

Bannerman Reports Positive Dfs Results & Milestone Agreement With Namibian State-Owned Mining Company

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PERTH, AUSTRALIA -- (Marketwire) -- 04/10/12 -- [Bannerman Resources Limited](#) (TSX: BAN)(ASX: BMN)(NAMIBIAN: BMN) (Bannerman) is pleased to report positive results from the Definitive Feasibility Study (DFS) for its 80%-owned Etango Uranium Project in Namibia, southern Africa, and an important agreement for participation in the project by Namibian state-owned mining company, Epangelo Mining Company (Pty) Limited (Epangelo):

- DFS confirms the viability of the long life and large scale Etango Project.
- Positions Bannerman to take full advantage of expected higher uranium prices.
- Agreement with Epangelo (subject to satisfaction of conditions) represents an important milestone for Bannerman's stakeholders in Namibia as the Etango Project is progressed along its development pathway.

DFS HIGHLIGHTS

Bannerman and its independent technical consultants have completed the DFS for the Etango Uranium Project on time and within budget. Key highlights are as follows:

- 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 U3O8 for 119.3 Mlbs of contained U3O8, in accordance with Australian JORC and Canadian NI 43-101 reporting standards as at an effective date of April 2012.
- Major DFS improvements over the December 2010 Preliminary Feasibility Study (PFS) include increasing the plant size from 15 to 20 million tonnes per year, increasing average annual production by 22%, improving mining and material movement efficiencies, better positioning of mine waste dumps and metallurgical testwork supporting a higher uranium recovery rate.
- 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 pure uranium project.
- Operating and capital costs, even after the 33% increase in plant throughput and price escalation over the last 15 months, increased from the PFS estimates by only 8% and 24% (or only 11% when first year PFS mining capital is considered) respectively.
- Cash operating costs of US\$41/lb U3O8 in the first five years and an average of US\$46/lb U3O8 over the life of mine, with programs to seek reductions.
- Cash operating margin of 24% at current long term contract prices (US\$60/lb U3O8) and 39% at an assumed base case long term price of US\$75/lb U3O8.
- 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.
- Minimum open pit mine life of 16 years, with further extensions sought through the conversion of existing Inferred Resources and new drilling programs now underway.
- Located in Namibia, southern Africa, a premier uranium mining jurisdiction with substantial mining

infrastructure already in place.

A full description of the DFS results is set out in the attachment to this release. In accordance with Canadian technical reporting requirements, it is noted that Mineral Resources which are not Ore Reserves do not have demonstrated economic viability.

Bannerman has now commenced a resource expansion drilling program targeted to add new mineral resources and extend the mine life beyond 20 years. Bannerman will also shortly lodge the DFS, an Environmental and Social Impact Assessment and an Environmental and Social Management Plan with the relevant Namibian authorities in support the existing mining licence application. In addition to these activities, on the back of the completed DFS, Bannerman can now step up its engagement with potential development partners.

EPANGELO AGREEMENT

A binding Term Sheet has been signed for Epangelo (or its nominee) to acquire an initial 5% interest and, upon a mine development decision, a further of 5% interest in Bannerman's Namibian subsidiary which owns 100% of the Etango Project.

The agreement follows constructive engagement with Epangelo's senior management over the last few months and is subject to a number of conditions. The key terms are as follows:

- Epangelo can acquire 5% of Bannerman's 80%-owned Namibian subsidiary, Bannerman Mining Resources (Namibia) (Pty) Ltd (BMRN), by acquiring interests from the existing BMRN shareholders on a pro-rata basis for the look-through value of the Etango Project calculated at a Bannerman share price of A\$0.225 per Bannerman share. This equates to sales proceeds for Bannerman of approximately A\$3.9 million. The post-acquisition shareholdings in BMRN will be Bannerman (76%), Epangelo (5%) and the existing private shareholder (19%);
- Epangelo has four months to obtain the necessary acquisition finance from the Development Bank of Namibia or another financing institution acceptable to BMRN's shareholders, and then to acquire the BMRN shares. During this four month period, other conditions such as Epangelo's own due diligence investigations, the signing of full-form documentation and receipt of regulatory approvals (as required) are also to be satisfied;
- Epangelo shall appoint one representative to the BMRN Board. Epangelo's representative will resign from the Board should the acquisition not be completed within the four month period;
- Upon Epangelo acquiring its 5% interest, it shall meet its pro-rata share of BMRN's expenditure. If Epangelo is unable to fund its share of BMRN's expenditure for the period from the initial acquisition up to a future decision to mine, Bannerman shall loan such funds to Epangelo with this loan to be repaid from future BMRN dividends and other distributions. The loan will accrue interest at LIBOR+6%pa and be secured via a pledge over Epangelo's shares in BMRN;
- Epangelo also holds a future one-time option at the time of a mine development decision to acquire a further 5% of BMRN for a 2.5% discount to the look-through market value at that time;
- If Epangelo does not contribute its pro-rata share of cash calls after a mine development decision is made, it shall dilute ultimately to nil in accordance with an agreed "dilution and sale" formula;
- Pre-emptive rights shall exist in favour of non-selling BMRN shareholders; and
- Bannerman will assist in Epangelo's capacity building programs through secondments of Epangelo personnel to the Etango Project team and through education and training initiatives.

