

ASX RELEASE

31st October 2007

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 30th September, 2007

HIGHLIGHTS

- **SCOPING STUDY COMPLETED**

The results of a detailed scoping study into the economic viability of its Goanikontes Anomaly A uranium Project located in Namibia. The study has confirmed that, subject to the delineation of the target resource base, a viable operation with strong cash margins could be developed.

- **DRILLING AT GOANIKONTES CONTINUES**

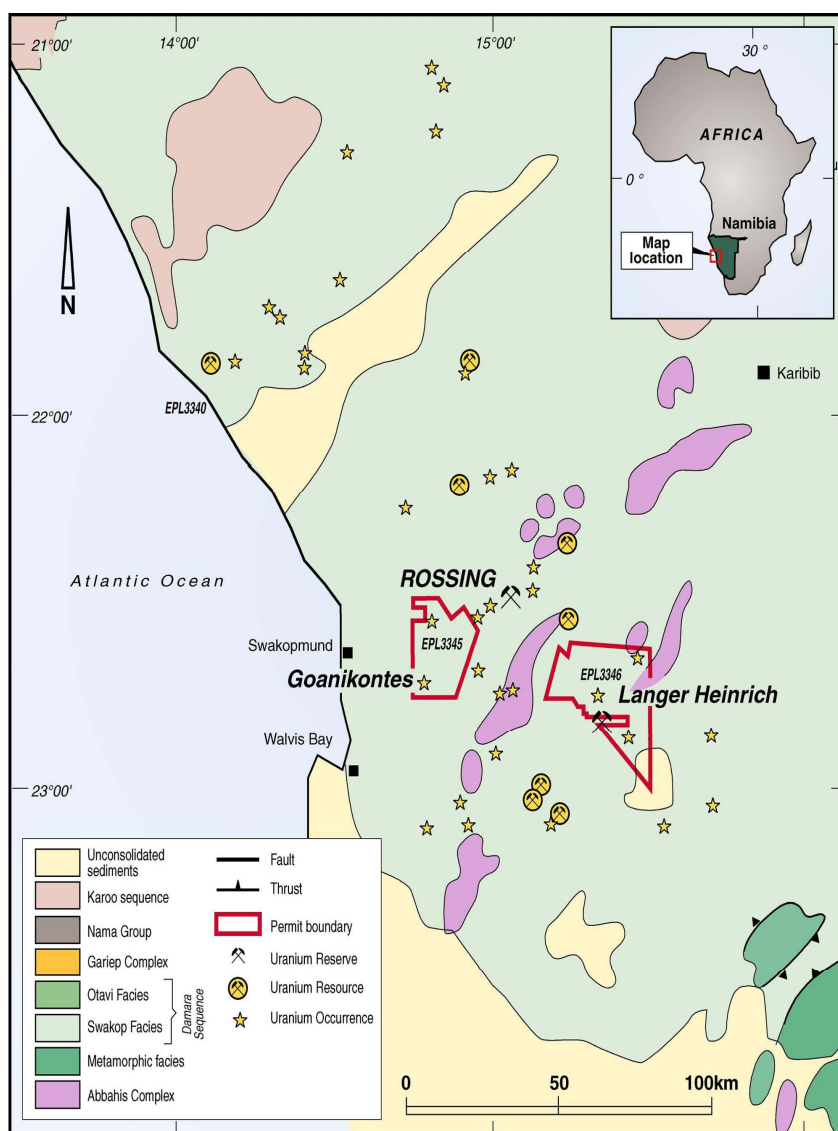
RC Drilling: 68 holes, GARC78 ÷ GARC146, completed and 10 holes extended for 19,447m. 100m x 100m first pass resource drilling completed. Infill pattern drilling, 100m x 50m ongoing. Deep diamond drilling to commence. Two areas of 50m x 50m infill drilling completed.

HIGHLIGHTS:	GARC059	33m @ 285 ppm U₃O₈
	GARC060	29m @ 283 ppm U₃O₈
		30m @ 229 ppm U₃O₈
	GARC069	21m @ 255 ppm U₃O₈
	GARC073	27m @ 244 ppm U₃O₈
	GARC074	23m @ 519 ppm U₃O₈
	GARC081	144m @ 223 ppm U₃O₈
		48m @ 202 ppm U₃O₈
	GARC087	49m @ 273 ppm U₃O₈
		15m @ 441 ppm U₃O₈

NAMIBIAN URANIUM PROJECTS (BMN 80%)

Bannerman Resources holds, through Bannerman Mining Resources Namibia, two Exclusive Prospecting Licences (EPL) in the uranium rich Erongo region on the western coast of Namibia.

The two licences are targeting uranium mineralisation in a primary setting (EPL3345 in Welwitschia) similar to the *Rössing* mine 30 kilometres northeast of the licence and in a secondary oxide setting (EPL3346 in Swakop River) similar to the Langer Heinrich mine that is surrounded by EPL3346.



