

RCF to Invest Further in Bannerman and Fund Etango Pilot Plant Program

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PERTH, AUSTRALIA--(Marketwired - Apr 8, 2014) - [Bannerman Resources Ltd.](#) (ASX:BMN)(TSX:BAN)(NAMIBIAN:BMN) ("**Bannerman**" or "the **Company**") is pleased to announce that Resource Capital Fund VI L.P. ("**RCF VI**") has agreed to provide a A\$4 million convertible note facility ("**Convertible Note Facility**") to support the construction and operation of a pilot plant at the Etango Project. It is subject to the approval of Bannerman shareholders. The full report is available on Bannerman's website at www.bannermanresources.com and on SEDAR (www.sedar.com).

The pilot plant will be constructed to confirm the Definitive Feasibility Study ("**DFS**") processing assumptions. It should further de-risk the Etango Uranium Project and help to preserve Bannerman's capacity to be an early mover to development in a rising uranium price environment. The Etango Project is a strategically important uranium asset located in the politically stable and uranium mining friendly jurisdiction of Namibia.

Resource Capital Funds ("**RCF**" or the "**Funds**") are private equity funds with mandates to make investments exclusively in the mining sector across a diversified range of hard mineral commodities and geographic regions. RCF is currently investing its sixth fund, RCF VI, with committed capital of US\$2.04 billion and currently manages three other active private equity funds, Resource Capital Fund V L.P., Resource Capital Fund IV L.P. ("**RCF IV**") and Resource Capital Fund III L.P.

The Convertible Note Facility will complement the existing shareholding and convertible note held by RCF IV and highlights RCF's continuing support for the Company and the Etango Project.

The Convertible Note Facility will enable construction and operation of the pilot plant and progress the Etango Project to the early stages of detailed engineering. The pilot plant will also enable demonstration of the heap leach model at a larger scale to investors and financiers.

The pilot plant capital cost is estimated at approximately A\$1.2 million. It is expected that the pilot plant will be operated for at least 12 months at a cost of approximately A\$50,000 per month. The key features of the proposed pilot program are presented in Attachment A to the full report.

Bannerman's Chief Executive Officer, Len Jubber, said:

"Bannerman welcomes the continued support of RCF as the Company continues to pursue its strategy of positioning the Etango Project for fast track development in a rising uranium price environment."

"There is growing awareness that a looming supply shortfall will require a doubling of the uranium price to at least US\$70/lb U₃O₈ to incentivise new supply. However a key contributor to the impending supply deficit is the number of years it will take to bring new significant projects into production due to the lengthy technical, permitting and construction timeframes involved. Bannerman's advanced Etango Project remains one of the very few globally significant uranium projects that can realistically be brought into production in the medium term."

The Convertible Note Facility will be repayable in September 2016 and will have an 8% per annum coupon rate payable quarterly in arrears in new Bannerman shares or cash in certain circumstances. The conversion price is to be calculated on a VWAP prior to drawdown of funds under the facility, but will be between A\$0.06 and A\$0.095 per share. By way of example, based on the 60 day VWAP prior to this announcement, the conversion price will be A\$0.095. The key terms and conditions of the Convertible Note Facility are

presented in Attachment B to the full report.

At the end of the March quarter, Bannerman had approximately A\$1.85 million in cash reserves, and has been successful in significantly reducing the ongoing corporate overheads through a range of organisational and project activity changes.

Bannerman shareholder approval is required to authorise the entry into the Convertible Note Facility and the various related share issues to RCF VI which may arise under the facility (such as for the establishment fee and to satisfy interest payments). As RCF IV currently has a 13.6% shareholding in Bannerman and also holds an A\$8 million convertible note, approval will also be sought to enable the combined holding of RCF IV and RCF VI in Bannerman to increase upon conversion of the respective convertible notes and the various related share issues. Full details of the impact of the Convertible Note Facility will be set out in the meeting documents and an independent expert's report will be provided to advise shareholders whether the proposal is fair and reasonable to shareholders who are not associated with RCF.

Bannerman's shareholders will be asked to approve the Convertible Note Facility at a General Meeting to be held in June 2014. Meeting documentation will be dispatched to shareholders in due course.

Len Jubber
Chief Executive Officer

About Bannerman - [Bannerman Resources Ltd.](http://www.bannermanresources.com.au) 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. Further information about Bannerman is available at www.bannermanresources.com.au

About Resource Capital Funds - Resource Capital Funds ("RCF" or the "Funds") are private equity funds with mandates to make investments exclusively in the mining sector across a diversified range of hard mineral commodities and geographic regions. The Funds are managed by RCF Management L.L.C. which has its principal office in Denver and additional offices in Perth, New York (Long Island) and Toronto. RCF pioneered the concept of mining-focused private equity funds and strives to produce superior returns to its investors, portfolio companies and fellow equity investors. Since inception, RCF has supported 118 mining companies (and several mining-services companies) involving projects located in 40 countries and relating to 28 commodities.

RCF has experience in building management teams specifically suited to develop and or operate assets and has the resources and networks to draw upon to source top talent from around the world. In addition to providing financing, RCF has the in-house technical and financial expertise to actively guide a mining company's management team through the process of raising capital in the public equity and project financing markets. RCF's management team consists of individuals with extensive commercial and technical experience in the mining industry.

RCF is currently investing its sixth fund, Resource Capital Fund VI L.P., with committed capital of US\$2.04 billion and currently manages three other active private equity funds, Resource Capital Fund V L.P., Resource Capital Fund IV L.P. and Resource Capital Fund III L.P. The Fund's committed capital is sourced primarily from US-based institutional investors. Further information about Resource Capital Funds is available at www.resourcecapitalfunds.com

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