The agreement with Epangelo reflects the constructive relationship between Bannerman, Epangelo and the Government of Namibia in relation to the future development of the Etango Project. Bannerman will work actively with Epangelo over the coming months to finalise Epangelo's initial investment and to pursue the next steps for advancing the Etango Project. Bannerman has been advised in its dealings with Epangelo by RMB Namibia.

Bannerman Chairman, David Smith, said:

"Completion of the DFS and reaching agreement for Epangelo's involvement in the Etango Uranium Project are significant milestones. One year on from the Fukushima incident, the growth expectations for nuclear power are returning to previously anticipated levels as the world's largest and fastest developing nations confirm their commitment to expansions of nuclear power generating capacity. This fundamental demand, as well as the imminent end of the 1993 Russian-US "Megatons to Megawatts" secondary sales program, will require a significant mine supply response."

"The challenges of successful uranium exploration, development and production are, in our view, being seriously underestimated as evidenced by the recent stagnant level of uranium production. The number of technically viable, globally significant uranium projects is small, and there is an emerging consensus that uranium prices will need to rise substantially in order to incentivise new supply."

"The involvement of Epangelo as a key partner in the Etango Project designates the start of a new period in advancing the Etango Project along its development pathway. We welcome Epangelo to the Etango Project and look forward to an active and profitable business relationship for the Project's owners and for all stakeholders in Namibia."

Epangelo Managing Director, Eliphas Hawala, said:

"The Epangelo management team is committed to building Epangelo into a diversified Namibian mining business and the decision to invest in the globally significant Etango Uranium Project is an important one for Epangelo's development. We look forward to completing the initial investment shortly, and to developing a mutually beneficial business relationship."

Bannerman CEO, Len Jubber, said:

"The DFS is the culmination of over 30 man-years' work by an extensive team of highly capable project personnel at Bannerman, AMEC, Bateman Engineering, Coffey Mining and other consulting firms. It has focused on delivering a conventional mining and processing design for what is essentially a very large and straightforward orebody. We've demonstrated the viability of Etango and can now step up our existing discussions with potential development partners and other financiers. It is also evident from recent corporate transactions that Namibia is seen as a premier investment jurisdiction."

"We are also delighted with the involvement of Epangelo in the Etango Project and will work closely with Epangelo's senior management team to finalise the initial investment and add value to the Project as our various drilling and development programs progress. We also continue to work on further potential extensions to the Etango orebody, which remains open to the west and at depth, and on exploration programs on Bannerman's prospective land holdings. The implications of such activities on the future production and mine life of the Etango Project, and for stakeholders in Namibia, are potentially very positive."

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

To view the title page of the Etango Uranium Project, Definitive Feasibility Study, April 2012, please visit the following link: <http://media3.marketwire.com>

ETANGO URANIUM PROJECT

The Etango Uranium Project is one of the world's largest undeveloped uranium projects located in Namibia, southern Africa, a top five uranium producing nation with substantial mining infrastructure. Etango is one of the few uranium projects with a completed Definitive Feasibility Study (DFS) reflecting detailed market-sourced cost estimates.

Based on the recently completed DFS, production is expected to be 7-9 million pounds U₃O₈ per year for the first five years and 6-8 million pounds U₃O₈ per year thereafter, for a minimum mine life of 16 years, which would place Etango among the world's top 10 uranium-only mining operations. Significant upside exists through the potential conversion of existing Inferred Resources as well as through new drilling programs now underway for a targeted mine life in excess of 20 years.

