

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2009

Highlights

- Significant expansion of the Etango Uranium Project mineral resource estimate including a 21% increase in **Measured & Indicated Resources to 107.7Mlbs U₃O₈** at an average grade of 208ppm U₃O₈, and a 40% increase in **Inferred Resources to 52.4Mlbs U₃O₈** at an average grade of 197ppm U₃O₈. For the first time, the resource estimate includes Measured category resources of 2.0Mlbs U₃O₈. Approximately **two thirds** of the total resource estimate is located **within 200 metres of surface**. All mineral resource estimates are reported at a cut-off grade of 100ppm U₃O₈.
- The Etango Project preliminary feasibility study ("PFS") has been further advanced focusing upon an open pit mining and heap leach processing operation for the production of **5-7Mlbs per year** of U₃O₈ over an approximate **15 year mine life**. The PFS has to date been based on the February 2009 mineral resource estimate.
- New favourable results from larger scale heap leach column testwork and flotation beneficiation testwork were received following the end of the quarter. These results have the potential to materially influence the ultimate choice of preferred processing route and the scale of the plant concerned. Consequently, the PFS timetable has been extended to fully investigate the impact of these developments. The PFS will now also incorporate the latest July 2009 mineral resource estimate.
- Resource definition drilling at Oshiveli and Onkelo to the north of Anomaly A confirmed the extension of **multiple broad zones of mineralisation generally close to or directly from surface**. Mineralisation remains open between the resource areas and at depth. Further infill and extensional drilling is presently underway.
- Recent geophysical and structural geological work has identified a number of **key exploration targets** to be tested on the Etango exclusive prospecting licence.
- Successful completion of an **equity placement for gross proceeds of A\$30 million** to Australian and foreign institutional and mining investors, as well as a **Share Purchase Plan offered** to eligible shareholders **for proceeds of A\$7.5 million**.
- Cash reserves as at 30 June 2009 of **A\$37.6 million**.
- **Changes made to the Board** following the end of the quarter reflecting Bannerman's continued evolution to a development company.

L Jubber
Chief Executive Officer
31 July 2009

FEASIBILITY STUDY

Overview

During the quarter, the preliminary feasibility study ("PFS") on the Etango Uranium Project advanced to the point where an operation with conventional open pit mining and heap leach processing using an on/off pad was identified as the preferred option for development of a 5-7Mlb U_3O_8 per annum project.

However, in July, Bannerman received the results of further (larger sized) heap leach column tests as well as preliminary flotation tests:

- (i) **Heap leach testwork** – The scale and cost of the modelled heap leach operation, including continuous stacking and reclaiming equipment, is sensitive to acid leach kinetics and, accordingly, Bannerman is currently undertaking an extensive and systematic metallurgical testwork program. Favourable heap leach test results received from larger sized column tests (4 metre high by 190mm diameter) have indicated faster leach kinetics than achieved in previous smaller scale testing which has formed the basis of the PFS to date. If confirmed, faster leaching times would be expected to improve operating flexibility and potentially enhance project economics. Bannerman is now drilling to obtain a 15-20 tonne bulk metallurgical sample for further larger scale heap leach column testwork to enable confirmation of the design and costs of the modelled heap leach operation to a greater confidence level.
- (ii) **Flotation testwork** - Beneficiation testing has returned positive preliminary flotation test results which have the potential to impact materially on the choice of processing flowsheet. Beneficiation through flotation methods is universally understood and successfully applied in mineral processing operations globally. Initial laboratory testwork has been sufficiently encouraging to require follow up. If confirmed to be technically and commercially viable, an agitated tank leach process flowsheet including a flotation circuit delivering a low mass pull concentrate would potentially be a lower cost and risk alternative to heap leaching.

Further, the PFS has to date been based on the February 2009 Etango Project mineral resource estimate. However, Bannerman recently announced a substantial increase in mineral resources (refer Bannerman's news release dated 20 July 2009) following an increase in the Oshiveli resource estimate and inclusion of the inaugural estimate for the adjacent Onkelo deposit. The combined resource strike length now totals 5km with approximately two thirds of the resource located within 200 metres of the surface. The inclusion into the PFS of additional near-surface material at the Oshiveli and Onkelo deposits in the initial years of mining may have the advantage of reducing the waste to ore strip ratio thereby lowering unit operating costs.