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**NAMIBIA
REGIONAL GEOLOGY & PERMITS**

A Diamond drilling programme at Goanikontes (EPL3345) and an Air Core/RC drilling programme in the Elspe channel at Swakop River (EPL3346) commenced in September 2006 until early December.

Drilling continued at Goanikontes in the first quarter of 2007 with the diamond drilling programme continuing and an RC (reverse circulation) drilling programme commenced in January and is to continue into the first quarter of 2008.

The initial diamond drilling programme was completed in the March quarter. At the end of the September quarter the first of two diamond rigs had arrived on site at Anomaly A and collared the first hole in a 20,000m programme to be completed in 2008.

The RC programme completed 68 holes and 10 hole extensions during the quarter for 19,447m.

The RC drilling programme completed the first pass 100m x 100m spaced pattern along the entire 2.3km strike length of Anomaly A and an infill 100m x 50m pattern and extended depth drilling to a vertical depth of 400m has commenced.

Two areas, selected to display strike and dip continuity, were drilled at 50m x 50m spacing and this programme was completed in the quarter.

EPL3345 – WELWITSCHIA

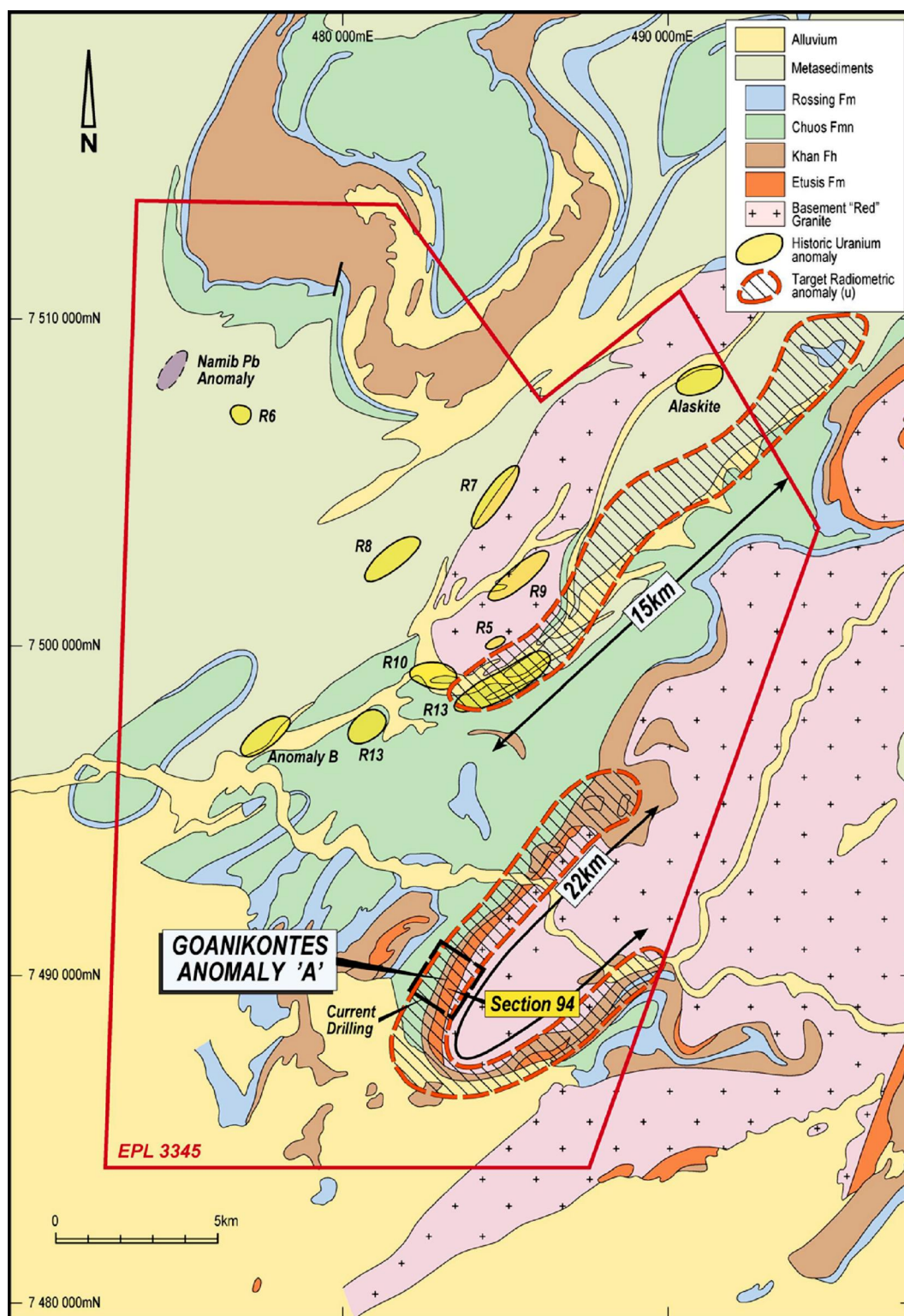
This licence has twelve uranium anomalies, the Rossingberg Anomalies, identified in historic reports and papers and numerous uranium prospects within 37 kilometres of continuous anomalism outlined from geophysical data. Field inspection has identified in excess of eight additional outcropping alaskite prospects within the 37 kilometre anomalism.

