the Swakop River Exploration Project and, accordingly, exploration expenditure amounting to A$12,000 (June 2011: A$3,226,000) has been written off. The balance of the written off exploration expenditure for the year ended 30 June 2011 of A$23,000 related to the Company's Botswana prospecting licences which were not renewed that year.

Expenditure incurred during the period comprises expenditure on drilling, 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 future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

Canadian securities law requires the following description of the Group's interests in mineral property tenements:

<u>Etango Uranium Project – Bannerman 80%</u>

The Etango Uranium Project is located approximately 38km (by road) east of the town of Swakopmund, Namibia, and 73km by road to the northeast of the port town of Walvis Bay, and is situated southwest of Rio Tinto's Rössing uranium mine and to the west of Paladin Energy's Langer-Heinrich uranium mine. The Etango Project comprises one Exclusive Prospecting Licence (EPL3345) which has been renewed to 26 April 2013. Bannerman recently completed a DFS on a 7-9 million pounds U_3O_8 per annum open pit mining and processing operation at Etango.

<u>Swakop River Uranium Project – Bannerman 80%</u>

The Swakop River Uranium Project is located near the Langer Heinrich-Uranium Mine (100% owned by Paladin Energy Ltd) near Swakopmund in Namibia. It consists of one Exclusive Prospecting Licence (EPL3346), which has been renewed to 26 April 2013.

The following tables detail the consolidated expenditures on interests in mineral properties by area of interest for the year ended 30 June 2012:

Areas of Interest	Etango A$'000	Swakop River A$'000	Total A$'000
Balance 1 July 2011	**63,643**	**-**	**63,643**
Drilling and consumables	449	-	449
Assays and freight	106	10	116
Geophysics & downhole surveys	13	-	13
Salaries and wages	1,534	-	1,534
Consultants and contractors	6,477	-	6,477
Travel & accommodation	52	-	52
Other	244	2	246
Total expenditure for the year	**8,875**	**12**	**8,887**
FX adjustment	(11,337)	-	(11,337)
Exploration expenditure written off	-	(12)	(12)
Balance 30 June 2012	**61,181**	**-**	**61,181**

12. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment (i)	Lab & Field Equipment	Sundry	Vehicles	Land & Buildings	Total
30 June 2012	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Opening net book value	229	50	237	208	775	1,499
Additions	24	43	90	-	-	157
Disposals	-	-	-	(14)	-	(14)
Exchange difference	(19)	(6)	(5)	(31)	(132)	(193)
Depreciation charge	(73)	(25)	(83)	(60)	-	(241)
Closing net book value	161	62	239	103	643	1,208
At 30 June 2012						
Cost or fair value	511	145	481	343	643	2,123
Accumulated depreciation and impairment	(350)	(83)	(242)	(240)	-	(915)
Net book value	161	62	239	103	643	1,208
30 June 2011	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Opening net book value	287	177	82	333	798	1,677
Additions	56	21	214	-	-	291
Disposals	-	(116)	-	(7)	-	(123)
Gain on revaluation (ii)	-	-	-	-	70	70
Exchange difference	(20)	(19)	(1)	(35)	(93)	(168)
Depreciation charge	(94)	(13)	(58)	(83)	-	(248)
Closing net book value	229	50	237	208	775	1,499
At 30 June 2011						
Cost or fair value	540	113	402	430	775	2,260
Accumulated depreciation and impairment	(311)	(63)	(165)	(222)	-	(761)
Net book value	229	50	237	208	775	1,499

(i) *Property, plant and equipment pledged as security for liabilities*
Leased office equipment with a net book value of A$5,000 is pledged as security for the related finance lease liabilities.

(ii) *Revaluation of land & buildings*
An independent valuation was obtained during the year ended 30 June 2011 to determine the fair value of the land and buildings that were purchased and refurbished in Swakopmund, Namibia. As a result of the valuation, a revaluation gain of $70,000 was recognised to increase the carrying amount of land and buildings to the valuation amount.

	Consolidated 2012 $'000	2011 $'000

13. TRADE AND OTHER PAYABLES

	2012 $'000	2011 $'000
Trade payables	833	1,294
Other payables and accruals	363	364
	1,196	1,658

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

Fair value

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

14. PROVISIONS

	2012 $'000	2011 $'000
Annual leave provision	227	184

15. INTEREST BEARING LIABILITIES

Current

	2012 $'000	2011 $'000
Secured convertible note	-	9,563
Finance lease	3	3
	3	9,566

Non Current

	2012 $'000	2011 $'000
Secured convertible note	6,751	-
	6,751	-

Secured convertible note

In November 2008, Bannerman entered into a financing agreement with Resource Capital Fund IV L.P. ("**RCF**") 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 ("**Standby Tranche**") 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 15 September 2011, Bannerman announced it had reached agreement with RCF to extend the maturity date of the existing convertible note from mid-December 2011 to 31 March 2012, or such later date as may be agreed (but not beyond 30 September 2012). Formal documentation for the extension was executed on 30 September 2011 as planned. The note was extended on its current terms, including the conversion price of A$0.612 per share, with Bannerman agreeing to pay the 8% coupon interest for the extension period via the issue of new Bannerman shares. The issue price of the new shares for the interest payment was the 10 day volume weighted average price ("**VWAP**") of Bannerman's shares prior to the date of issue. The extension fee of A$150,000 was satisfied through the issue of 526,479 ordinary shares on 17 November 2011.

On 14 December 2011, Bannerman further announced that it had reached agreement with RCF for a reduction in the face value of the note 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. The key terms of the new note are a conversion price of A$0.28125 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 an extension fee of A$400,000 payable through the issue of approximately 1.43 million new Bannerman shares upon the receipt of all required approvals. The new convertible note was approved by Bannerman shareholders at a general meeting held on 13 March 2012. The extension fee of A$400,000 was satisfied through the issue of 1,426,025 ordinary shares on 16 April 2012.

At the refinancing date of 31 March 2012, the old convertible note was derecognised and the new convertible note was recognised for accounting purposes. At the date of recognition, the debt and equity components of the new convertible note 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 31 March 2014. 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 convertible note to 30 June 2012 (June 2011: $199,000).

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

Under the terms of the convertible note, the Company must, unless otherwise approved maintain a minimum cash and cash equivalents balance of not less than A$1,250,000.

In accordance with the terms of the convertible note, 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 in its absolute discretion to require the Company to repay the convertible note (including all accrued interest thereon) or to convert the convertible note (including all accrued interest thereon) to shares in Bannerman.

16. CONTRIBUTED EQUITY

(a) Issued and outstanding:

	Number of shares '000	Amount $'000
Issued		
Balance 1 July 2010	**201,711**	**86,077**
Exercise of options (i)	2,725	545
Placement (ii)	30,000	15,000
Share issue costs	-	(613)
Balance 30 June 2011	**234,436**	**101,009**
Balance 1 July 2011	**234,436**	**101,009**
Issue of shares (iii)	2,821	741
Placement (iv)	44,504	10,014
Share purchase plan (v)	17,777	3,978
Share issue costs	-	(572)
Balance 30 June 2012	**299,538**	**115,170**

(i) On 1 December 2010, 2,725,000 unlisted options at A$0.20 were exercised.

(ii) On 20 December 2010, the Company completed an equity capital raising comprising the placement of 30,000,000 fully paid ordinary shares at an issue price of A$0.50 per share.

(iii) On 17 November 2011, 526,479 shares were issued in satisfaction of the A$150,000 extension fee for the extension of the convertible note to 31 March 2012. On 16 April 2012, 1,426,025 shares were issued in satisfaction of the A$400,000 extension fee for the extension of the convertible note to 31 March 2014. On the same date, 868,742 shares were issued in satisfaction of the A$191,123 interest payable on the convertible note for the period 15 December 2011 to 31 March 2012 in accordance with the convertible note terms.

(iv) On 23 December 2011, the Company completed an equity capital raising comprising the placement of 36,504,445 fully paid ordinary shares at an issue price of A$0.225 per share. On 8 February 2012, the Company completed a follow-on placement of 8,000,000 fully paid ordinary shares at an issue price of A$0.225 per share.

(v) On 7 February 2012, the Company completed a Share Purchase Plan comprising the issue of 17,777,350 fully paid ordinary shares at an issue price of A$0.225 per share.

