

ASX RELEASE
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GOANIKONTES ANOMALY A
OPERATIONAL COST REDUCTIONS

- Opex costs substantially reduced via onsite acid production
- Opex reduction of US\$3.18/lb U₃O₈ (at 26 kg/t acid consumption rate)
- Operating costs reduce to US\$22.79/lb U₃O₈ (HPGR) and US\$25.73/lb U₃O₈ (SAB)
- Capital cost increases to US\$430m (HPGR) or US\$467m (SAB)
- Capital payback period <2 years
- Additional benefit of co-generation of 14MW of power

Introduction

During the completion of the scoping study for Bannerman's Namibian project, Goanikontes Anomaly A, in September 2007 Independent Metallurgical Operations (IMO) identified a number of areas with the potential to reduce the operating costs in the proposed processing plant. The study highlighted that the cost of acid and acid consumption was the single most important component of the operational cost.

Acid Plant

Potential reductions in operating costs from the onsite production of sulphuric acid and the co-generation of power from exothermal heat produced from the burning of sulphur were the basis of a case study undertaken by IMO following the completion of the scoping study in 2007.

Any reduction in the cost of supplying sulphuric acid or in the consumption of acid in the processing flow sheet has a corresponding and significant effect on the overall project economics.

Two acid plants were considered in the study, both sulphur burning plants with co-generating power turbines; a standard plant and an enhanced heat recovery system plant (HRS). The study identified that the additional power production capable in the HRS plant did not justify the additional US\$17 million in capital cost nor the additional water used in the cooling circuits of the HRS.

The study looked at various acid consumption rates. The maximum consumption rate of 30 kg/t as used in the scoping study, a rate of 26 kg/t based upon results from subsequent leaching testwork and a lower consumption rate of 20 kg/t. Recent leaching testwork has indicated that 20kg/t is achievable and is consistent with the consumption rate at Rossing.

Capital Costs

The quoted costs for a double contact sulphur burning plant are as follows:

- Standard 1,500 tpd acid plant with turbine US\$70 million
- Acid plant with HRS and turbine US\$87 million

The quotes were supplied by a South African engineering company engaged in the construction of acid plants and confirmed by IMO's independent study.

The standard acid plant generates a net power output (excluding the power required by the acid plant itself) of 14MW and the HRS option generates 17MW.

Additional infrastructure items would be required including portside handling equipment and stockpiling, on site storage tank and EPCM costs. Capital costs would subsequently increase to US\$65.1 million and US\$82.6 million for a 26 kg/t rated standard and HRS plant respectively (Table 2).

Total capital costs would increase to US\$430 million (HPGR) and US\$467 million (SAB) for the standard acid plant option.

This additional capital cost would be paid back in less than two years given reductions in the operating costs and the additional benefits of securing a major proportion of the proposed power requirements.

Operating Costs

The difference in operating costs for both plants was negligible and only the operating cost derived for the standard acid plant was used in the processing plant operating cost comparison.

The results of the case study indicate that:

- The cost of producing acid onsite represents approximately 60% of the cost of procurement.
- An overall reduction (at 26 kg/t) of US\$3.18/lb U_3O_8 in process plant operating costs.
- This equates to a reduction of 22.8% for the HPGR and 18.9% for SAB circuits.

Table Process Plant Operating Cost – Variable Demand

Study Case	Base Case (\$US/lb U ₃ O ₈)			SAB Option (\$US/lb U ₃ O ₈)		
Acid Consumption Rate (kg/t)	20.0	26.0	30.0	20.0	26.0	30.0
Acid Procurement Cost	6.03	7.84	9.05	6.03	7.84	9.05
Site Power – Acid Procurement	0.33	0.33	0.33	0.85	0.85	0.85
A. Total Cost – Acid Procurement	6.36	8.17	9.38	6.88	8.69	9.91
Acid Production Cost	3.85	4.90	5.59	3.85	4.90	5.59
Site Power – Acid Production	0.16	0.09	0.04	0.66	0.59	0.56
B. Total Cost – Acid Production	4.01	4.99	5.64	4.51	5.49	6.16
Net Impact (A – B)	2.35	3.18	3.74	2.37	3.20	3.75
Process Plant – Acid Procurement	12.14	13.95	15.16	15.12	16.93	18.14
Process Plant – Acid Production	9.79	10.77	11.42	12.75	13.73	14.39
% Reduction	19.4	22.8	24.7	15.7	18.9	20.7

Summary

The Goanikontes Anomaly A 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).

The Scoping Study has outlined the potential for an economic and robust project. The case study for on site acid production is part of the ongoing work that is refining the details for the project economics in areas identified from the Scoping Study with the potential to reduce the operating costs in the proposed processing plant.

On site acid production not only reduces the project costs but includes the security of supply against third party acid procurement and produces a significant component of the overall project power requirements.

Further improvements to the operating costs may be achievable and the work required to assess these improvements will be included within the scope of the Bankable Feasibility Study scheduled to commence in February 2008.

Bannerman is continuing to progress the project towards development in line with the schedule. A resource update for Goanikontes Anomaly A will be completed in January. Drilling is continuing onsite with five rigs and a final resource estimation will be completed following receipt of final drilling data in March.

ENDS

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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" and as a Qualified Person for purposes of National Instrument 43-101 of the Canadian Securities Administrators.. 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.

IMO Pty Ltd has reviewed this report and considers that comments made with respect to the scoping study and metallurgical testwork undertaken to date are accurate.