“Goanikontes Anomaly A” is the name used to refer to the southern prospect of three mineralisation prospects (the other two renamed “Oshiveli” and “Onkelo”) outlined in the 257 historic drillholes completed in the 1970s and 1980s. It contains alaskite hosted mineralisation similar to the world class *Rössing* open cut uranium mine located 30 kilometres to the north east. The *Rössing* mine, majority owned by Rio Tinto, has been producing for thirty one years commencing in 1976.

An initial diamond core drilling programme was completed for the Goanikontes Anomaly A prospect in the first quarter 2007. This programme in conjunction with the re-probing of historic drillholes has verified the existing drill data from historic drilling

programmes bringing the level of confidence of the drill data produced from these previous programmes to a level that can be reported and utilised in resource estimations.

Figure 2: Goanikontes Anomaly 'A' – Location and General Geology



INTERIM INFERRED RESOURCE

Bannerman announced an Interim Inferred Resource of 27M lbs (12,200t) U_3O_8 contained within 55Mt at a grade of 219ppm U_3O_8 . The resource contains a higher grade core of 21Mt at 308 ppm U_3O_8 . The resource has been estimated using the recently validated historical data in addition to data derived from the Company's own drilling and has been estimated to an average depth of 80 metres over a 1.5 km strike length at Anomaly A (figure 3).

The resource represents only a portion of the known extents of the deposit to date. Mineralisation has been shown to extend to at least 2.3 strike kilometres and to depths in excess of 350 vertical metres. Drilling will be ongoing for the rest of the year testing the vertical and strike extents of the deposit with the aim towards expanding the resource.

INFERRED RESOURCES – GOANIKONTES ANOMALY A

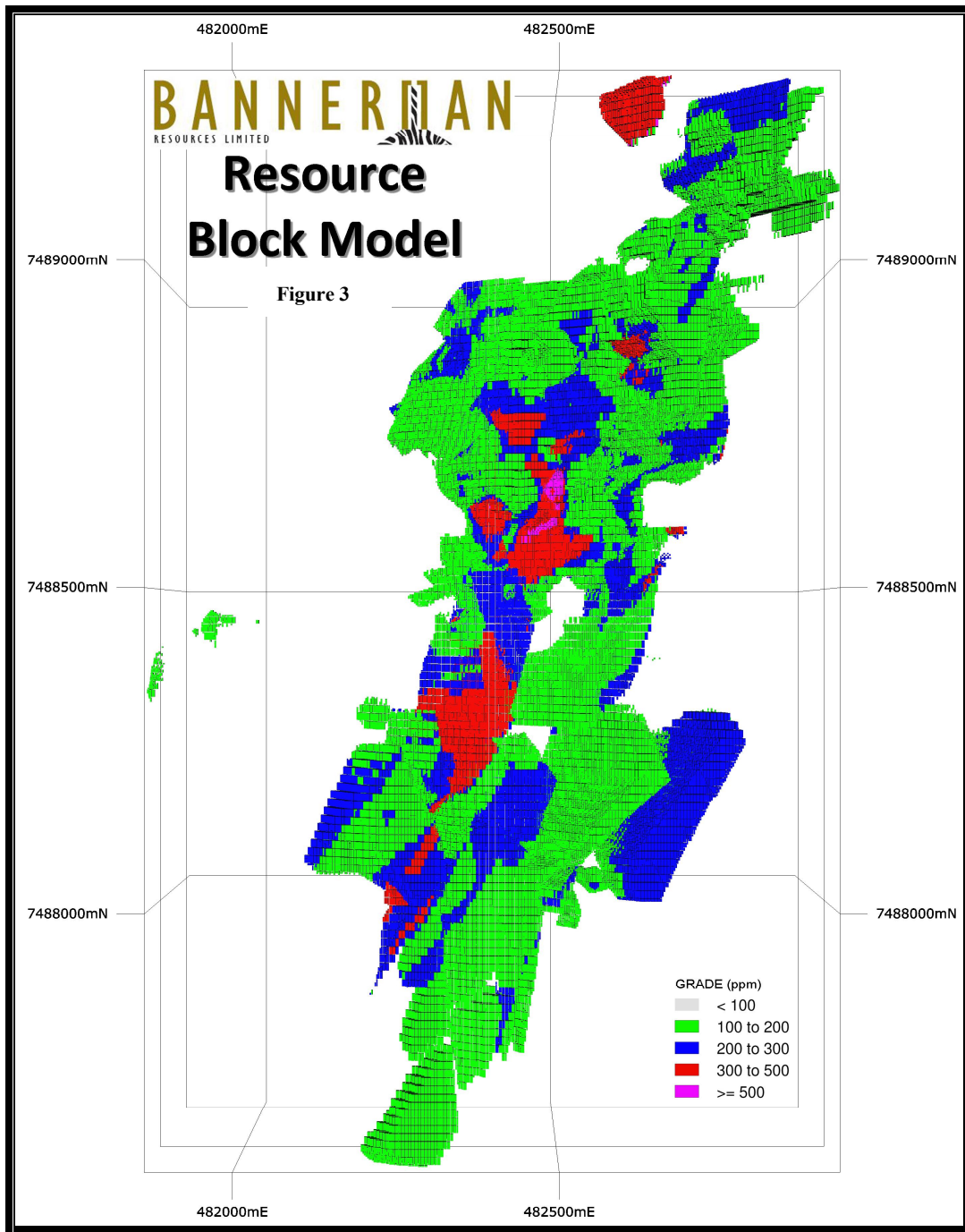
Low Cut (U_3O_8 ppm)	Tonnes	Grade	Metal (U_3O_8)	
	t	ppm	tonnes	1,000lbs
100	55,828,505	219	12,208	26,907
150	44,143,202	243	10,741	23,672
200	27,997,098	283	7,934	17,486
250	15,749,153	331	5,209	11,481
300	9,202,118	372	3,424	7,547