(b) Options on issue:

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

Expiry Dates		Exercise Price	Balance 1 Jul 11	Granted	Exercised	Expired / Cancelled	Balance 30 Jun 12	Vested 30 Jun 12
September 1, 2011		A$2.51	1,000,000	-	-	(1,000,000)	-	-
September 1, 2011		A$2.44	250,000	-	-	(250,000)	-	-
November 30, 2011		A$7.50	2,250,000	-	-	(2,250,000)	-	-
December 27, 2011		A$2.40	200,000	-	-	(200,000)	-	-
July 27, 2012		A$1.40	200,000	-	-	-	200,000	200,000
September 1, 2012		A$3.00	1,000,000	-	-	-	1,000,000	1,000,000
September 1, 2012		A$4.00	250,000	-	-	-	250,000	250,000
November 1, 2012	(i)	C$4.12	100,000	-	-	-	100,000	100,000
November 17, 2012		A$0.434	2,500,000	-	-	-	2,500,000	2,500,000
November 25, 2012		A$1.45	786,700	-	-	-	786,700	786,700
January 28, 2013		A$3.64	100,000	-	-	-	100,000	100,000

(Expressed in Australian dollars)

Expiry Dates	Exercise Price	Balance 1 Jul 11	Granted	Exercised	Expired / Cancelled	Balance 30 Jun 12	Vested 30 Jun 12
February 2, 2013	A$0.91	600,000	-	-	-	600,000	600,000
August 31, 2013	A$1.46	600,000	-	-	-	600,000	600,000
November 17, 2013	A$0.543	1,500,000	-	-	-	1,500,000	1,500,000
November 22, 2013	A$0.77	897,750	-	-	-	897,750	897,750
November 22, 2013	A$0.77	43,000	-	-	-	43,000	43,000
November 25, 2013	A$1.45	500,000	-	-	(500,000)	-	-
February 6, 2014	A$1.14	600,000	-	-	-	600,000	-
June 24, 2014	A$0.40	250,000	-	-	-	250,000	250,000
August 31, 2014	A$1.82	600,000	-	-	-	600,000	-
November 17, 2014	A$0.678	1,500,000	-	-	-	1,500,000	-
November 17, 2014	A$0.36	-	114,500	-	-	114,500	114,500
November 17, 2014	A$0.36	-	788,000	-	-	788,000	788,000
November 25, 2014	A$1.81	500,000	-	-	(500,000)	-	-
February 6, 2015	A$1.43	600,000	-	-	-	600,000	-
June 24, 2015	A$0.50	250,000	-	-	-	250,000	-
August 31, 2015	A$2.28	600,000	-	-	-	600,000	-
November 25, 2015	A$2.26	500,000	-	-	(500,000)	-	-
June 24, 2016	A$0.62	250,000	-	-	-	250,000	-
		18,427,450	902,500	-	(5,200,000)	14,129,950	9,729,950
Weighted average exercise price (A$)		2.11	0.35	-	4.47	1.13	1.09
Average life to expiry at date of issue (years)		-	3.0	-	-	-	-
Average life to expiry (years)		1.9	-	-	-	1.3	1.0

(i) Exchange rate at 30 June 2012 A$1 = C$1.041

Certain of the stock options above have performance hurdles linked to business targets and minimum service periods.

Directors held 9,536,950 options as at 30 June 2012 with an average exercise price of A$0.98 per share and an average life to expiry of 1.0 years.

(c) Performance Rights on issue

The performance rights on issue as at 30 June 2012 were as follows:

Vesting Dates	Balance 1 Jul 11	Granted	Vested	Cancelled	Balance 30 Jun 12
July 1, 2012	852,200	378,125	-	(98,400)	1,131,925
November 17, 2012	-	1,056,500	-	-	1,056,500
November 23, 2012	934,700	-	-	(166,743)	767,957
November 17, 2013	-	1,632,500	-	(34,500)	1,598,000
November 23, 2013	1,461,600	-	-	(389,290)	1,072,310
November 17, 2014	-	2,679,340	-	-	2,679,340
	3,248,500	5,746,465	-	(688,933)	8,306,032
Average life to vesting (years)	1.7	1.4	-	-	0.8

Note: Performance rights have no exercise price.

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

Directors held 2,049,600 performance rights as at 30 June 2012 with an average life to vesting of 0.8 years.

Terms of Ordinary Shares

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

Capital Management

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

Under the terms of the convertible note (Note 15), the Company must, unless approved otherwise, at all times maintain a minimum working capital (net cash) balance of not less than $1,250,000, and is restricted from taking on new indebtedness (except in permitted circumstances).

17. RESERVES

		Consolidated 2012 $'000	Consolidated 2011 $'000
Share-based Payment Reserve	(a)	53,757	52,896
Foreign Currency Translation Reserve	(b)	(17,096)	(5,593)
Asset Revaluation Reserve	(c)	78	78
Convertible Note Reserve	(d)	2,112	940
TOTAL RESERVES		**38,851**	**48,321**

	2012 $'000	2011 $'000
(a) Share-based Payment Reserve		
Balance at the beginning of the reporting period	**52,896**	**51,381**
Share-based payment vesting expense during the period	861	1,515
Balance at the end of the reporting period	**53,757**	**52,896**

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.

	Consolidated	
	2012	**2011**
	$'000	**$'000**

(b) Foreign Currency translation reserve

Reserves at the beginning of the reporting period	**(5,593)**	**2,661**
Currency translation differences arising during the year	(11,503)	(8,254)
Balance at the end of the reporting period	**(17,096)**	**(5,593)**

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

As per the Statement of Comprehensive Income, the foreign currency translation difference arising for the year ended 30 June 2012 amounted to $11,604,000, allocated between non-controlling interests ($101,000) and the Group ($11,503,000). Over the year, the Australian dollar strengthened significantly against the Namibian dollar, with a movement of approximately 17% from the rate as at 30 June 2011 (A$1.00 : N$7.10) to the rate as at 30 June 2012 (A$1.00 : N$8.56).

(c) Asset Revaluation reserve

Reserves at the beginning of the reporting period	**78**	**22**
Revaluation of land and buildings during the year	-	56
Balance at the end of the reporting period	**78**	**78**

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

(d) Convertible Note reserve

Reserves at the beginning of the reporting period	**940**	**940**
Equity component of the convertible note	1,674	-
Deferred tax on the equity component of the convertible note	(502)	-
Balance at the end of the reporting period	**2,112**	**940**

The Convertible Note Reserve records the equity portion of the convertible note issued on 16 December 2008 and refinanced on 31 March 2012, as described in Note 15. The movement in the reserve represents the equity component, net of tax, of the new convertible note.

18. FINANCIAL INSTRUMENTS

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

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

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

(a) Interest Rate Risk

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

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

Consolidated 2012	Floating Interest Rate $'000	Fixed Interest maturing in 1 year or less $'000	Fixed Interest maturing over 1 to 5 years $'000	2012 Total $'000
Financial assets				
Cash	2,518	7,095	-	9,613
	2,518	7,095	-	9,613
Weighted average Interest rate				4.2%
Financial liabilities				
Interest bearing liabilities	-	3	6,751	6,754
	-	3	6,751	6,754
Weighted average Interest rate				8.0%

Consolidated 2011	Floating Interest Rate $'000	Fixed Interest maturing in 1 year or less $'000	Fixed Interest maturing over 1 to 5 years $'000	2011 Total $'000
Financial assets				
Cash	1,623	13,668	-	15,291
	1,623	13,668	-	15,291
Weighted average Interest rate				5.3%
Financial liabilities				
Interest bearing liabilities	-	9,566	-	9,566
	-	9,566	-	9,566
Weighted average Interest rate				8.0%

The following table summarises the impact of reasonably possible changes in interest rates for the Group at 30 June 2012. The sensitivity analysis is based on the assumption that interest rates change by 1% with all other variables remaining constant. The 1% sensitivity is based on reasonably possible changes over a financial year, using the observed range of actual historical rates for the preceding 5 year period and management's expectation of short term future interest rates.

