

ASX RELEASE

29th January 2008

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 31st December, 2007

HIGHLIGHTS

- **ACID PLANT CASE STUDY COMPLETED**
The results of a detailed study into the economic viability of a sulphur burning acid plant at Goanikontes Anomaly A uranium Project have shown improved project economics and value. Co-generation of up to 70% of power requirements an added benefit.
- **ACID LEACH TEST COMPLETED**
Acid leach testing shows greatly improved acid consumption rates and a maintained 90% recovery. The operating expenses were reduced in line with the improved rates.
- **BANNERMAN LISTS ON TSX**
Bannerman listed on the Toronto Stock Exchange (BAN:TSX) in November.
- **EARLY SUCCESS AT ROSSINGBURG**
The first results from exploration outside the Anomaly A project show uranium anomalism over 4 kilometres at Rossingburg prospect and 3 kilometres at Ombuga South.
- **RESOURCE UPDATE COMMENCED**
Coffey Partners commenced modelling of all drilling information available at mid December. Resource update to be completed shortly.

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 – Welwitschia) similar to the Rössing mine 30 kilometres northeast of the licence and in a secondary oxide setting (EPL3346 – Swakop River) similar to the Langer Heinrich mine that is surrounded by EPL3346.

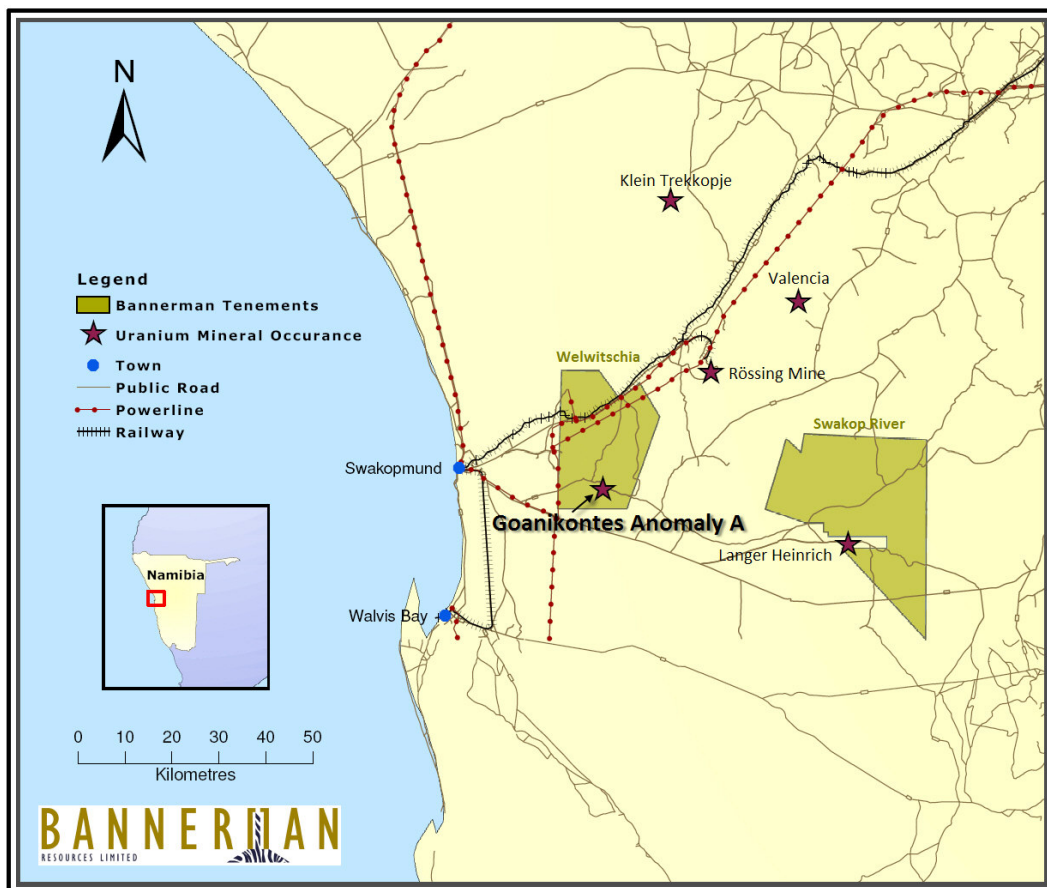


Figure 1: Namibian Location Diagram

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 of the same year.