As a consequence of the above positive events, and after detailed consultation with the study team, the Board decided to investigate the impact of the above activities prior to finalising and releasing the PFS results. The next round of flotation testwork is expected to take approximately 3-4 months, such that during the December 2009 quarter a more robust understanding should be gained of the preferred processing route.

Updated Mineral Resource

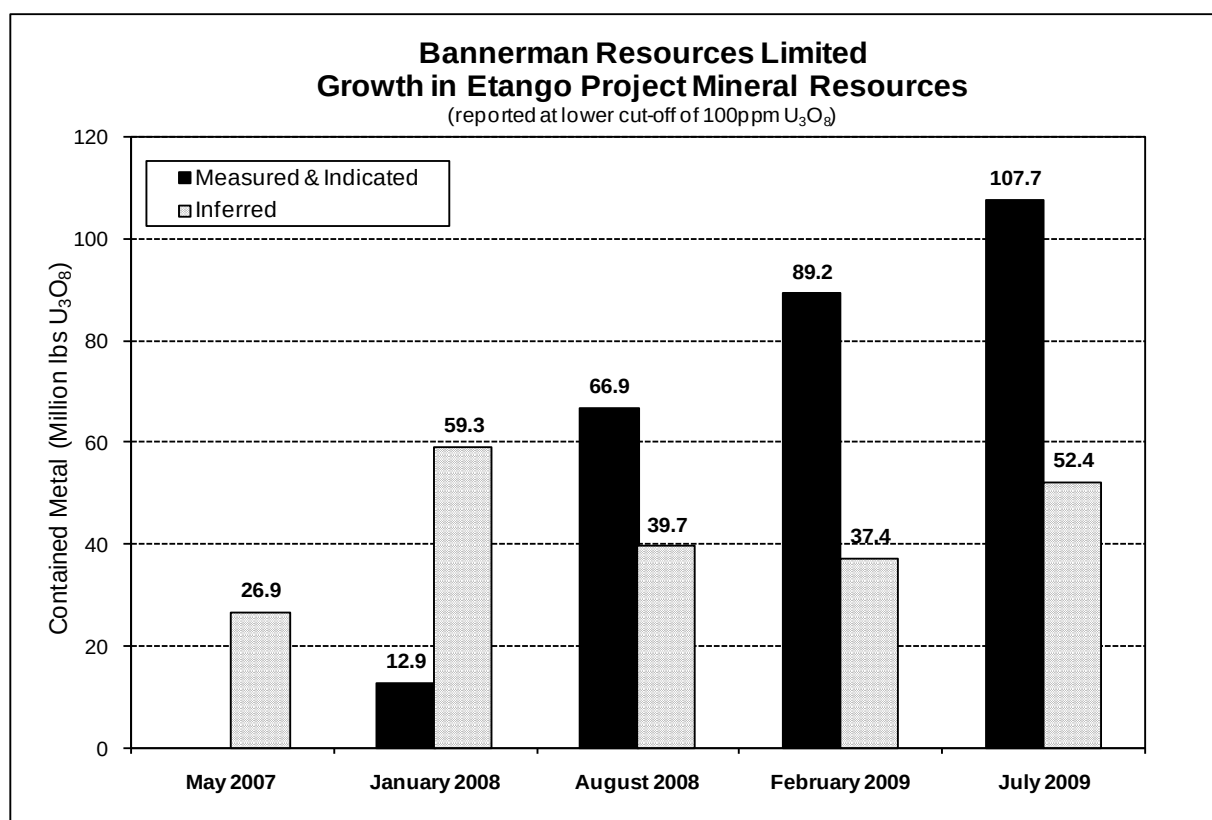
Following the end of the quarter, Bannerman released an updated mineral resource estimate for the Etango Project, comprising the Anomaly A and adjacent Oshiveli and Onkelo areas. The July 2009 mineral resource estimate, reported at a cut-off grade of 100 parts per million ("ppm") U_3O_8 , represents a 26% increase in the contained uranium content compared with the previous February 2009 estimate. Indicated Resources increased 18% to 105.7Mlbs U_3O_8 and Inferred Resources increased 40% to 52.4Mlbs U_3O_8 . For the first time, part of the resource estimate is within the Measured category which currently totals 2.0Mlbs U_3O_8 .