	Consolidated	
Impact on post-tax gain/(loss):	**2012 $'000**	**2011 $'000**
1% increase	79	149
1% decrease	(79)	(149)

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

(b) Net Fair Values

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

	2012		**2011**	
	Carrying Amount $'000	**Net fair Value $'000**	**Carrying Amount $'000**	**Net fair Value $'000**
Financial assets				
Cash and deposits	9,613	9,613	15,291	15,291
Receivables	507	507	336	336
	10,120	10,120	15,627	15,627
Financial liabilities				
Payables	1,196	1,196	1,658	1,658
Interest bearing liabilities	6,754	6,754	9,566	9,566
	7,950	7,950	11,224	11,224

(c) 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.

(d) Credit Risk

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

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

(e) Liquidity

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

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

2012 **Financial Liabilities**	**<6 months**	**6-12 months**	**1– 5 years**	**Total**
Trade and other payables	1,196	-	-	1,196
Interest bearing liabilities	-	3	8,000	8,003
Total	1,196	3	8,000	9,199

2011 **Financial Liabilities**	**<6 months**	**6-12 months**	**1– 5 years**	**Total**
Trade and other payables	1,658	-	-	1,658
Interest bearing liabilities	10,400	-	-	10,400
Total	12,058	-	-	12,058

19. LOSS PER SHARE

	2012 **$'000**	**2011** **$'000**
Loss used in the calculation of weighted average basic and dilutive loss per share	(9,409)	(12,179)
	Number of Shares **'000**	***Number of Shares*** **'000**
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic loss per share	264,528	219,157
Weighted average number of options / performance rights issuable that could be potentially dilutive but are not included in diluted EPS as they are anti-dilutive for the periods presented.	21,859	20,003

Conversions or issues after 30 June 2012

Subsequent to the financial year, 1,201,117 ordinary shares were issued upon vesting of performance rights granted by the Company and 1,329,680 ordinary shares were issued in satisfaction of the A$159,562 interest payable on the convertible note for the period 1 April 2012 to 30 June 2012 in accordance with the convertible note terms.
There have been no other conversions to or subscriptions for ordinary shares or issues of potential ordinary shares since the balance date and before the completion of this report.

20. CASH FLOW INFORMATION

	Consolidated	
	2012	2011
	$'000	$'000
(a) Reconciliation from the net loss after tax to the net cash flow from operating activities		
Loss after income tax	(9,600)	(13,075)
Non-cash flows in operating loss		
Depreciation	241	248
Share-based payments included	861	1,515
Other	-	22
Loss on sale of property, plant and equipment	13	23
Interest payable	2,206	1,726
Exploration expenditure written off	12	3,249
Changes in assets and liabilities		
(Increase) / decrease in receivables and prepayments	(190)	90
(Decrease) / increase in trade and other creditors and accruals	(462)	99
Movement in provisions	43	6
Movement in deferred tax	(502)	-
Net cash outflows from Operating Activities	(7,378)	(6,097)

21. COMMITMENTS

a) Exploration and evaluation expenditure

Statutory two-year renewals of the Etango (EPL 3345) and Swakop River (EPL 3346) Exclusive Prospecting Licences have been received to 26 April 2013. Further extensions may be applied for under applicable Namibian minerals legislation.

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

	2012 $'000	2011 $'000
Not longer than one year	697	1,651
Longer than one year, but not longer than five years	-	840
Longer than five years	-	-
	697	2,491

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

b) Operating lease commitments

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

	2012 $'000	**2011 $'000**
Not longer than one year	290	267
Longer than one year, but not longer than five years	196	66
Longer than five years	-	-
	486	333

22. SHARE-BASED PAYMENT PLANS

Recognised employee share-based payment expenses

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

	Consolidated	
	2012 $'000	**2011 $'000**
Total expense arising from employee and director share-based payment transactions	861	1,515

Types of share-based payment plans

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

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

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

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

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

(Expressed in Australian dollars)

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

*Non-Executive Director Share Option Plan ("**NEDSOP**") and Non-Executive Director Share Incentive Plan (“**NEDSIP**”)*

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

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

Options were historically granted to executives for the purposes of incentivising and retaining them during the significant development phase of the Etango Project in Namibia. Accordingly, remaining performance hurdles include, the grant of a mining licence, finalisation of project financing and commissioning of the Etango Project.

Summary of options granted under NEDSOP and ESOP arrangements

	2012 **#**	**2012** **WAEP[1]**	**2011** **#**	**2011** **WAEP[1]**
Outstanding at beginning of the year	18,427,450	2.11	19,852,100	2.69
Granted during the year	902,500	0.36	1,125,350	0.88
Exercised during the year	-	-	-	-
Expired during the year	(3,700,000)	5.53	(2,250,000)	6.50
Forfeited during the year	(1,500,000)	1.84	(300,000)	2.94
Outstanding at end of the year	14,129,950	1.13	18,427,450	2.11

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

Summary of performance rights granted under NEDSIP and EIP arrangements

	2012 **#**	**2011** **#**
Outstanding at beginning of the year	3,248,500	-
Granted during the year	5,746,465	3,248,500
Vested during the year	-	-
Expired / forfeited during the year	(688,933)	-
Outstanding at end of the year	8,306,032	3,248,500

(Expressed in Australian dollars)

Weighted average remaining contractual life

The weighted average remaining contractual life as at 30 June 2012 was:

- Share options 1.3 years (2011: 2.0 years).
- Performance rights 0.8 years (2011: 1.7 years).

Range of exercise price

The range of exercise prices for share options outstanding as at 30 June 2012 was \$0.36 - \$4.00 (2011: \$0.40 - \$7.50). The weighted average exercise price for options outstanding as at 30 June 2012 was \$1.13 (2011: \$2.11) per option.

Weighted average fair value

The weighted average fair value for the share options granted during the year was \$0.15 (2011: \$0.31) per option. The weighted average fair value for the performance rights granted during the year was \$0.27 (2011: \$0.24) per performance right.

Options / performance rights pricing model: NEDSOP, NEDSIP, ESOP & EIP

Equity-settled transactions

The fair value of the equity-settled share options granted under the NEDSOP (terminated November 2011), NEDSIP, ESOP and EIP is estimated as at the date of grant using a Black-Scholes option price calculation method taking into account the terms and conditions upon which the options/rights were granted. A Monte Carlo simulation is applied to fair value the TSR element. In accordance with the rules of the EIP, the model simulates the Company's TSR and compares it against the peer group over the two year period of each grant made to employees and the three year period of each grant made to executives. The model takes into account the historic dividends, share price volatilities and co-variances of the Company and each comparator company to produce a theoretical predicted distribution of relative share performance. This is applied to the grant to give an expected value of the TSR element.

Model inputs used for the year ended 30 June 2012:

	NEDSIP	**NEDSIP**	**OPTIONS (i)**	**EIP**	**EIP**
	Annual Grant Options	Annual Grant Rights		Annual Grant	DFS Grant
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Expected volatility (%)	92.0%	92.0%	92.0%	90.0%	90.0%
Risk- Free interest rate (%)	3.3%	3.3%	3.3%	3.1% - 3.3%	3.1%
Expected life of Options (years)	3 years	1 year	3 years	2 - 3 years	0.6 years
Share price at measurement date (\$)	0.28	0.28	0.28	0.25 - 0.27	0.25

(i) Options issued under separate terms and conditions and not as part of any formal plan.
Note: There was no issue of options under the ESOP for the year ended 30 June 2012.

Model inputs used for the year ended 30 June 2011:

	NEDSOP	NEDSOP	OPTIONS (i)	EIP	EIP
	Annual Grant	Sign On Grant		Annual Grant	DFS Grant
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Expected volatility (%)	100.0%	100.0%	100.0%	91%	91%
Risk- Free interest rate (%)	5.2%	4.94%	5.2%	4.75%	4.75%
Expected life of Options (years)	3 years	2 years	3 years	2-3 years	1 year
Share price at measurement date ($)	$0.61	$0.58	$0.56	$0.27	$0.27

(ii) Options issued under separate terms and conditions and not as part of any formal plan.
Note: There was no issue of options under the ESOP for the year ended 30 June 2011.

23. SEGMENT INFORMATION

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

The Group is undertaking a feasibility assessment of and exploring for uranium resources in southern Africa, the operations of the Group present one operating segment.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements.

The Group considers the segment assets and liabilities to be consistent with those disclosed in the financial statements.

