

During the March 2013 quarter, Bannerman Resources Limited (ASX:BMN, TSX:BAN, NSX:BMN) maintained its focus on cash preservation and commenced preparations to enable fast tracking a commitment to the development of the Etango Project in a rising uranium price environment.

HIGHLIGHTS

- **Significant industry events during the quarter included Russian state owned ARMZ announcing a C\$1.3bn friendly takeover of Canadian listed Uranium One**
 - continuing the trend for SOEs, including Chinese, Russian and Korean entities to secure long term supply through corporate acquisitions; and
 - further consolidating the listed uranium equities space and thereby further reducing the pool of globally significant uranium only investment opportunities
- **Continued review of overhead costs has resulted in a further significant reduction in quarterly expenditure**
- **Cash of A\$4.76 million as at 31 March 2013**
- **The period ending 31 March 2013 represents in excess of 40 months that the Company's staff and contractors have operated without a lost time injury**

During the March quarter, the uranium mining industry was further rationalised through two proposed friendly takeovers. It is noteworthy that the proposed acquisition of Uranium One by its major shareholder ARMZ will result in the delisting of another large global uranium only company. Denison Corporation's proposed acquisition of the advanced exploration assets of Fission Energy Corporation further consolidates the opportunities to invest in medium term production.

Uranium demand related activities included the commencement of construction of two new nuclear reactors in the USA and the commitment to the construction of two in the UK. The UK nuclear reactors are expected to be the first in a series of new reactors the UK government has proposed as part of its plans to replace ageing coal and nuclear facilities. In China, the construction of 29 reactors continues with numerous construction progress reports released during the quarter.

In Japan, the recently elected Liberal Democratic Party continues to state its commitment to restarting that country's nuclear plants in an orderly fashion over the next three years.

Shareholders in Bannerman are well placed to capitalise on the widely anticipated increase in the uranium price, with the advanced Etango Project regarded as one of the very few globally significant uranium projects that can realistically be brought into production in the medium term.

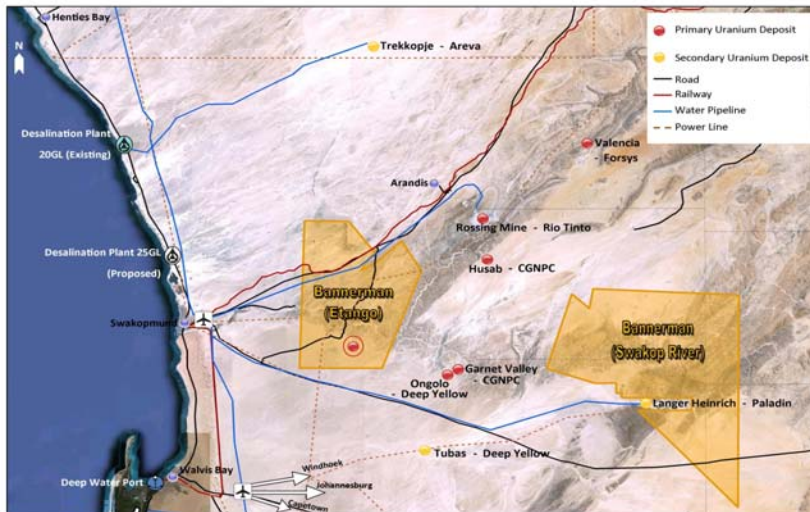


Len Jubber
Chief Executive Officer
24 April 2013

Etango Project (Bannerman 80%)

Background

The Etango Project is one of the world's largest undeveloped uranium deposits, located in the Erongo uranium mining region of Namibia which hosts the Rössing and Langer-Heinrich mines and the Husab Project which was recently acquired by Chinese state owned enterprise, China Guangdong Nuclear Power Company (CGNPC). Etango is 73km by road from Walvis Bay, one of southern Africa's busiest deep-water ports through which uranium has been exported for over 35 years. Road, rail, electricity and water networks are all located nearby.



Etango Ore Reserve Estimate (100ppm cutoff)	Tonnes (Mt)	Grade (ppm)	Cont. U ₃ O ₈ (Mlb)
Proved	64.2	194	27.5
Probable	215.3	193	91.8
Total	279.6	194	119.3

Definitive Feasibility Study

Key outcomes from the Definitive Feasibility Study ("DFS"), as announced to the market in 2012, are as follows:

- JORC and NI 43-101 compliant Ore Reserves totalling 279.6 million tonnes at an average grade of 194ppm U₃O₈ for 119.3 Mlbs of contained U₃O₈;
- Production of 7-9 Mlbs U₃O₈ per year for the first five years and 6-8 Mlbs U₃O₈ per year thereafter, which would rank Etango as a global top 10 uranium only mine;
- Cash operating costs of US\$41/lb U₃O₈ in the first 5 years and US\$46/lb U₃O₈ over the life of mine;
- At a uranium price of US\$75/lb U₃O₈, 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 mine life of 16 years, with further extensions possible through the inclusion of measured and indicated resources below the designed pit, and the conversion of existing inferred resources.