Etango is considered by Bannerman to be a low technical and environmental risk project, with mining to be undertaken by conventional open pit methods and processing via a 20 million tonnes per annum on-off sulphuric acid heap leach operation.

KEY OUTCOMES

The key outcomes of the DFS for the Etango Uranium Project include:

Item	Units	Value
Mine Life	Years	16
Life-of-mine stripping ratio	Waste : Ore	3.3 : 1
Annual Processing Throughput	Million Tonnes (Mt) of ore	20
Processed grade (diluted for mining)	ppm U3O8	194
Processing recovery	%	86.9
Average Annual Production (U3O8)	Million Pounds U3O8 (Mlb/yr)	6 - 9
Life-of-mine Production (U3O8)	Million Pounds U3O8 (Mlb)	104
Pre-production Capital Expenditure	US\$ million	870
Average Cash Operating Cost(i) for first 5 years	US\$/lb U3O8	41
Average Cash Operating Cost(i) for life-of-mine	US\$/lb U3O8	46
Base Case Uranium Price	US\$/lb U3O8	75
Government Royalty	% of revenue	3%
Internal Rate of Return (at Base Case price)	%pa, pre-tax	11.6%
Breakeven uranium price	US\$/lb U3O8	61
Payback (after production commences)	Years	6
(i) Operating cost includes all mining, processing, on-site and off-site infrastructure and general/administrative costs and excludes royalties (3% Government royalty) and freight and selling-related costs (together approximately US\$1.10/lb) which, in accordance with industry accounting standards, are deducted from revenues for economic modelling purposes.		

Figures are presented in US\$ in real terms assuming a base date of the December 2011 quarter unless otherwise stated. Economic results reflect 100% of the Etango Project ignoring ownership and financing structure. Bannerman owns 80% of the Etango Project through a Namibian subsidiary.

The following chart depicts the annual cashflows of the Etango Project at various uranium prices, demonstrating its high leverage to relatively modest uranium price increases.

To view Chart 1, please visit the following link: <http://media3.marketwire.com>

POTENTIAL MINE LIFE EXPANSIONS

There is considerable potential for the project mine life to be extended as the DFS has been limited to the following inputs:

- Measured and Indicated Resources of 336.2Mt at 201ppm for 148.8Mlbs U3O8. The existing Inferred Resource of 164.6Mt at 176ppm for 63.9Mlbs U3O8 has been excluded from the DFS but may be upgraded to Indicated status in the future and added to the mine plan;
- Pit optimisations at future higher uranium prices would enable an expansion of the mine design and significant extensions to mine life, based initially on existing Indicated and Inferred Resources but also on resources delineated in the future; and
- Processing throughput of 20Mt per year. The heap leach pad could be configured to process additional tonnes through raising the heap height and/or an expansion of the pad itself.

A recent geological review has identified the potential to define further mineral resources within the Etango Project area that could extend the Etango mine life in excess of 20 years, including:

- The area immediately to the west of the Etango deposit where recent drilling confirmed the continuation of the existing shallow dipping lode structure;
- The higher grade zone immediately adjacent to the contact between the Khan-Chuos formations which is open at depth below the designed pit;
- Within the Ondjamba and Hyena deposits to the immediate south where both deposits remain open along strike and at depth and the potential exists for future drilling to confirm the two deposits are in fact joined;
- The Ompo prospect to the east of the Etango deposit where mineralisation has been intersected in previous drilling; and
- To the north, within the 500km² Etango Exclusive Prospecting Licence, three more targets at Gohare, Ombuga and Rossingberg where mineralisation has previously been intersected.

LOCATION AND INFRASTRUCTURE

The Etango Project is located in the Erongo region of Namibia, approximately 28km east of the coastal town of Swakopmund in the gravel plains of the Namib Desert. The Etango Project is well located for external infrastructure requirements including road, rail, water, electricity and a deep water port.