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

	Consolidated	
	2012 $'000	2011 $'000
Australia	245	309
Namibia	62,144	64,833
Total Non Current Assets	62,389	65,142

24. EVENTS SUBSEQUENT TO REPORTING DATE

Epangelo Transaction

Subsequent to year end, on 9 August 2012, Bannerman announced that the Company and Epangelo Mining Company (Pty) Ltd ("**Epangelo**") were unable to complete a mutually acceptable agreement reflecting the commercial substance of the signed Term Sheet. In April 2012, the Company and Epangelo had signed a Term Sheet setting out the terms and conditions offered to Epangelo for it to acquire an initial 5% interest (plus a follow-on option for an additional 5% interest) in Bannerman's 80%-owned Namibian subsidiary, the sole owner of the Etango Uranium Project. The Term Sheet required certain conditions to be satisfied within four months (ending 9 August 2012), including Epangelo completing its due diligence investigations and obtaining its acquisition finance. Since that time, Epangelo has completed technical due diligence investigations to its satisfaction and confirmed its recognition of the importance of the Etango Project to Namibia. However, the parties have been unable to complete a mutually acceptable agreement reflecting the commercial substance of the Term Sheet.

(Expressed in Australian dollars)

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

25. 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**	
		2012	**2011**
Elfort Nominees Pty Ltd	Australia	100	100
Bannerman Mining Resources (Namibia) (Pty) Ltd	Namibia	80	80
Bannerman Resources Nominees (UK) Limited	United Kingdom	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.

Remuneration received or receivable by the directors of the Company and/or their associated entities, including the aggregate amounts paid to superannuation plans in connection with the retirement of directors, is disclosed in Note 5 to the accounts.

Non-Executive Director Ian Burvill is the senior vice president of Resource Capital Funds (“**RCF**”). Resource Capital Fund IV L.P., which has a management agreement with RCF’s parent company, holds a convertible note with a face value of A$8 million together with 26,963,212 Bannerman shares representing 8.9% of the voting capital in Bannerman as at the date of this report.

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

26. CONTINGENCIES

On 17 December 2008, the Company entered into a settlement agreement with Savanna Marble CC (“**Savanna**”) relating to Savanna’s legal challenge to the Company’s rights to the Etango Project Exclusive Prospecting Licence. Under the terms of the Savanna settlement agreement, in consideration for the termination of proceedings, Savanna was entitled to receive A$3.5 million cash and 9.5 million fully paid ordinary shares in Bannerman. 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 June 2012, the probability and timing of the grant of the mining licence is uncertain. Due to this uncertainty, the second tranche payment has been disclosed as a contingent liability and not as a provision as at 30 June 2012.

27. PARENT ENTITY INFORMATION

	2012	**2011**
a. *Information relating to Bannerman Resources Limited:*	**$’000**	**$’000**
Current assets	9,658	15,317
Total assets	72,456	84,992
Current liabilities	1,252	11,189
Total liabilities	8,003	11,189
Issued capital	115,170	101,009
Accumulated loss	(106,586)	(81,042)
Option Reserve	53,757	52,896
Convertible Note Reserve	2,112	940
Total shareholders’ equity	64,453	73,803
Loss of the parent entity	(25,544)	(16,661)
Total comprehensive income of the parent entity	(25,444)	(16,661)

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

There are no guarantees entered into to provide for debts of the Company's subsidiaries. The parent entity has provided a letter to BMRN evidencing the parent's intent to meet the financial obligations of BMRN for the period 1 July 2012 to 30 June 2013.

c. Details of any contingent liabilities of the parent entity

Refer to Note 26 for details relating to contingent liabilities.

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

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

DIRECTORS' DECLARATION

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

1. In the opinion of the directors:

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

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and its performance for the year ended on that date.

ii) Complying with Accounting Standards and Corporations Regulations 2001.

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

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

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with s295A of the Corporations Act 2001 for the financial year ended 30 June 2012.

On behalf of the Board

Len Jubber
Managing Director & CEO
Perth, 25 September 2012

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

Report on the financial report

We have audited the accompanying financial report of Bannerman Resources Limited which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

Independence

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

Opinion

In our opinion:

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

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

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

Report on the remuneration report

We have audited the Remuneration Report included in pages 29 to 40 of the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Bannerman Resources Limited for the year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion we draw attention to Note 1 in the financial report. As a result of the matters described in Note 1, there is material uncertainty whether the consolidated entity will continue as a going concern and therefore whether it will realize its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Ernst & Young

Ernst & Young

Gavin Buckingham

G A Buckingham
Partner
Perth
25 September 2012

ADDITIONAL SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report is set out below. The information was applicable as at 12 September 2012.

Distribution of Equity Securities

There were 4,762 holders of less than a marketable parcel of ordinary shares. The number of shareholders by size of holding is set out below:

Fully Paid Ordinary Shares

Size of Holding	Number of holders	Number of shares
1 - 1,000	789	427,921
1,001 - 5,000	1,500	4,546,220
5,001 - 10,000	785	6,362,181
10,001 - 100,000	1,627	57,792,259
100,001 and over	288	232,941,191
TOTALS	**4,989**	**302,069,772**

Unlisted Options and Performance Rights

	Options		Performance Rights	
Size of Holding	**Number of holders**	**Number of options**	**Number of holders**	**Number of performance rights**
1 - 1,000	-	-	-	-
1,001 - 5,000	-	-	1	4,640
5,001 - 10,000	-	-	1	7,520
10,001 - 100,000	2	200,000	23	801,996
100,001 and over	11	11,279,950	13	4,910,791
TOTALS	**13**	**11,479,950**	**38**	**5,724,947**

Substantial Shareholders

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

Shareholder	Number of shares	Percentage Held	Date of last lodgement
Resource Capital Fund IV LP	23,338,765	8.60%	23 December 2011
Widerange Corporation Pty Ltd	15,206,940	5.12%	8 February 2012

ADDITIONAL INFORMATION
For the Year Ended 30 June 2012

Top 20 Shareholders

The top 20 largest shareholders are listed below:

Name	Number of Shares	Percentage Held %
Canadian Control A/C	34,872,851	11.54
HSBC Custody Nominees (Australia) Limited	33,313,160	11.03
Merrill Lynch (Australia) Nominees Pty Limited	27,679,179	9.16
Widerange Corporation Pty Ltd	15,206,940	5.03
NEFCO Nominees Pty Ltd	10,854,568	3.59
HSBC Custody Nominees (Australia) Limited - A/C 3	9,000,102	2.98
Citicorp Nominees Pty Limited	8,973,239	2.97
JP Morgan Nominees Australia Limited <Cash Income A/C>	7,408,086	2.45
Mr Peter Batten	7,006,940	2.32
J P Morgan Nominees Australia Limited	3,280,264	1.09
Mrs Heidi Magdalene Hoffmann	2,750,000	0.91
ABN AMRO Clearing Sydney Nominees Pty Ltd <Custodian A/C>	2,229,762	0.74
Pershing Australia Nominees Pty Ltd <Argonaut Account>	1,961,159	0.65
Aussie Group Security Pty Ltd	1,400,000	0.46
Mr Mark Hoffmann	1,375,000	0.46
Mrs Tania Ott	1,375,000	0.46
Dr Ronald Jack Cohen	1,000,000	0.33
Hotlake Pty Ltd <Halcyon S/F A/C>	1,000,000	0.33
Seven Four Seven Pty Ltd <Bluebird Super Fund 2 A/C>	1,000,000	0.33
Mr Joseph James Caudo + Mrs Christine Mary Caudo <The Caudo Superfund A/C>	950,000	0.31
TOTAL TOP 20 HOLDERS	**172,636,250**	**57.15**
TOTAL NON-TOP 20 HOLDERS	**129,433,522**	**42.85**
TOTAL	**302,069,772**	**100.00**

Voting Rights

Ordinary Shares

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

Options and Performance Rights

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

Options (unlisted)

There are 11,479,950 unlisted options on issue which are held by Bannerman directors and current and former employees.

Unlisted Employee Options

The Company has 3,507,500 employee options on issue with exercise prices between A$0.36 and C$4.12 per share, issued with Board approval or in accordance with, or on similar terms as, either the 2007 or 2009 Employee Share Option Plan, or the 2010 Employee Incentive Plan as approved by shareholders. The employee options are held by current and former employees of Bannerman. Options issued to the Chief Executive Officer are included within the unlisted director options total below. The number of optionholders totals six.