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 87 holes for 25,358m in the quarter bringing the total number of RC holes drilled at the project to 234 holes for 60,130m.

The RC drilling programme is completing an infill 100m x 50m pattern. An extended depth diamond drilling programme, to a vertical depth of 400m, commenced in the quarter. The diamond programme did not commence until late October and has completed 8 holes for 3,443m bringing the calendar year total to 22 holes for a total of 7,450m.

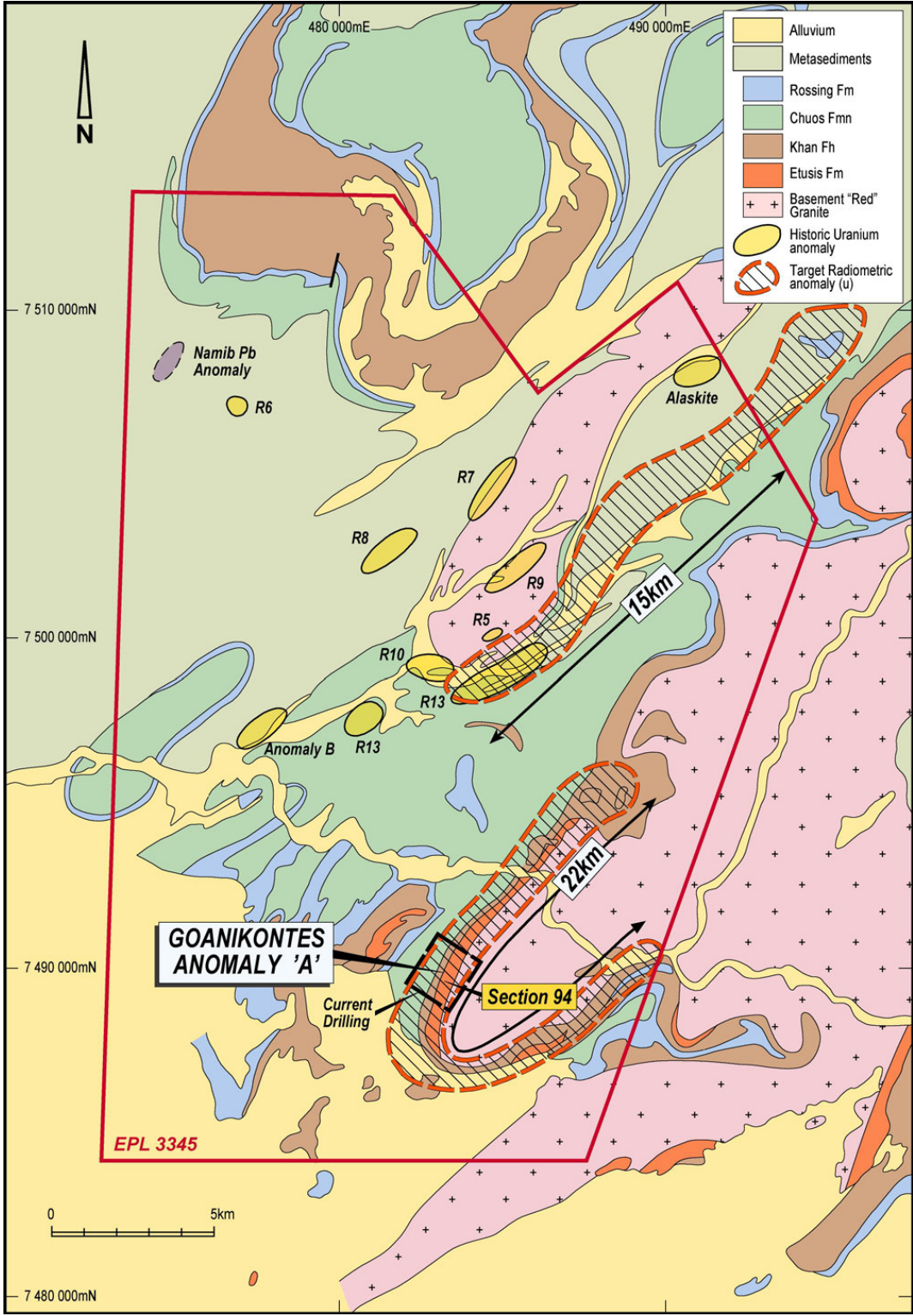
EPL3345 – WELWITSCHIA

This licence has twelve uranium anomalies, the Rossingburg 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) U₃O₈ contained within 55Mt at a grade of 219ppm (0.022%) U₃O₈. The resource contains a higher grade core of 21Mt at 308ppm (0.031%) U₃O₈. The resource was estimated using the validated historical data in addition to data derived from the Company's own drilling (only that completed in Q1 2007) and has been estimated to an average depth of 80 metres over a 1.5 km strike length at Anomaly A.