Significant near surface leaching of U_3O_8 in parts of the orebody has been observed within the host alaskite. The Company is particularly encouraged by an increase in grade at the base of the current resource within the thicker alaskite units. These alaskite units continue at depth beyond the limits of the interim resource.

The resource was modelled using a range of lower grade cuts with the 100ppm U_3O_8 cut off being the resource quoted. A high grade cut of 900 ppm U_3O_8 was used throughout. The 100 ppm cut is the same used by *Rössing* and conservative in comparison to the 60 ppm cut used by Forsys Metals Corporation for its Valencia deposit, both alaskite hosted uranium deposits in the Erongo region.

The resource estimation, geological interpretations and wireframe modelling was conducted by the Company's inhouse geologists with block dimensions of 12.5m x 5m

x 5m. Grades utilized included those obtained from the Company's drilling and assayed at SGS Lakeside laboratory in Johannesburg and from previously validated historic data.



Where no chemical laboratory assays were available radiometric equivalent assays from downhole radiometric surveys were used. Bulk density values were determined from both in field and laboratory measurements.

SCOPING STUDY

Coffey Mining (geology/mining) and Independent Metallurgical Operations (processing) were completed a Scoping Study utilising the Interim Resource model and RC samples. The Scoping Study can be summarised

- Metallurgy is analogous to *Rössing*, well understood and proven
- Mineralogy is analogous to *Rössing*, easily leachable uranium minerals
- 15Mtpa Milling operation.
- Low waste to ore stripping ratio of between 1.5:1 and 2:1 achievable
- Minimum target production is ~2,900tpa (6.5Mlb) using low estimate head grade
- Maximum target production is ~4,000tpa (8.8Mlb) for early years of production
- Plant recovery circuit will be scaled for ~4,000tpa (8.9Mlbs) production target
- Operating costs low at US\$27/lb, possibility to drop further.
- Capital Costs of <US\$400M are low relative to potential free cash flows
- Target commissioning late 2010, full production by mid 2011

The main considerations in scoping were the scale, mining and throughput rate, project life, mineralogy, metallurgy and community and environmental considerations. The study to date is considered a base case as overall the project has considerable upside for the discovery of further similar deposits. Numerous extensive look-alike uraniferous alaskite bodies exist within the project and have yet to be explored.

The results of the scoping study were announced on the 17th of September and the details are within that announcement.

The base case of the study took the Interim Inferred Resource model and extended it over the known strike (2.3km) of Anomaly A to depths of possible economic limits (>350m vertical). The extended grade tonnage model was developed for the sole purpose to investigate the potential of developing a large scale uranium operation at Goanikontes. Targets expressed in this report are conceptual in nature and there been insufficient exploration to define a Mineral Resource of 100Mlbs and it is uncertain if further exploration will result in the determination of a Mineral Resource.