Unlisted Director Options

The Company has 7,972,450 director options on issue with exercise prices between A$0.36 and A$1.45 per share, which were issued with shareholder approval. The director options are held by current directors of Bannerman. The Company's Chief Executive Officer, Mr Len Jubber, holds 5,500,000 options which are included within the above unlisted director options total. The number of optionholders totals seven.

Performance Rights (unlisted)

Unlisted Performance Rights

The Company has 5,724,947 employee and director performance rights on issue. Performance rights have been issued under the Employee Incentive Plan, as approved by shareholders on 23 November 2010, and the Non-Executive Director Share Incentive Plan, as approved by shareholders on 17 November 2011. The number of holders of performance rights totals 38.

Stock Exchanges

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

Mineral Licence Schedule

The mineral licence schedule for the Group is tabulated below:

Licence Type	Licence No.	Grant Date	Expiry Date	Holder	Area (Ha)	Country in which the Licence is held
EPL	3345	27-Apr-2006	26-Apr-2013	Bannerman Mining Resources (Namibia) (Pty) Ltd	48,690	Namibia
EPL	3346	27-Apr-2006	26-Apr-2013	Bannerman Mining Resources (Namibia) (Pty) Ltd	80,826	Namibia

BANNERMAN RESOURCES LIMITED

Annual Management's Discussion and Analysis
For the Year Ended June 30, 2012

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ANNUAL MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2012

This Management's Discussion and Analysis ("**MD&A**") of Bannerman Resources Limited ("**Bannerman**" or the "**Company**") is dated and was approved by the Board of Directors on September 25, 2012 and provides an analysis of the Company's performance and financial condition for the year ended June 30, 2012 (the "**Year**"). This MD&A should be read in conjunction with the Company's June 30, 2012 audited consolidated annual 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 is a uranium mine development company listed on the Australian, Toronto and Namibian stock exchanges. Bannerman's principal focus is the exploration and development of uranium projects in Namibia, southern Africa. The primary and most significant asset is the 80%-owned Etango Uranium Project ("**Etango Project**") in Namibia for which a Definitive Feasibility Study has now been completed. Etango is one of the world's largest undeveloped uranium deposits, and Bannerman is focused on the development of a large open pit uranium mining and processing operation at Etango. The Company, through its 80%-owned Namibian subsidiary, also holds title to the Swakop River Exploration Project ("**Swakop River Project**").

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). The title was renewed for a two year period in April 2011 to April 26, 2013. The title for the Company's Swakop River Project (EPL 3346) has also been renewed to April 26, 2013. Further extensions may be applied for under Namibian mineral legislation.

Following the positive results of a Scoping Study completed in September 2007, work commenced on a feasibility study to consider the development of a uranium mine at the Etango Project in Namibia. Bannerman completed a Definitive Feasibility Study ("**DFS**") in April 2012. Subject to project financing, Bannerman is targeting to commission the Etango Project in 2015.

Highlights of the Year

During and following the end of the Year, the key highlights for the Company were as follows:

- Completion of the Etango Uranium Project DFS in early April 2012, **confirming the viability of a long life and large scale uranium mining project**:

  - **80% conversion** of Measured and Indicated Mineral Resources into **Proved and Probable Ore Reserves** totalling 279.6 million tonnes at an average grade of 194ppm U_3O_8 for **119.3 Mlbs of contained U_3O_8**;

  - **Production of 7-9 Mlbs U_3O_8** per year for the first five years and **6-8 Mlbs U_3O_8** per year thereafter, for a minimum mine life of 16 years, which would rank Etango as a **global top 10 pure uranium project**; and

  - Positioning Bannerman to take **advantage of expected higher uranium prices** and facilitating advancement of discussions with potential development and off-take partners.

- Intersection of mine-grade mineralisation in the first phase of **resource expansion drilling** adjacent to the northern part of the Etango deposit. The results indicate the **potential to expand the pit design and extend the mine life**. Further drilling is now underway.

- **Completion of financing initiatives**:

  - Share placement to existing and new institutional investors raising gross proceeds of A$8.2 million;

  - Share Purchase Plan raising the maximum proceeds of A$4 million;

  - Follow-on institutional share placement to a number of existing institutional shareholders in Australia, Asia and the UK raising gross proceeds of A$1.8 million; and

  - Receipt of shareholder approvals for the follow-on institutional share placement and a refinancing and extension of the existing convertible note to March 31, 2014.

- **Cash position** – Bannerman's cash reserves at June 30, 2012 totalled A$9.6 million.

- **Financial result** – Net loss for the Year of A$9.6 million compared with a net loss of A$13.1 million for the prior corresponding year ended June 30, 2011. The result for the Year was attributable primarily to the non-cash share-based compensation expenses, interest costs and corporate and administrative expenses

- **Exploration and evaluation** – Capitalised exploration and evaluation expenditure increased by A$9.0 million in the Year reflecting expenditure on drilling and assays, geological and feasibility study activities.

- **Board change** – Effective June 14, 2012, Mr Ian Burvill was appointed as a non-executive director representing Bannerman's major institutional shareholder, Resource Capital Funds, following the retirement of Mr Mason Hills.

Etango Project (Bannerman 80%)

The Etango Uranium Project is one of the world's largest undeveloped uranium deposits, located in the premier uranium mining jurisdiction of Namibia, home to Rio Tinto's Rössing and Paladin's Langer-Heinrich operating uranium mines. Etango is approximately 73km by road from Walvis Bay, a deep water port that's been exporting uranium for over 35 years, and is close to road, rail, electricity and water pipeline networks.

Definitive Feasibility Study ("DFS")

The DFS was completed early in April 2012 and confirmed the viability of the long life and large scale Etango Project and forecasts potential production of 6-9 million pounds ("**Mlbs**") U_3O_8 per year.

Key outcomes from the DFS, as announced to the market on 10 April 2012, are as follows:

- Declaration of Proved and Probable Ore Reserves totalling 279.6 million tonnes at an average grade of 194ppm U_3O_8 for 119.3 Mlbs of contained U_3O_8, in accordance with Australian JORC and Canadian NI 43-101 reporting standards;
- Production of 7-9 Mlbs U_3O_8 per year for the first five years and 6-8 Mlbs U_3O_8 per year thereafter, which would rank Etango as a global top 10 pure uranium project;
- Cash operating costs of US$41/lb U_3O_8 in the first five years and an average of US$46/lb U_3O_8 over the life of mine, with programs to seek reductions;
- Cash operating margin of 24% at current long term contract prices (US$60/lb U_3O_8) and 39% at an assumed base case long term price of US$75/lb U_3O_8;
- At a uranium price of US$75/lb U_3O_8, the Etango Project generates operating cashflow of US$2.7 billion before capital and tax, and free cashflow of US$923 million after capital and tax;
- Pre-production capital cost of US$870 million; and
- Minimum open pit mine life of 16 years, with further extensions sought through the conversion of existing Inferred Resources and new drilling programs.

Expenditure on the DFS has now come to an end and ongoing work is focused on the pursuit of licencing for the Project and dialogue with potential development partners, as well as internal analysis of various improvement opportunities identified as part of the DFS completion process.

(a) Mineral Resource Estimate

The Etango Project Mineral Resource estimate reported at a cut-off grade of 100ppm U_3O_8 was prepared by Coffey Mining and released in October 2010. The estimate comprises the following:

Mineral Resource	Measured			Indicated			Inferred		
Deposit	Tonnes (Mt)	Grade (U_3O_8 ppm)	Contained U_3O_8 (Mlbs)	Tonnes (Mt)	Grade (U_3O_8 ppm)	Contained U_3O_8 (Mlbs)	Tonnes (Mt)	Grade (U_3O_8 ppm)	Contained U_3O_8 (Mlbs)
Etango	62.7	205	28.3	273.5	**200**	120.4	45.7	**202**	20.3
Ondjamba							85.1	**166**	31.3
Hyena							33.6	**166**	12.3
Total	**62.7**	**205**	**28.3**	**273.5**	**200**	**120.4**	**164.4**	**176**	**63.9**

The Mineral Resource estimate is reported at a cut-off grade of 100ppm U_3O_8. Refer to the Competent Persons Statement for further information. Figures may not add due to rounding.