To view the Etango Project Location Plan, please visit the following link: <http://media3.marketwire.com>

Local infrastructure includes the following:

- Road - The Etango Project site is located 38km by road from Swakopmund via the existing C28 sealed road. A short gravel road will provide access to the site.
- Rail - The existing railway line from Walvis Bay to Swakopmund is approximately 30km from the Etango site and will provide an option for the transportation of U3O8 and key reagents to and from the port.
- Port - Drummed uranium oxide from the Etango site will be shipped from the Walvis Bay Port, approximately 73km by road from the Etango site. Walvis Bay is one of southern Africa's largest and busiest deep water ports with over 35 years' experience of importing mining and processing consumables and exporting uranium oxide.
- Power - Grid power will be drawn from the nearby high voltage electricity lines owned by the Namibian power utility, NamPower. A short spur line from the main electricity reticulation line will provide all power to site. Namibia is currently a net importer of electricity and is in the process of expanding its hydro-electricity generation capacity as well as planning for new coal-fired and gas-fired power generation capacity.
- Water - Etango will source up to 5 gigalitres per year ("GLpa") from either the existing 20GLpa desalination plant at Wlotzkasbaken or a second proposed 20GLpa plant to be located immediately north of the town of Swakopmund. Bannerman is part of the Erongo Mining Water Users' Group comprising a number of mining companies and the Namibian water utility, NamWater, which is working closely with the National Desalination Task Force (NDTF). The NDTF has commissioned an engineering study on the second desalination plant.

MINERAL RESOURCE AND ORE RESERVE ESTIMATES

Mineral Resource Estimate

The Etango Project Mineral Resource estimate reported at a cut-off grade of 100ppm U3O8 was prepared by Coffey Mining and released in October 2010. The estimate comprises the following:

Mineral Resource		Measured		Indicated			Inferred		
		Grade	Cont-ained		Grade	Cont-ained		Grade	Cont-ained
Deposit	Tonnes (Mt)	(U3O8 ppm)	U3O8 (Mlbs)	Tonnes (Mt)	(U3O8 ppm)	U3O8 (Mlbs)	Tonnes (Mt)	(U3O8 ppm)	U3O8 (Mlbs)
Etango	62.7	205	28.3	273.5	200	120.4	45.7	202	20.3
							85.3	166	31.3
Hyena							33.6	166	12.3
Total	62.7	205	28.3	273.5	200	120.4	164.6	176	63.9

The Mineral Resource estimate is reported at a cut-off grade of 100ppm U3O8. Refer to the Competent Persons Statement at the end of this document 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.

Ore Reserve Estimate

The maiden Ore Reserve estimate for the Etango Project of 279.6Mt at 194ppm for 119.3Mlbs U3O8 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 (U3O8 ppm)	Contained U3O8 (Mlbs)	Tonnes (Mt)	Grade (U3O8 ppm)	Contained U3O8 (Mlbs)	Tonnes (Mt)	Grade (U3O8 ppm)	Contained U3O8 (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 U3O8, a processing recovery of 84.5%, a metal price of US\$75/lb U3O8 and the DFS cost estimates outlined herein.

GEOLOGY

The "Rossing type" uranium mineralisation at the Etango Project occurs within a stacked sequence of leucogranitic sheets that have intruded the host Damara Sequence of metasedimentary rocks.

The uranium bearing minerals are predominantly uraninite and uranothorite and are hosted within granitic intrusions that vary in thickness from 3 metres to 135 metres. They occur over 150 metres to 1,400 metres in length and dip between -20 degrees to -40 degrees to the west. The granite host unit is locally termed "Alaskite".

To view the image Typical geology within the Etango Deposit, please visit the following link:
<http://media3.marketwire.com>

MINING

The conventional open pit mining operation will utilise 550t hydraulic back-hoe excavators and 220 tonne diesel/electric haul trucks. Drilling and blasting will be conducted on 12 metre benches and mining on 4-4.5 metre flitches to minimise ore dilution. With this configuration, the mining rate is scheduled at a maximum 100 million tonnes per year.

The Etango deposit outcrops at surface and, as a result, processing commences three months after the first production blast. The open pit has an average end-of-mine depth of approximately 240 metres below surface, and an average waste to ore strip ratio of 3.3.

PROCESSING

Metallurgical testing and engineering studies undertaken over the last four years have identified the Etango mineralisation to be most suitable for heap leaching due to the following:

1. the absence of clay in the ore;

2. the mineralisation is free of acid consuming carbonates (or marble), thereby keeping sulphuric acid consumption relatively low at 18kg/tonne of ore processed;
3. the predominant uraninite (UO₂) mineralisation is located at grain boundaries allowing rapid and high recoveries at a relatively coarse crush size; and
4. consistent leach characteristics across the entire deposit.

Heap leaching also does not require fine grinding, solid-liquid separation or a tailings storage facility. The process is therefore relatively simple, efficient and cost-effective.