TABLE 1 BASE CASE TARGET PARAMETERS

Metal Inventory	100M lbs U ₃ O ₈
Head Grade	219 ppm
Ore Mining Rate	15M tonnes per annum
Recovery	~90%
Production	<u>~3,000tpa U₃O₈ or 6.5Mlb per annum.</u>
Life of Mine	12 to 15+ years
Processing Routes	Dry comminution Ĩ HPGR Wet comminution Ĩ SAG and Ball mill

Optimisation of the grade tonnage model was done using a base uranium price of US\$45/lb. A summary of the principal mining inputs for the optimisation is as follows:

TABLE 2 MINING OPTIMISATION PARAMETERS

Item	Value
Mill Throughput	15 Mtpa
Uranium Price	US\$45/lb
Mining Cost	US\$2.00/t
General & Admin.	US\$4.60M/yr
Mine Supervision	US\$1.30M/yr
Grade Control	US\$0.03/t
De-watering, Geotechnical	US\$0.05/t
Mining Recovery	97%
Overall pit wall slope angle	50 degrees

Mining

Contract mining is proposed via conventional open pit, drill and blast followed by load and haul. Mining costs are based upon similar scale operations in Africa and are estimated to be around US\$12.00 per pound of U₃O₈. It was concluded that a waste to ore stripping ratio of between 1.5:1 and 2:1 should be achievable.

Processing

The design of the process plant has been based upon testwork completed to date and design criteria from other similar operations notably the nearby Rössing uranium mine. The design incorporates comminution, acid leach, solvent extraction, precipitation and calcination circuits. Two main options were subsequently arrived at for the plant design based upon a dry or wet comminution circuit as follows:

1. Base case: Dry comminution circuit - two stage crush producing a product P80 size of 1.3mm (similar to Rössing) utilising a HPGR circuit.
2. Conventional single stage crush followed by a SAG/Ball mill circuit. Product is P80 size of 425um.

Further enhancements to the circuits and associated costs have been investigated and potential exists to add value and further improve project returns. These enhancements include;

- Radiometric Sorting i potential to reduce mass flow through the circuit by ~23%.
- Alternative solvent extraction methods i eg; Pulsed Column Solvent extraction.
- Lower reagent costs - onsite or nearby production of sulphuric acid.

Capital Costs

Capital costs have been provided for both the HPGR and the SAG/Ball mill options and have an expected accuracy of +/-30%. This excludes any impacts radiometric sorting may have on the figures. A summary of the Capital costs is as follows;

TABLE 4 CAPITAL COSTS (+/-30%)

Component	HPGR Base Case US\$	SAG/Ball Mill US\$
Process Plant	236,897,814	264,592,055
Infrastructure	35,091,675	35,091,675
Indirect Costs	58,146,400	63,846,800
<u>Sub-Total</u>	<u>330,135,889</u>	<u>363,530,530</u>
Contingency (10%)	33,013,589	36,353,053
TOTAL CAPITAL	363,149,478	399,883,583

*Indirect costs include EPCM, initial reagents, commissioning, spares, mobilisation and PFS/BFS costs

Operating Costs

Operating costs have also been provided for both the HPGR base case and the SAG/Ball mill options to an accuracy of +/-30%. A summary of the Operating costs are as follows;

TABLE 5 OPERATING COSTS (+/-30%)

Line Item	HPGR Cost		SAG/Ball Cost	
	US\$ p.a	US\$/lb	US\$ p.a	US\$/lb
Mining	77,200,000	12.00	77,200,000	12.00
Labour	2,322,500	0.36	2,362,500	0.37
Power	2,107,208	0.33	5,495,033	0.85

Reagents	71,612,485	11.13	85,968,602	13.37
Consumables/Water	11,974,604	1.86	12,632,047	1.96
Maintenance Materials	6,048,459	0.94	6,775,011	1.05
Transport	2,187,810	0.34	2,187,810	0.34
Admin/General	1,259,200	0.20	1,259,200	0.20
Total Cost	174,712,266	27.18	193,880,203	30.16

The Company plans to commence a Bankable Feasibility Study in early 2008, once the results of the current and continuing drilling campaign allow the company to complete the resource estimation for Goanikontes Anomaly A.

This will fit with Bannerman's aggressive timeline needed to ensure that we are in production as soon as possible, this could be as early as the second half of 2010.

RESOURCE DRILLING PROGRAMME

A Reverse Circulation (RC) drilling programme commenced in January with one rig to define the extent of the alaskite package to be considered in the first resource estimation. This programme is continuous with three RG rigs and two diamond rigs currently on site. By end of calendar year 2007 the strike of Anomaly A will be covered by drilling on a 100m x 100m pattern to a vertical depth of 300m.