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 of 400 vertical metres.

Drilling will continue into 2008 testing the vertical and strike extents of the deposit with the aim towards expanding the resource.

SCOPING STUDY

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

Scoping Study surmised;

- 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 ~2,500tpa (5.5Mlb)
- Maximum target production is ~4,000tpa (8.8Mlb) for early years of production
- Capital Costs of <US\$400M are low relative to potential free cash flows
- Target commissioning by mid 2011

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.

Owner/operator mining fleet is an option that will be investigated as part of the Bankable Feasibility Study (BFS).

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.

Pre-feasibility

The Scoping Study identified reagents as the largest individual cost in the processing economics and in particular sulphuric acid.

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.

Subsequent to the Scoping Study two additional studies have been completed.

Acid Consumption

Leach and comminution testing was undertaken in the Scoping Study on a bulk sample of RC drilling chips. IMO noted that the RC chips tested were of a fineness that has likely led to an over-estimation of acid consumption per tonne of material processed. The calculated figure used in base-case scenarios in the Scoping Study was 30kg/t. Further testwork has further reduced this figure.

Leach testing was repeated using coarser fractions of RC chip samples and some drillcore material. This testwork has reduced the acid consumption indicated in the Scoping Study (30kg/t) by more than 13% to 26kg/t. Encouragingly the testing completed on the core produced acid consumption levels 33% to 50% lower than the Scoping Study. These results from the drillcore testing closely approximate acid consumption levels published for the Rössing mine.

The leach testing completed indicates a reduction in the project acid consumption with a reduction in the Opex of US\$1.21 - US\$1.44/lb.

Indications from the leach testing completed on the drillcore sample could further reduce the acid component of the Opex by US\$1.85 - US\$4.11/lb. The final acid consumption rate and any reduction in operating costs will be confirmed by work currently in progress.

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.

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 Rössing.

The study showed that 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.

Total capital costs including a standard acid plant would increase to US\$430 million (HPGR) and US\$467 million (SAB) for the standard acid plant option and would provide an overall reduction (at 26 kg/t) of US\$3.18/lb U₃O₈ in process plant operating 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%. These costs have been revised twice due to the subsequent studies completed after the Scoping Study.

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

The operating cost component for open cut mining, based on contract mining is US\$12/lb. With the improvements in the processing costs the operating costs (mining and processing) reduce to US\$22.79/lb U₃O₈ (HPGR) and US\$25.73/lb U₃O₈ (SAB).