The updated July 2009 mineral resource estimate is summarised on the following page at a range of cut-off grades and by each area within the Etango Project area.

The updated mineral resource estimate was prepared for Bannerman in accordance with the Australian JORC Code guidelines and Canadian National Instrument 43-101 by Coffey Mining Pty Ltd, an independent geological consultant to Bannerman.

For the first time, the Etango Project mineral resource estimate includes the Onkelo deposit which is located immediately along strike to the north of the Oshiveli deposit.

Bannerman has now completed five resource estimates on approximate half-year intervals since commencing drilling activities at the Etango Project in late 2006. These estimates are depicted in the chart below and demonstrate the growth potential of the Etango Project's resources.



Updated Mineral Resource Estimate by Cut-off Grade – July 2009

(Reported at selected cut-off grades)

Cut-off Grade (ppm U ₃ O ₈)	MEASURED RESOURCES				INDICATED RESOURCES				INFERRED RESOURCES			
	Tonnes (Mt)	Grade (ppm U ₃ O ₈)	Contained U ₃ O ₈		Tonnes (Mt)	Grade (ppm U ₃ O ₈)	Contained U ₃ O ₈		Tonnes (Mt)	Grade (ppm U ₃ O ₈)	Contained U ₃ O ₈	
			(Tonnes)	(Mlbs)			(Tonnes)	(Mlbs)			(Tonnes)	(Mlbs)
100	3.8	240	900	2.0	231.2	207	47,900	105.7	120.7	197	23,800	52.4
150	3.5	249	900	1.9	173.3	234	40,600	89.4	89.7	221	19,800	43.6
200	2.7	269	700	1.6	103.0	275	28,300	62.3	50.2	257	12,900	28.4