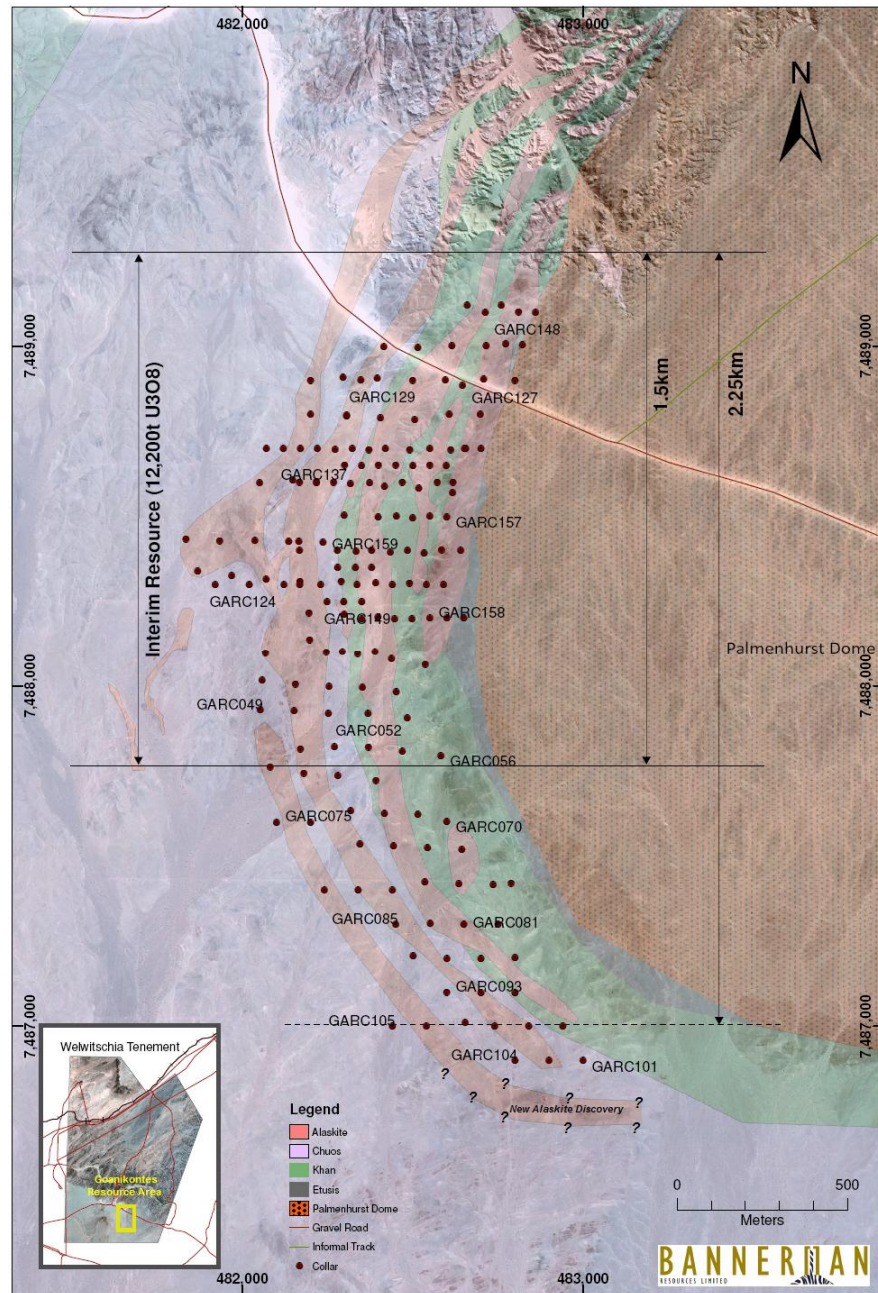
The current infill RC pattern is 100m x 50m and this drilling will continue into first quarter 2008. Under direction from Coffey Mining (RSG Global) two areas have been drilled on a 50m x 50m drill spacings to test the continuity of the alaskites in the strike and dip extension positions. This drilling was completed during the quarter.

GARC78 to GARC146, were completed and 10 holes extended for 19,447m, in the reporting period.

Results for the drilling are included in tables at the end of this report.

At the end of the reporting period the first of two diamond rigs had arrived on site and commenced the 20,000m deep drilling programme. Following the scoping study the vertical depth requirement of the resource drillout increased from 300 to 350m to 375 to 400m. This deep drilling programme has commenced and is expected to continue into 2008.

Drill Plan – Goanikontes, Anomaly A



(excludes historic drilling)

Goanikontes Anomaly A will be a large tonnage deposit similar in style to the *Rössing* mine located 30km north east of Anomaly A. The large tonnages of such deposits allow for greater flexibility in grade determination during mining as determined by economic factors at the time of production. The wide higher grade zones intercepted at Goanikontes also allows for mining options that can produce higher grades or higher tonnages to maximise revenue and net value dependant on the cost of production and uranium price at the time of mining.

PLANNED DEVELOPMENT SCHEDULE

Currently it is planned to have a final resource for the deposit by the end of 2007/early 2008. Prefeasibility shall commence immediately in early 2008 running directly into a BFS to be finalised by the end of 2008. EPCM could commence at the start of 2009 and be completed over 2 years ready for commissioning by late 2010. Ramp up to full production could be completed over a period of 8 months with full production underway by mid 2011.