RESOURCE DRILLING PROGRAMME

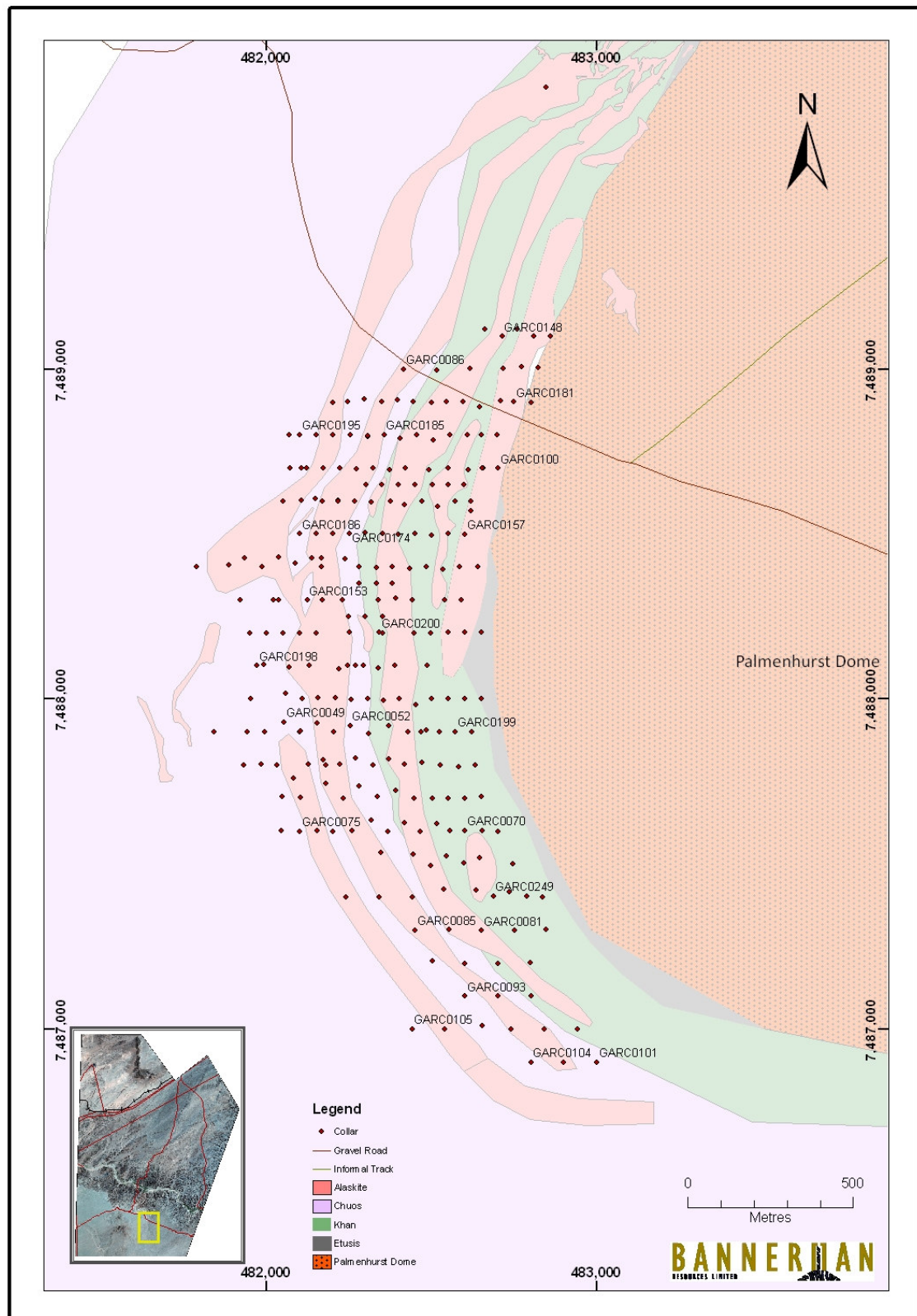
A Reverse Circulation (RC) drilling programme commenced in January with one rig to define the extent of the alaskite package to be considered in the first resource estimation. The deeper drilling programme commenced during the quarter with the arrival of the first diamond coring rig in late October. This resource drilling programme is continuous with three RC rigs and two diamond rigs currently on site.

The first pass drilling pattern of 100m x 100m was completed during the quarter. The current infill resource drilling 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 spacing to test the continuity of the alaskites in the strike and dip extension positions.

During the quarter the programme completed GARC147 – GARC234, 87 RC holes, for 25,358m and GOADH0024 – GOADH0031, 8 diamond core holes for 3,443m.

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

Figure 3: 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.

EXPANDED EXPLORATION

As resource drilling is completed the RC rigs will be made available for the Company's exploration programmes.