The Etango Project Mineral Resource estimate is reported inclusive of Ore Reserves (refer below). In accordance with Canadian technical reporting requirements, it is noted that Mineral Resources which are not Ore Reserves do not have demonstrated economic viability.

(b) Ore Reserve Estimate

The maiden Ore Reserve estimate for the Etango Project of 279.6Mt at 194ppm for 119.3Mlbs U_3O_8 is drawn only from the existing Measured and Indicated Mineral Resources. The Ore Reserve estimate represents an 80% conversion rate from Measured and Indicated Resources.

Ore Reserve	Proved			Probable			Total		
Deposit	**Tonnes** (Mt)	**Grade** (U_3O_8 ppm)	**Contained U_3O_8** (Mlbs)	**Tonnes** (Mt)	**Grade** (U_3O_8 ppm)	**Contained U_3O_8** (Mlbs)	**Tonnes** (Mt)	**Grade** (U_3O_8 ppm)	**Contained U_3O_8** (Mlbs)
Etango	64.2	194	27.4	215.3	193	91.8	279.6	194	119.3

Figures may not add due to rounding.

The Ore Reserve is stated at an effective date of April 2012 and was estimated in accordance with the standards and guidelines in the Australian JORC Code and Canadian National Instrument 43-101 with a modelled mining loss of 2.6% of metal, mining dilution of 4.9% of the total ore tonnes, a cut-off grade of 70ppm U_3O_8, a processing recovery of 84.5%, a metal price of US$75/lb U_3O_8 and the DFS cost estimates.

Project Licencing

Shortly after the end of the year, the Namibian Ministry of Environment and Tourism issued Bannerman with formal environmental approval for development of the Etango Project. Receipt of the environmental approval followed lodgment of the Environmental and Social Impact Assessment ("**ESIA**") and associated Environmental Management Plan ("**EMP**") earlier in the quarter, as well as the public consultation process conducted in the March 2012 quarter. The public consultation process involved Bannerman making available a comprehensive report and associated specialist studies, as well as presentations to key stakeholders and local communities in Namibia. Feedback from the public meetings was incorporated in the final ESIA and EMP documentation.

The environmental approval for the Project complements the environmental approval received last year for the Etango Project's off-site infrastructure.

The environmental approval is a necessary step in obtaining a Mining Licence for the Etango Project. Bannerman has now also lodged the DFS with the Namibian Ministry of Mines and Energy, in support of the existing Etango Mining Licence application.

Exploration

The Etango Exclusive Prospecting Licence (EPL 3345) covers an area of approximately 500km^2 and contains numerous known uranium occurrences including the Etango deposit. During the year, Bannerman completed a drilling program on the deeper levels in the Anomaly A area and the Onkelo West area of the Etango deposit.

Corporate

Board Change

Effective 14 June 2012, Mr Ian Burvill was appointed as a non-executive director representing Bannerman's major institutional shareholder, Resource Capital Funds, following the retirement of Mr Mason Hills.

Epangelo Transaction

In April 2012, the Company and Epangelo Mining Company (Pty) Ltd ("**Epangelo**") had signed a Term Sheet setting out the terms and conditions offered to Epangelo for it to acquire an initial 5% interest (plus a follow-on option for an additional 5% interest) in Bannerman's 80%-owned Namibian subsidiary, the sole owner of the Etango Uranium Project. The Term Sheet required certain conditions to be satisfied within four months (ending 9 August 2012), including Epangelo completing its due diligence investigations and obtaining its acquisition finance. Following the end of the year, Epangelo completed its technical due diligence confirming its recognition of the importance of the Project to Namibia. However, the parties were unable to reach agreement reflecting the commercial substance of the Term Sheet.

Key Economic Trends in the Uranium Industry

It is now over 18 months since the tragic natural disasters in Japan in March 2011 and the resultant operating issues with the Fukushima Daiichi nuclear power facility. Uranium spot and long term contract prices have traded sedately during 2012, reflecting the comments and actions of certain governments regarding the suspension or slow-down of their nuclear power build programs, as well as the availability of secondary supplies. However, there are a number of key reasons why Bannerman and many market participants believe that uranium prices will strengthen significantly in the medium term.

Key events that support Bannerman's view of future higher uranium prices include:

- **Japan** – On 15 June 2012, Japanese Prime Minister Yoshihiko Noda officially approved the re-start of two reactors at the Ohi nuclear power station in Fukui Prefecture, being the first two commercial reactors to return to service since the Fukushima incident. The re-starting of Japan's reactors represents a key short term catalyst for the uranium market;

- **China's commitment to nuclear power** – The Chinese government announced three major actions with respect to its nuclear energy program. First, an in principle approval of a new nuclear reactor safety plan that will likely result in the lifting of a moratorium on new nuclear reactor projects. China now plans to have a total output of 60-70 GWe by 2020, an increase from the 40 GWe target set in 2006. Second, it was announced that Chinese state-owned nuclear entity China National Nuclear Power, the country's largest nuclear reactor developer, would list on the Hong Kong Stock Exchange via an initial public offering to raise over US$20 billion to fund its construction programs. Third, the Chinese Government announced a list of seven strategic industry initiatives to counter a downturn in economic growth, one being the construction of new nuclear power plants;

- **Secondary uranium supplies** - The world's current annual uranium production is significantly less than annual demand from nuclear power utilities, with the shortfall presently satisfied through the sale of uranium from inventories and secondary sources. A key secondary source has been the 1993 "Megatons to Megawatts" program between Russia and the USA for the down-blending of highly enriched uranium from dismantled Russian nuclear warheads. This program is due to end in 2013 and is unlikely to be renewed at its present volumes;

- **Incentive prices for new mine development** – In addition to the impact of reducing secondary supplies, Bannerman believes that as a result of the complexity and long lead time of expanding existing operating mines and bringing new uranium mines into production, new production sources are unlikely to come on stream at the costs and to the extent currently anticipated by market participants. In addition, existing uranium producers are also experiencing production and economic challenges. Mining of uranium is subject to many of the same cost pressures as other mining operations but, unlike other commodities, uranium mining carries significantly increased environmental and safety management obligations and associated development timeframes. The development of new mines and the expansion of existing operations will, in Bannerman's view, require higher uranium prices to incentivise development and expansion commitments. BHPB's Olympic Dam represents the most significant recent project deferral. Further, whilst Cameco has stated its intent to progress with a feasibility study on the Kintyre project, the company has indicated that the project has 'challenging economics' in the current uranium price environment. Bannerman has researched the escalation of cost estimates in various uranium mining projects, and the clear trend is for significant operating and capital cost increases as projects are progressed through their feasibility assessment phases;

- **New or expanding nuclear programs** – While the suspension of existing nuclear programs in Germany and Switzerland has been well publicised, it is not commonly understood that other nations are looking either to expand their programs, for example China and India, or to establish new nuclear programs in an effort to diversify their energy mix and mitigate CO_2 emissions.

  The United Arab Emirates is targeting a build by KEPCO to deliver 5,600 Mw by 2020. The US$40 billion project was approved in July 2012. The initial construction will be for two reactors, while the entire project calls for four reactors delivering 5,600 Mw by 2020. In August 2012 the UAE also signed a US$3 billion contract covering 15 years of fuel supply.

  In 2011, the Kingdom of Saudi Arabia announced plans to build 16 nuclear reactors over the next 20 years for an estimated cost of US$7 billion on each plant. The US$112 billion investment, which includes capacity to become a regional exporter of electricity, will provide one-fifth of Saudi Arabia's electricity for industrial and residential use and, critically, for desalinisation of sea water and the mitigation of local oil consumption.

  In June 2012, the Turkish Minister of Energy and Natural Resources stated at the World Economic Forum in Istanbul that his country plans to build 23 nuclear power units by 2023. Turkey currently does not have domestic nuclear electricity production.

Results of Operations

The Company incurred a net loss of A$9.6 million for the Year compared with a net loss of A$13.1 million for the prior corresponding year ended June 30, 2011. The result for the Year was attributable primarily to the non-cash share-based compensation expenses, interest costs and corporate and administrative expenses.

Operating expenses for the Year totalled A$11.1 million versus A$10.9 million for the prior corresponding period, with the key items including administrative costs of A$4.7 million (A$4.4 million in the prior period), stock based compensation expense of A$0.9 million (A$1.5 million), employee costs of A$2.0 million (A$2.1 million) and interest expenses of A$2.2 million (A$1.7 million).