EPL3346 – SWAKOP RIVER

The Swakop River licence surrounds Paladin Resources Ltd's *Langer Heinrich* Uranium mine. The project area contains an extensive palaeochannel target with uranium documented in calcretised sediments at *Elspe*. Field reconnaissance in the area has confirmed the presence of these sediments which are similar in tenor to those hosting uranium mineralisation in the adjacent Langer Heinrich palaeo-channel. This represents a well defined, immediate exploration target.

The environmental clearance was granted by the Ministry of Environment and Tourism Namibia for this licence in August following the submission by the company of an Environmental Management Plan for proposed exploration.

The first drill programme was completed in 2006 and site cleanup was completed during last reporting period.

Mapping and site investigations are underway at Swakop River with the intention to define the sampling programme for first quarter 2008.

NAMIBIAN OPERATIONS

The Company has established offices and working facilities in the Namibian coastal township of Swakopmund. The Company has employed local staff to commence and maintain exploration activities on the company's licences.

The Company has met all commitments and obligations prior to the commencement of exploration and is poised to enter the next phase of operations. The recent results have emphasised the great potential of the ground held by the company to host uranium mineralisation and the Company looks forward to the results from the interim resource estimation.

Namibia is one of Africa's more recently independent nations gaining its sovereignty in 1990 from South Africa. The country is politically stable with no civil unrest and

excellent infrastructure with an established and diverse mining industry. The country is a former German colony governed by Dutch Roman law. Active mining within Namibia has been ongoing for several decades with major mines including Tsumeb (base metals), Rössing (uranium) and Skorpion (zinc); there is also significant offshore diamond production. The Namibian government actively encourages the growth of the mining industry which is one of the key contributors to the country's economy.

POWER AND WATER

Namibia imports almost half its power from the South African power company Eskom. With the growing requirements of the South African economy, there is an increasing likelihood that NamPower will not receive its future capacity requirements.

NamPower intends to double its 400 MW generation capacity by building new transmission lines and investing in power projects outside Namibia.

Nam Power is working on the following expansion plans:

- Rehabilitation of Zimbabwe's Hwange power station to bring it back to a capacity of 480 MW by July 2008. From this, NamPower will receive 150 MW of guaranteed power for a minimum of five years.
- Plans are being finalised for an 800 MW plant Kudu gas-to-power plant in Oranjemund on the South African border. The plant is due to be operational by 2011.
- The Caprivi transmission link, a 970km line linking Windhoek with Zambia's and Zimbabwe's electricity grid at Katima Mulilo, will connect NamPower to a transmission grid that utilities in the region will sell surplus capacity. The Caprivi project is set to be completed before the end of 2009.

NamWater, Namibia's national water utility, plans to develop a desalination plant to eventually be able to produce a total of 30 Mm³ pa of desalinated water.

The new plant is to be constructed at Wlotzkasbaken, located approximately 38km north of Swakopmund on the Namibian coast. Tenders for plant construction will close by 31 March 2008, with the appointment of contractors by 30 April 2008. Construction will be over a period of 15 months with commissioning to commence on 1 August 2009.

BOTSWANA URANIUM PROJECTS (BMN 100%)

During the quarter, soil sampling was completed on the Dukwe and Serule projects with results expected next reporting period.

CORPORATE

The Company has engaged Haywood Securities to act as the Company's exclusive lead agent for an intended listing on the Toronto Stock Exchange (TSX) later this year. Haywood was co-lead agent for the initial North American financing for Paladin Resources Limited immediately prior to its listing on the TSX in April of 2005. The placement is anticipated to facilitate interest in the Company ahead of its TSX listing.

The Company has recently appointed Mr. Mike Robbins to the position of Chief Financial Officer. Mr. Robbins has over 22 years experience within the resources industry at project and corporate level. Previous positions have seen Mr. Robbins operating in Ghana, the DRC, Thailand, Malaysia, Vietnam and the Philippines. Mr. Robbins Canadian experience in roles as Chief Financial Officer for Asian Minerals Resources Ltd and as Company Secretary and Finance Manager for Moto Goldmines Ltd will be invaluable to the Company as it progresses to TSX listing.

Mr. Stephen Brockhurst resigned as Company Secretary. Lisa Wynne has accepted the position of Company Secretary. Ms Wynne is a Chartered Accountant with 7 years experience in senior financial roles. Ms Wynne specializes in the finance and administration of listed companies. Ms Wynne brings financial, corporate, legal and taxation skills to the Company.

The fully diluted capital of the Company is 149,800,017 securities.

SUMMARY

The Company is moving forward under an aggressive schedule with the intention to bring Goanikontes Anomaly A into production as early as feasible. The management of the Company is mindful of the advantages of being a producer, particularly if production can be commenced in a short period and is endeavouring to progress the Company's projects to achieve this goal.