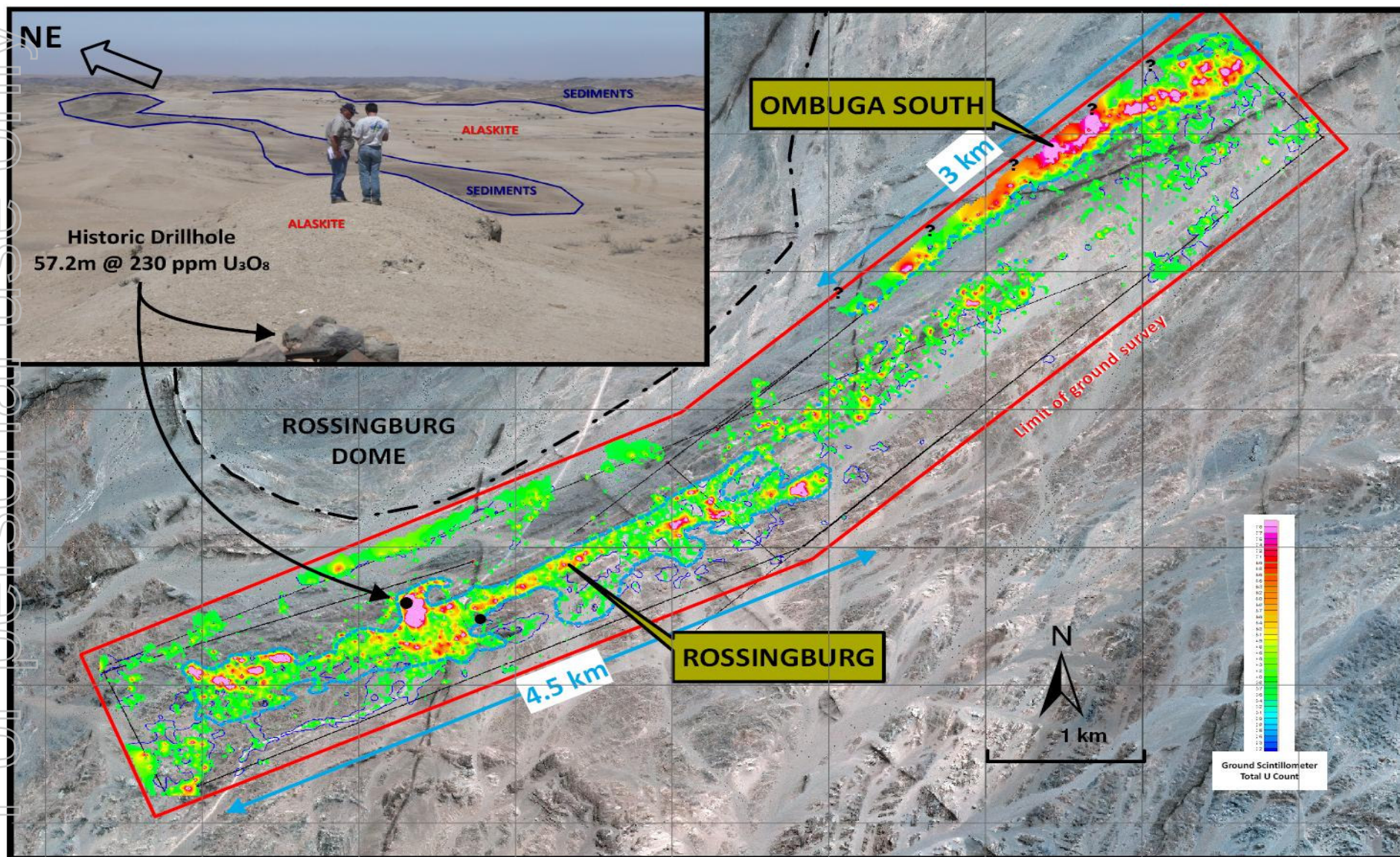
During the quarter the Company completed its first detailed ground radiometric survey over the southern portion of the 15 kilometre long airborne radiometric anomaly adjacent to the Rossingburg Dome. This survey was conducted by geophysical consultants using a DGPS controlled full spectral logging tool that measures the energy bands for Uranium Thorium, Potassium and Total Counts.

A nine kilometre long area at the Rossingburg Dome nose was selected for the survey. The area was identified in 2006 from regional aerial radiometrics as anomalous. Drilling by Rio Tinto in the 1970s completed 3 holes in the area. Recent field inspections have located two of these holes (see Figure 2) one of which intersected uranium mineralisation from surface with the intercept being 57.2m at a grade of 230 ppm U_3O_8 .

The ground radiometric survey has located a 4.5 kilometre strike anomaly in the area of the Rossingburg prospect with a proximal extension extending up to 6 kilometres. This is significantly larger than previously estimated from the regional airborne radiometric data.

On the northern boundary of the survey area, a particularly strong uranium anomalism was encountered at the Ombuga South prospect over a 3 kilometre long strike (Figure 4).