Interest income for the Year was A$0.5 million compared with A$0.8 million in the prior corresponding period.

Capitalised exploration and evaluation expenditure for the year, before foreign currency movements, was A$8.9 million (2011: A$9.0 million) as the Company advanced its feasibility study for the Etango Project in Namibia. Expenditure related to drilling and assays, geological, feasibility and associated activities.

Summary of Fourth Quarter Results

The Company incurred a net loss of A$2.4 million for the quarter ended June 30, 2012 compared with a net loss of A$5.4 million for the prior corresponding quarter ended June 30, 2011. The key items for the Quarter were interest on the A$8 million convertible note (A$0.3 million), employee benefits (A$0.9 million) and consulting fees (A$0.5 million).

Summary of Quarterly Results

	Jun 2012	Mar 2012	Dec 2011	Sep 2011	Jun 2011	Mar 2011	Dec 2010	Sep 2010
Interest income (A$'000)	121	140	106	165	220	268	109	206
Net loss (A$'000)	(1,991)	(2,692)	(2,215)	(2,702)	(5,418)	(2,715)	(2,207)	(2,735)
Basic/Diluted loss per share (A$)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)
Cash and cash equivalents (A$'000)	9,613	13,203	12,315	11,477	15,291	18,686	22,706	12,066
Total assets (A$'000)	72,630	78,663	73,637	74,343	80,871	86,867	91,711	81,616
Total liabilities (A$'000)	8,177	8,491	10,220	11,980	11,408	10,834	10,290	10,914
Net assets (A$'000)	64,453	70,172	63,417	62,363	69,463	76,033	81,421	70,702

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

- the Company's activities in exploring and evaluating its properties, in particular, the feasibility and drilling activities undertaken on the Etango Project in Namibia;
- exploration expenditure written off in the June 2011 Quarter of A$3.2 million;
- A$8.2 million equity capital raising completed in the December 2011 Quarter;
- A$1.8 million equity capital raising and A$4.0 million Share Purchase Plan completed in the March 2012 Quarter; and
- administrative and corporate expenses incurred by the Company and recognised through the income statement.

The loss incurred in each quarter reflects 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, comprising the issue of shares and a convertible note.

Selected Annual Information

The key financial results for the last three financial years are tabulated below:

Fiscal year ended	12 months to June 30, 2012	12 months to June 30, 2011	12 months to June 30, 2010
Income/(Loss) (A$'000)	(9,600)	(13,075)	(9,840)
Income/(Loss) per share (A$ cents)	(3.6)	(5.6)	(4.8)
Total assets (A$'000)	72,630	80,871	84,858
Total long-term liabilities (A$'000)	6,751	-	8,702
Dividends per share (A$)	-	-	-

The results of the Company over the three most recent financial years reflect the continued investment in the Etango and other exploration projects, including drilling and feasibility expenditure thereon.

Total assets also reflect the Company's key source of cash flow, being the debt and equity capital markets as well as the receipt of proceeds from the exercise of stock options.

Discussion of Cash Flows

Cash Flows A$'000	Year ended June 30 2012	Year ended June 30 2011	Year ended June 30 2010
Operating activities	(7,378)	(6,097)	(6,211)
Investing activities	(9,044)	(9,170)	(14,097)
Financing activities	10,779	14,072	(821)

Cash outflow from operating activities during the Year was A$7.4 million compared with A$6.1 million for the prior corresponding period.

Cash outflow from investing activities during the Year was A$9.0 million compared with A$9.2 million in the prior period. The outflow related primarily to exploration and feasibility study expenditures.

Cash inflows from financing activities for the Year were A$10.8 million compared with a cash inflow of A$14.1 million for the prior period. The inflow for the Year reflects the A$8.2 million equity capital raising in December 2011 and the A$1.8 million equity capital raising and A$4.0 million Share Purchase Plan in February 2012.

Discussion of Financial Position

Cash and cash equivalents

Cash and cash equivalents were A$9.6 million as at June 30, 2012 versus A$15.3 million as at June 30, 2011. The decrease reflects the expenditure incurred on exploration, feasibility and corporate activities, net of financing inflows.

Trade and other receivables

Trade and other receivables were A$0.5 million as at June 30, 2012 (June 30, 2011: A$0.3 million) with the balance primarily reflecting GST and VAT receivables.

Property, plant and equipment

Property, plant and equipment was A$1.2 million as at June 30, 2012 (June 30, 2011: A$1.5 million) reflecting various site and office equipment, including vehicles, net of accumulated depreciation charges.

Exploration and evaluation expenditure

Capitalised exploration and evaluation expenditure was A$61.2 million as at June 30, 2012 (June 30, 2011: A$63.6 million) reflecting the capitalisation of costs relating to the Etango Project feasibility study, resource definition drilling and assaying, and other exploration costs, net of foreign currency translation movements and write-downs of capitalised exploration expenditure. Significant items for the Year included drilling and consumables costs (A$0.4 million), assaying and freight costs (A$0.1 million), salaries and wages (A$1.5 million) and feasibility study contractors and other consultants (A$6.5 million). A foreign exchange translation adjustment of A$11.7 million was also recorded for the Year.

Trade and other payables

Trade and other payables were A$1.2 million as at June 30, 2012 (June 30, 2011: A$1.7 million).

Interest-bearing liabilities

Interest-bearing liabilities as at June 30, 2012 totalled A$6.7 million (June 30, 2011: A$9.6 million) primarily attributable to the convertible note.

In December 2011, the face value of the note was reduced from A$10 million to A$8 million through the issue of A$2 million in new Bannerman shares to RCF as part of an institutional share placement.

In March 2012, the Company's shareholders approved the extension of the existing A$8 million convertible note from its current maturity date of March 31, 2012 to March 31, 2014. The conversion price is A$0.28125 per share and the 8% coupon interest is payable quarterly through the issue of new Bannerman shares or in cash in certain circumstances.

At the refinancing date of March 31, 2012, for accounting purposes the debt and equity components of the new convertible note 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 over time into earnings as interest expense. Interest is accreted to the carrying value of the convertible note over its life such that the carrying value of the convertible note will be equal to its face value of A$8 million as at the scheduled maturity date, being March 31, 2014.

Equity

Issued capital was A$115.2 million as at June 30, 2012 (June 30, 2011: A$101.0 million). The increase during the Year was due to the following transactions:

- A$8.2 million share placement in December 2011, less share issue costs;
- the issue of 526,479 ordinary shares in satisfaction of the A$150,000 extension fee for the extension of the convertible note in September 2011 to March 31, 2012;
- A$4.0 millionShare Purchase Plan in February 2012 and follow-on A$1.8 million share placement, less share issue costs; and
- the issue of 1,426,025 ordinary shares in satisfaction of the A$400,000 extension fee for the extension of the convertible note in March 2012 to March 31, 2014; and
- the issue of 868,742 ordinary shares in satisfaction of the A$191,456 interest payable on the convertible note for the period 15 December 2011 to 31 March 2012, in accordance with the convertible note terms.

Liquidity and Capital Resources

The Company's cash reserves as at June 30, 2012 totalled A$9.6 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 medium term cash flow forecasts reflect that additional working capital will need to be raised during this period to continue its planned business activities and expenditure levels. At the date of this financial report, the directors are satisfied there are reasonable grounds to believe that, having regard to the Group's position and its available financing options, the Group will be able to raise additional capital and/or modify planned expenditure levels to enable it to meet its obligations as and when they fall due.

Assuming the Etango Project DFS supports the development of the Etango Project, funding will ultimately be required for development and construction of the Project via a combination of equity and debt. The Company is presently seeking to secure a development/off-take 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 note) 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 note, 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 at maturity.