To view the Etango Project - Process Flow Sheet, please visit the following link:

<http://media3.marketwire.com>

To view the Etango Project - Site Layout Plan, please visit the following link: <http://media3.marketwire.com>

CAPITAL COSTS

The project design is aimed at maximising the efficiency of the mining and processing operations given the large material movement. The capital cost estimates reflect simple unit operations and industry-standard availabilities and utilisation rates of installed equipment.

Cost estimates have been prepared based on contractor and supplier quotations for all equipment, bulks and installation costs, and therefore reflect the current estimated costs of constructing and operating a uranium project in today's mining environment:

Item	Pre-Production Capital (US\$M)
Mining (including the fleet, establishment and pre-stripping)	127
Process Plant	354
Site Infrastructure	91
External Infrastructure (power, water, rail, road and port)	47
Engineering, Procurement and Construction Management (EPCM)	72
Accuracy provision	54
First fills and spares	29
Owner's costs (personnel, housing, training, insurance etc)	40
Other (camp facilities, mobilisation and demobilisation and temporary services)	56
PRE-PRODUCTION CAPITAL COST	870

The estimate includes an "accuracy provision" of US\$54 million for unknown but potential increases in quantities and costs, and excludes any owner's contingency allowance. The DFS cost estimates have been prepared to a +/-15% tolerance.

Compared with the December 2010 Preliminary Feasibility Study (PFS), the above capital costs, even after the 33% increase in plant throughput and price escalation over the last 15 months, increased by 24% or,

more relevantly, only 11% when first year PFS mining capital is included.

Sustaining capital over the full 16 year life of the operation totals US\$381 million comprising US\$361 million for mining fleet additions and replacements (net of final residual values), US\$32 million in rehabilitation and closure costs, US\$6 million for plant and external infrastructure, less US\$20 million in recoupment of first fills and receipts of residual values for construction infrastructure.

OPERATING COSTS

Major DFS improvements over the PFS included increasing the ore throughput from 15 to 20 Mtpa, increasing the annual production on average by 22%, improving the mining and material movement efficiencies, better positioning of mine waste dumps and metallurgical testwork supporting a higher uranium recovery rate. As a result, the average life-of-mine operating cost increased by only 8% since the PFS despite the significant cost pressure experienced in the industry over the past 15 months.

The operating cost estimates are based on current quotations from suppliers for reagents and consumables:

Item	Unit	First 5 Years	Life-of-Mine
Mining	(US\$/t mined)	1.72	1.97
Mining	(US\$/t ore)	7.87	8.55
Processing	(US\$/t ore)	7.08	7.15
General & Administration	(US\$/t ore)	1.26	1.23
Cash Operating Cost	(US\$/t ore)	16.21	16.93
Cash Operating Cost	(US\$/lb U3O8)	40.85	45.71
Marketing and transport	(US\$/lb U3O8)	1.10	1.10

URANIUM MARKET

It is now just over 12 months since the tragic natural disasters in Japan on 11 March 2011 and the resultant issues with the Fukushima Daiichi nuclear power facility. Since that time, uranium spot and term contract prices have weakened, reflecting comments made and actions taken by certain governments regarding the suspension or slow-down of their nuclear power build programs. More recently however, it has emerged that although a minority of nuclear power generating countries may seek reductions or deferrals of their own nuclear programs, the clean nature of nuclear power for base load generating capacity remains a key alternative and growth area for the world's industrialised and developing nations. In particular, the forecast demand for uranium in high growth nations such as China, South Korea, India and Russia is expected to remain strong and supportive of a robust uranium price over the medium and longer terms.

To view Chart 2, please visit the following link: <http://media3.marketwire.com>

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 extended or renewed at its present volumes.

In addition to the impact of reducing secondary supplies, Bannerman believes that as a result of the complexity 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 to

meet the expected widening gap between uranium demand and supply. In addition, existing mature mines are operating at significantly higher costs as they near the end of their respective lives. New production sources and expansions of existing mines will therefore require higher uranium prices to incentivise development and expansion commitments. Bannerman therefore expects significantly stronger uranium prices in the future.