Figure 4: Area of Detailed Ground Radiometric Survey



PLANNED DEVELOPMENT SCHEDULE

The Company anticipates it will have a resource update for the deposit shortly. Feasibility work has been ongoing since the completion of the Scoping Study with further acid leach work and a case study into an on site acid production facility. In addition, the Environmental Impact Assessment (EIA) was commenced during the quarter and the Company is compiling core samples for further definitive leach test work and comminution trials.

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 that 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 were completed during the quarter at Swakop River and an exploration programme is planned 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 400 MW plant Kudu gas-to-power plant in Oranjemund on the South African border. The plant is due to be operational after 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.

It is important to note that with the onsite production of sulphuric acid the Company can produce approximately 70% of its own power requirements and as such its reliance on power from Nampower would be greatly reduced.

NamWater, Namibia's national water utility, plans to develop a desalination plant to eventually be able to produce a total of 25 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%)

Soil sampling was completed in the September quarter on the Dukwe and Serule projects.

The sampling was on a broad grid of 1000m x 200m across the major calcrete sediment areas within the Company's licences. At Dukwe 2755 samples were taken in the survey and 1620 samples for Serule.

Results are still outstanding following difficulties in the laboratory and further delays in processing the samples. Results are expected in the next reporting period.

CORPORATE

The Toronto Stock Exchange ("TSX") approved the listing of Bannerman's ordinary shares on Monday 19th November 2007.

Bannerman will maintain its existing listing on the Australian Stock Exchange (ASX) as its primary listing. The stock symbol for Bannerman's ordinary shares on the TSX is BAN (ASX: BMN).

The fully diluted capital of the Company is 154,387,536 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 drilling will enable a final resource to be calculated and allow for the commissioning of a BFS. 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.

The plans of the Namibian government to resolve power and water supply issues and the timing of these resolutions ,coupled with the Company's own initiatives with respect to the co-generation of power, reduces the risks involved with these two key issues as the Company goes forward towards production.

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

The management is encouraged in its progress by the support of the Namibian government 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

For further information please contact:

Peter Batten - Managing Director
Bannerman Resources Limited
Ph: +61 8 9381 1436
E: peter@bannermanresources.com.au

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.

Recent Significant RC Drill Intercepts – Goanikontes

Hole ID	CollarPosition(m)		Downhole Depth (m)		Interval (m)	Grade U3O8 ppm
	North	East	From	To		
GARC096	7488309	482290	147	157	10	237
" "			203	213	10	298
" "			281	305	24	249
GARC099	7486999	482740	161	193	32	234
" "			252	269	17	324
GARC104	7486900	482800	54	79	25	235
GARC110	7488700	482652	39	44	5	643
GARC111	7488700	482220	319	362	43	213
GARC112	7488700	482550	20	31	11	679
GARC116	7488700	482322	133	205	72	201
GARC117	7488650	482598	32	57	25	326
GARC119	7488650	482550	66	79	13	609
GARC121	7488600	482572	72	82	10	337
GARC122	7488650	482501	38	57	19	285
GARC123	7488600	482470	29	66	37	385
GARC125	7488650	482450	217	241	24	236
GARC128	7488650	482399	107	162	55	372
GARC130	7488600	482267	132	171	39	244
" "			310	350	40	246
GARC131	7488100	482389	41	60	19	330
" "			186	214	28	218
GARC136	7488350	482380	108	132	24	436
" "			180	202	22	432
GARC137	7488650	482300	301	360	59	229
GARC142	7488350	482280	68	88	20	492
" "			331	343	12	362
GARC143	7488300	482440	103	124	21	370
GARC144	7488300	482337	290	319	29	213
GARC146	7489100	482810	27	48	21	450
GARC159	7488401	482380	85	101	16	529
GARC160	7488200	482447	82	131	49	382
GARC162	7488500	482550	9	23	14	376
GARC163	7488200	482350	142	235	93	316
GARC164	7488500	482450	180	201	21	222
GARC167	7488500	482350	186	231	45	324
GARC170	7488200	482100	46	99	53	203
GARC172	7488200	482050	22	44	22	236
GARC182	7488800	482455	128	147	19	442
GARC183	7488900	482545	47	76	29	219
" "			163	191	28	331
GARC184	7488900	482445	29	65	36	247
" "			225	251	26	246
GARC185	7488800	482355	55	90	35	279