Project Licencing

The Ministry of Environment and Tourism granted formal environmental approval for development of the Etango Project to Bannerman in the September 2012 quarter. Bannerman also lodged the DFS with the Ministry of Mines and Energy in the same quarter, in support of the existing Etango Mining Licence application.

During the past quarter the Company has applied for a two year renewal of Exclusive Prospecting License (EPL) 3345, which hosts the Etango Project. In accordance with the Minerals Act, the renewal application reflects a 50% reduction in the previous licence area to approximately 250km². The reduced licence area covers the Etango Project and all targeted exploration prospects.

Strategy

Whilst Bannerman continues to align its corporate overheads and project activities with the objective of minimising its working capital requirements in the current adverse uranium and equities markets, it is focussing on two key areas of opportunity arising from having completed the DFS.

Project Optimisation

Bannerman has commenced an internal review of the project development model as depicted in the DFS. The initial focus is on the geological and resource models following which the review will move on to the

mining equipment, pre-strip and infrastructure components that collectively constitute approximately 40% of the estimated total capital cost, and the mining activities which account for approximately 50% of the estimated operating cost.

Project Financing

Bannerman is cognisant that over and above a completed DFS a major project such as Etango typically requires significant lead time to conclude the necessary financing arrangements. To that end the Company is preparing to engage with a broad range of parties to investigate a financing model that will enable fast tracking a commitment to the project development in a rising uranium price environment.

The Company has also commenced planning of the pilot plant facility which will serve to both demonstrate the process flow sheet to potential financiers as well as generate the data to enable the detailed design phase of the future development, which will follow a Board commitment to develop the project.

Corporate

Cash Position and Operating Expenditure

The Company's cash reserves as at 31 March 2013 totalled **A\$4.76 million** (31 December 2012: A\$5.86 million).

Management maintained its focus on reducing the Company's quarterly expenditure. Concerted reviews of the Company's corporate and Namibian operating structure continued through the quarter, with significant progress made in reducing quarterly cash outflow to A\$1.1 million.

This represents a reduction of 26% on the previous quarter, with a further reduction expected in the June 2013 quarter.

Swakop River Project (Bannerman 80%)

The Company has not applied for renewal of EPL 3346 (Swakop River Project) as exploration over the past 7 years has not identified significant mineralisation. As a result the EPL will expire on 26 April 2013.

Company Secretary

On 28 March 2013, Group Financial Controller Ms Leigh-Ayn Absolom was appointed Company Secretary following the resignation of Mr Glen Smith.

Issued Securities

At the date of this report, the Company has 309,077,460 ordinary shares on issue.

The Company has a convertible note facility on issue to Resource Capital Fund IV L.P. ("**RCF**") with a face value of A\$8 million, expiring 31 March 2014, a conversion price of A\$0.28125 and paying a coupon rate of 8% per annum (interest payable in Bannerman shares or cash in certain circumstances).

At 31 March 2013, Bannerman had on issue 9,607,564 performance share rights issued under the shareholder approved Employee Incentive Plan ("**EIP**") and Non-Executive Director Share Incentive Plan, and 7,131,950 unlisted share options. The EIP performance share rights are subject to various performance targets and continuous employment periods.

Uranium Market

The uranium spot price decreased from US\$43.50/lb U₃O₈ at 31 December 2012 to US\$40.50/lb at 23 April 2013. The long-term contract price closed out the quarter at US\$56/lb on low volumes.

Supply

Deferrals in new mine development

During the quarter, Areva announced the placing of the not yet commissioned Trekkopje Project in Namibia on care and maintenance.

Decreasing 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 HEU agreement, or "Megatons to Megawatts" program between Russia and the USA. This program is scheduled to expire at the end of 2013 and is unlikely to be renewed.

Demand

Globally, there are currently 435 nuclear reactors operable and 67 under construction.

Uranium demand related activities included the commencement of construction of two new nuclear reactors in the USA and the commitment to the construction of two new reactors in the UK.

In China, the construction of 29 reactors continues with numerous construction progress reports released during the quarter.

The recently elected Liberal Democratic government in Japan continues to highlight its commitment to the restarting of the nuclear plants over a three year period.

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About Bannerman - Bannerman Resources Limited is an exploration and development company with uranium interests in Namibia, a southern African country which is a premier uranium mining jurisdiction. Bannerman's principal asset is its 80%-owned Etango Project situated southwest of Rio Tinto's Rössing uranium mine and CGNPC's Husab Project 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.

Technical Disclosures

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

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

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

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