The schedule has changed as the project has grown but benchmarks are still being met within reason. The interim resource was produced on schedule and the scoping study was delayed two weeks due to a change (increase) in the scope of the study. The drilling will not complete the extended size of the deposit by the year's end but a

resource will be calculated from the available information to allow for the commissioning of a BFS in the first quarter 2008, therefore meeting the schedule benchmark for the progress of the project. The problem is not in the timely completion of the scheduled work but the increasing work due to significant increases in the project size. Not a bad problem to have.

By meeting the essential benchmarks (commencement of BFS, decision on lead items, etc) while continuing to grow the resource ensures that the final scheduled benchmarks will experience only limited delays.

The plans of the Namibian government to resolve power and water supply issues and the timing of these resolutions removes two hurdles from the path the Company is taking in bringing this project into production.

The Company is entering an exciting phase of the development of the project with a potential TSX listing and completion of the full resource estimate for Goanikontes Anomaly A leading into a bankable feasibility study in 2008.

The management is encouraged in its progress by timely developments such as the Namibian government power and water initiatives and with the additional strike and depth extensions resulting from the intense drilling programme.

The Goanikontes project has the potential to be a major producer of uranium on the world scene. The project is ideally located close to existing uranium mines and major infrastructure within a country that has recently been rated as the 2nd best country to explore in (Resource Stocks; 2007 World Risk Survey).

Peter Batten

Managing Director

The information in this report that relates to the Exploration Results, Mineral Resources or Ore Reserves of the projects owned by Bannerman Resources Ltd is based on information compiled by Mr Peter Batten, who is a Member of The Australasian Institute of Mining and Metallurgy and 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 Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Batten consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Significant RC Drill Intercepts – Goanikontes

Hole ID	CollarPosition(m)		Downhole Depth (m)		Interval (m)	Grade U3O8 ppm
	North	East	From	To		
GARC023	7488309	482290	101	113	12	324
" "			242	272	30	303
GARC046	7487819	482370	65	151	86	208
" "		<i>including</i>	74	86	12	333
" "		<i>including</i>	115	137	22	304
GARC059	7487625	482417	134	167	33	285
" "		<i>including</i>	134	146	12	349
" "		<i>including</i>	155	167	12	378
" "			183	214	31	158
" "		<i>including</i>	183	188	5	266
GARC060	7487529	482444	97	106	9	234
" "			175	204	29	283
" "		<i>including</i>	191	204	13	428
" "			219	249	30	229
" "		<i>including</i>	227	233	6	547
GARC061	7487622	482515	128	132	4	294
" "			142	154	12	201
GARC062	7487525	482543	193	206	13	383
" "		<i>including</i>	198	206	8	531
GARC063	7487632	482318	166	172	6	318
GARC066	7487518	482644	49	59	10	164
GARC069	7487415	482736	33	54	21	255
" "		<i>including</i>	35	48	13	337
GARC070	7487602	482600	162	177	15	286
GARC073	7487599	482200	245	272	27	244
" "		<i>including</i>	245	255	10	271
" "		<i>including</i>	263	272	9	415
" "			296	300	4	371
GARC074	7488299	482168	143	166	23	519
GARC076	7487399	482440	93	142	49	149
" "		<i>including</i>	93	96	3	453
" "		<i>including</i>	101	108	7	322
GARC077	7487399	482340	250	347	97	120
GARC079	7487299	482750	80	181	101	180
" "		<i>including</i>	80	88	8	475
" "		<i>including</i>	97	110	13	227
" "		<i>including</i>	123	145	22	266
GARC081	7487299	482650	68	212	144	223
" "		<i>including</i>	108	128	20	326
" "		<i>including</i>	160	197	37	401
" "			260	267	7	486
" "			294	342	48	202
" "		<i>including</i>	326	341	15	320
GARC083	7487199	482700	62	67	5	322
" "			166	193	27	116
" "		<i>including</i>	188	193	5	309
GARC084	7488996	482515	27	32	5	380
" "			85	129	44	142
" "		<i>including</i>	85	90	5	292
" "		<i>including</i>	105	111	6	225

Hole ID	CollarPosition(m)		Downhole Depth (m)		Interval (m)	Grade U3O8
	North	East	From	To		ppm
" "		<i>including</i>	120	129	9	301
" "			222	232	10	472
GARC085	7487299	482450	128	134	6	309
" "			150	155	5	170
GARC086	7488999	482415	46	70	24	140
" "			98	113	15	167
" "			268	310	42	205
" "		<i>including</i>	268	289	21	290
GARC087	7487202	482800	48	50	2	248
" "			116	165	49	273
" "		<i>including</i>	116	125	9	487
" "			130	145	15	441
" "			243	247	4	230
GARC093	7487099	482600	252	300	48	145
" "			273	299	26	202