The fair values of the financial instruments as at June 30, 2012 and June 30, 2011 are summarised in the following table:

	2012		2011	
	Carrying Amount $'000	Net Fair Value $'000	Carrying Amount $'000	Net fair Value $'000
Financial assets:				
Cash and deposits	9,613	9,613	15,291	15,291
Receivables	506	506	336	336
	10,119	10,119	15,627	15,627
Financial liabilities:				
Payables	1,196	1,196	1,658	1,658
Interest-bearing liabilities	6,754	6,754	9,566	9,566
	7,950	7,950	11,224	11,224

(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 June 30, 2012:

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
Long term debt (convertible)	8,000	-	8,000	-	-
Long term debt interest *	1,120	640	480	-	-
Litigation settlement**	980	980	-	-	-
Tenement expenditure	697	697	-	-	-
Operating and office leases	486	290	196	-	-
Total Contractual Obligations	11,283	2,607	8,676	-	-

* 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$0.12 per share, being the Company's last traded share price on the ASX at the end of the Year).

Long term debt comprises the A$8 million convertible note which, unless converted into shares or extended as proposed (refer *Corporate* above), will be repayable by the Company to the holder on March 31, 2014. The convertible note accrues interest at a coupon rate of 8.0%pa and is payable quarterly in arrears in shares, or in cash in certain limited circumstances. The holder of the convertible note is 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$0.28125 per share.

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. Other contractual obligations represent operating and office leases.

(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 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 minimal. As at June 30, 2012, approximately 3.5% 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 June 30, 2012.

The sensitivity analysis was performed to calculate the impact of reasonably possible changes on interest rates for the Company at June 30, 2012. The sensitivity analysis is based on the assumption that interest rates change by 1% with all other variables remaining constant. The impact on post-tax gain with a 1% increase is A$0.08 million (2011: A$0.15 million) and on post-tax loss with a 1% decrease is A$0.08 million (2011: A$0.15 million). The 1% sensitivity is based on reasonably possible changes over a financial year, using the observed range of actual historical rates for the preceding 5 year period and management's expectation of short term future interest rates.

(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 are no off-balance sheet arrangements as at June 30, 2012.

Related Party Transactions

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

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. The review of the carrying value of each property will be made by reference to the estimated future realisable cash flows from its operation or sale. As at June 30, 2012, the Company had consolidated exploration and evaluation assets of A$61.2 million (June 30, 2011: A$63.6 million).

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 and derivative values. 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$0.9 million for the Year (year to June 30, 2011: A$1.5 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 recorded a valuation allowance against its carry-forward tax losses. 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

Australian Accounting Standards and interpretations which have recently been issued or amended but are not yet effective have not been early-adopted by the Company for the annual reporting period ending June 30, 2012. Note 1 to the financial statements for the year ended June 30, 2012 contains disclosures regarding those standards and interpretations. The Company will monitor the effect of the new standards and has concluded that these standards, if early-adopted, would not have had a significant effect on the June 30, 2012 financial statements.

Risk Factors

The Company's operations and results are subject to a number of different risks at any given time, including the following:

- Mineral price and exchange rate volatility may affect the profitability and financial position of Bannerman;
- Bannerman will require additional capital in the future and no assurance can be given that such capital will be available on terms acceptable to Bannerman;
- Exploration and production may not prove successful, involve risks and have no guaranteed outcome;
- Development of the Etango Project will require the granting of additional licences;
- Bannerman's existing and future licences are or will be subject to renewal and extension;
- The Namibian Government is pursuing a "Broad Based Economic Empowerment" ("**BBEE**") approach to nation building and has also announced potential changes to its mineral policy. At this time the specifics of any such BBEE approach or mineral policy changes are unknown and unlegislated;
- The Namibian Government has announced various proposed changes to its taxation regimes, and the specific details or applicability to Bannerman of the changes to taxation legislation are yet to be determined;
- Bannerman has to compete for access to land, resources and personnel;
- Bannerman's insurance coverage does not cover all of its potential losses, liabilities and damage related to its business and certain risks are uninsured or uninsurable;
- Mineral resource estimates are estimates only and Bannerman has no formal mineral reserve estimate;
- Bannerman's activities are subject to environmental risks and regulations;
- Bannerman's operations are subject to other forms of government regulation and permitting;
- Shares of Bannerman are subject to share price volatility;
- Bannerman operates in foreign jurisdictions;

- Bannerman's Namibian operations are conducted through a non-wholly-owned subsidiary;
- Currency fluctuations may affect Bannerman's revenue from its operations;
- Bannerman relies on its key personnel and the loss of one or more of these persons may adversely affect the Company;
- The effectiveness of Bannerman's hedging practices, if any, depends on external factors beyond the Company's control;
- Bannerman does not have any production revenues;
- Mining is inherently dangerous and subject to conditions or events beyond the control of Bannerman, and any operating hazards could have a material adverse effect on its business; and
- The mining industry is an intensely competitive industry, and Bannerman may have difficulty effectively competing with other mining companies in the future.

The Company's risk factors are discussed in further detail in the Company's AIF.

Outstanding Securities Data

The Company has on issue ordinary shares, stock options, share rights and a convertible note. 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	302,069,772
Options on issue over Unissued Shares	11,479,950
Performance Rights on issue over Unissued Shares	5,724,947
Existing Convertible Note (if converted)	28,444,444
Contingent – Shares	4,000,000
Total Fully Diluted	**351,719,113**

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).

Options

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

Expiry Dates		Exercise Price	Balance	Vested
November 1, 2012	(i)	C$4.12	100,000	100,000
November 17, 2012		A$0.43	2,500,000	2,500,000
November 25, 2012		A$1.45	786,700	786,700
January 28, 2013		A$3.64	100,000	100,000
February 6, 2013		A$0.91	600,000	600,000
August 31, 2013		A$1.46	600,000	600,000
November 17, 2013		A$0.54	1,500,000	1,500,000
November 22, 2013		A$0.77	940,750	940,750
June 24, 2014		A$0.40	250,000	250,000
August 31, 2014		A$1.82	600,000	-
November 17, 2014		A$0.68	1,500,000	-
November 17, 2014		A$0.35	902,500	-
June 24, 2015		A$0.50	250,000	-
August 31, 2015		A$2.28	600,000	-
June 24, 2016		A$0.62	250,000	-
			11,479,950	7,377,450
Weighted average exercise price (A$)			0.88	0.82
Average life to expiry (years)			1.2	0.7

(i) Exchange rate at 30 June 2012 A$1 = C$1.041

As at the date of this MD&A, the Directors hold 8,086,950 options with an average exercise price of A$0.63 per share and an average life to expiry of approximately 0.9 years.

Performance Rights

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

Expiry Dates	Exercise Price	Balance	Vested
November 17, 2012	A$0.00	1,056,500	-
November 23, 2012	A$0.00	663,765	-
November 17, 2013	A$0.00	1,172,500	-
November 23, 2013	A$0.00	850,242	-
November 17, 2014	A$0.00	1,981,940	-
		5,724,947	-
Average life to expiry (years)		0.6	-

As at the date of this MD&A, the Directors hold 1,737,100 performance rights with an average life to expiry 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. An evaluation of the Company's disclosure controls and procedures used has been undertaken and concluded that the disclosure controls and procedures were effective.

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 fulfills 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. An evaluation of the design of the ICFR has concluded that it is adequate to prevent a material misstatement of the Company's Consolidated Financial Report as at June 30, 2012.

Limitations of Controls and Procedures

The Company's management, including the CEO and CFO, 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 our 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 which 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 that relates to the exploration results of the projects owned by Bannerman is based on information compiled by Mr Martinus Prinsloo, Exploration Superintendent of Bannerman. Mr Prinsloo is a Member and a Chartered Professional of the Australasian Institute of Mining and Metallurgy, 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 National Instrument 43-101 of the Canadian Securities Administrators. Mr Prinsloo 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 Mineral Resources of the Etango Project is based on a resource estimate compiled or reviewed by Mr Brian Wolfe, a full time employee of Coffey Mining Pty Ltd. Mr Wolfe is a Member of the Australian Institute of Geoscientists and 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 is an independent consultant to Bannerman and a Qualified Person as defined by Canadian National Instrument 43-101. Mr Wolfe consents, and provides corporate consent for Coffey Mining Pty Ltd, to the inclusion in this 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 compiled or reviewed by Mr Harry Warries, a full time employee of Coffey Mining Pty Ltd. Mr Warries is a Fellow of The Australasian Institute of Mining and Metallurgy and 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 is an independent consultant to Bannerman and a Qualified Person as defined by Canadian National Instrument 43-101. Mr Warries consents, and provides corporate consent for Coffey Mining Pty Ltd, to the inclusion in this report of the matters based on his information in the form and context in which it appears.