URANIUM PRICE SENSITIVITY

The Etango Uranium Project is highly leveraged to the uranium price. The life-of-mine breakeven point is US\$61/lb U3O8, approximately the current long term contract price for uranium. Accordingly, relatively modest increases in uranium prices going forward will have significant positive effects on the modelled operating cashflows and the underlying value of the Etango Project, as tabulated below:

	Units	US\$/lb U3O8			
		70	75	80	90
Cash flow before capital (undiscounted, pre-tax)	US\$M	2,184	2,687	3,189	4,194
Free cash flow after capital (undiscounted, post-tax)	US\$M	609	923	1,237	1,865
Payback	Years	10	6	5	4
IRR (pre-tax)	%	8.0	11.6	14.9	20.7

ENVIRONMENTAL AND MINING LICENCING

The Namibian Ministry of Environment and Tourism issued Environmental Clearances in April 2010 and August 2011 for the Etango Project and the associated external infrastructure, as proposed in the 2009 Prefeasibility Study.

The independent Environment and Social Impact Assessment (ESIA) was recently updated, based on the DFS design and feedback gathered from special interest groups and neighbouring communities. The assessment concluded that the environmental and social impacts can be readily managed using industry-standard practices and procedures. The updated independent ESIA and Bannerman's Environmental and Social Management Plan will shortly be lodged with the Namibian Ministry of Environment and Tourism in support of an application for an updated Environmental Clearance.

Bannerman will also lodge the DFS with the Namibian Ministry of Mines and Energy in support of the existing mining licence application.

INDICATIVE DEVELOPMENT TIMETABLE

A detailed project schedule has been developed as part of the DFS. This indicates an engineering and construction period of approximately 30 months from project approval to plant commissioning. Key tasks include the following:

- Early engineering for long lead item vendor data, commencing approximately 6 months prior to project financing and development approval;
- Project financing and appointment of EPCM contractor;
- Detailed engineering, procurement and construction management;
- Production blasting and initial mining activities;
- Plant commissioning; and
- Production ramp-up.

BENEFITS FOR NAMIBIA

Development of the Etango Project will, based on the DFS, deliver the following significant direct and indirect economic benefits to Namibia:

- Creation of substantial new jobs in both the construction and operating phases. In the former, an average of 800 new jobs, with a maximum of 1,500 jobs, is anticipated. In the operating phase, an average of 1,000 new on-site jobs will be created. The majority of employees are expected to be recruited in Namibia;
- Education and skills development of Namibians working in the operation, with the annual training and education budget incorporated in the DFS capital and operating cost estimates;
- The economic "multiplier effect" of mine and employee expenditure in the local communities and in Namibia generally. Economic modelling by independent experts has indicated that the mine operating phase will create approximately a further 1,500 indirect jobs in the local communities;
- Mineral royalties to the Namibian Government equal to 3% of net revenues, equating to approximately US\$14-20 million (N\$100-150 million) per year at a base case uranium price of US\$75/lb U3O8;
- Company taxes of over US\$0.5 billion (N\$4 billion) over the life-of-mine at a base case uranium price of US\$75/lb U3O8;
- Employee PAYE taxes of at least US\$8 million (N\$60 million) per year over the life-of-mine;
- Other taxes including import duties; and
- An expansion of Bannerman's existing reputable corporate social responsibility program which focusses on education and tourism related activities at regional and national levels.

Commencement of the Etango Project, along with other new uranium mining developments in the region, would be expected to lift Namibia to the world's third largest uranium producing and exporting nation.

DFS TEAM

The Etango Project DFS was conducted over a 12 month period by a highly experienced engineering team, including the parties listed below. The product incorporates Bannerman's and its consultants' work over the last four years, including the results of over 240,000 metres of resource definition drilling, metallurgical test work and over 30 man-years of engineering input.

Company/Firm	Key Area(s) of DFS Responsibility
AMEC	Co-ordination and delivery of the DFS report to support a capital and operating cost estimate at +/- 15% including processing plant design (excluding the solvent extraction plant, precipitation and final product packaging plant), external infrastructure (excluding power and water), site infrastructure and implementation plan.
Bateman Engineering	Process design for the solvent extraction plant, precipitation and final product packaging plant.
Coffey Mining	Resource estimation and mining study.
Environmental Resources Management (ERM)	Hydrology and co-ordination of the Environmental and Social Impact Assessment.
SLR Consulting	Heap Leach residue and surface water management.
ALS Ammtec Metallurgy	Column and solvent extraction test work.
Bureau Veritas Mineral Laboratories (Swakopmund)	Column test work.

TECHNICAL DISCLOSURES

Certain disclosures in this release, 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 release 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 release of the matters based on his information in the form and context in which it appears.

The information in this release relating to the 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 release of the matters based on his information in the form and context in which it appears.

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