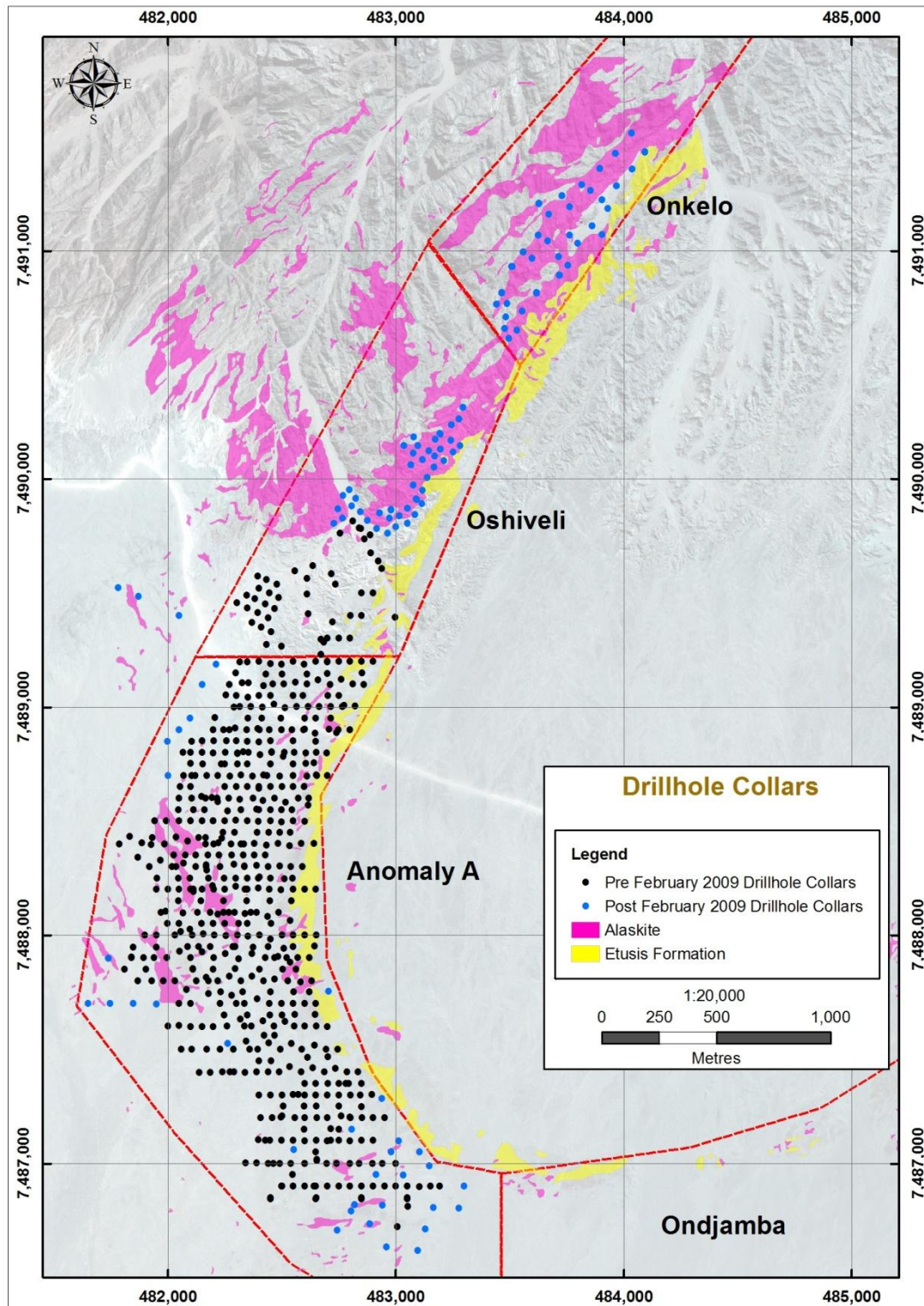
Updated Mineral Resource Estimate by Deposit – July 2009

(Reported at a cut-off of 100ppm U₃O₈)

Etango Project Area	MEASURED RESOURCES			INDICATED RESOURCES			INFERRED RESOURCES		
	Tonnes (Mt)	Grade (ppm U ₃ O ₈)	Contained U ₃ O ₈	Tonnes (Mt)	Grade (ppm U ₃ O ₈)	Contained U ₃ O ₈	Tonnes (Mt)	Grade (ppm U ₃ O ₈)	Contained U ₃ O ₈
			(Mlbs)			(Mlbs)			(Mlbs)
Anomaly A	3.8	240	2.0	202.5	209	93.3	54.2	200	23.9
Oshiveli	-	-	-	28.7	196	12.4	19.6	193	8.3
Onkelo	-	-	-	-	-	-	47.0	195	20.2
Total	3.8	240	2.0	231.2	207	105.7	120.8	197	52.4

Note: Figures may not add due to rounding; bulk density of 2.63t/m³; Ordinary Kriged estimate based on cut 3m (Anomaly A and Oshiveli) and 2m (Onkelo) U₃O₈ composites; Block dimensions of 25mNS x 25mEW x 10mRL (Anomaly A and Oshiveli) and 50mY x 30mX x 10mRL (Onkelo).

The plan below shows the drilling completed to date within each of the Anomaly A, Oshiveli and Onkelo areas. Drilling completed since the previous mineral resource estimate in February 2009 is highlighted in blue.



The drillhole database used in the July 2009 resource estimate comprises a total of approximately 200,000 metres in 685 reverse circulation (RC) and 72 diamond drillholes. The strike length of the resource model boundaries now totals approximately 5km.

Resource Drilling

Drilling during the quarter focused upon resource definition activities in the Oshiveli and Onkelo areas to the north of Anomaly A. Since the February 2009 resource update for the Etango Project and up to the end of the quarter, Bannerman completed 70 RC drillholes for 15,725 metres at Oshiveli and 64 RC drillholes for 13,796 metres at Onkelo.

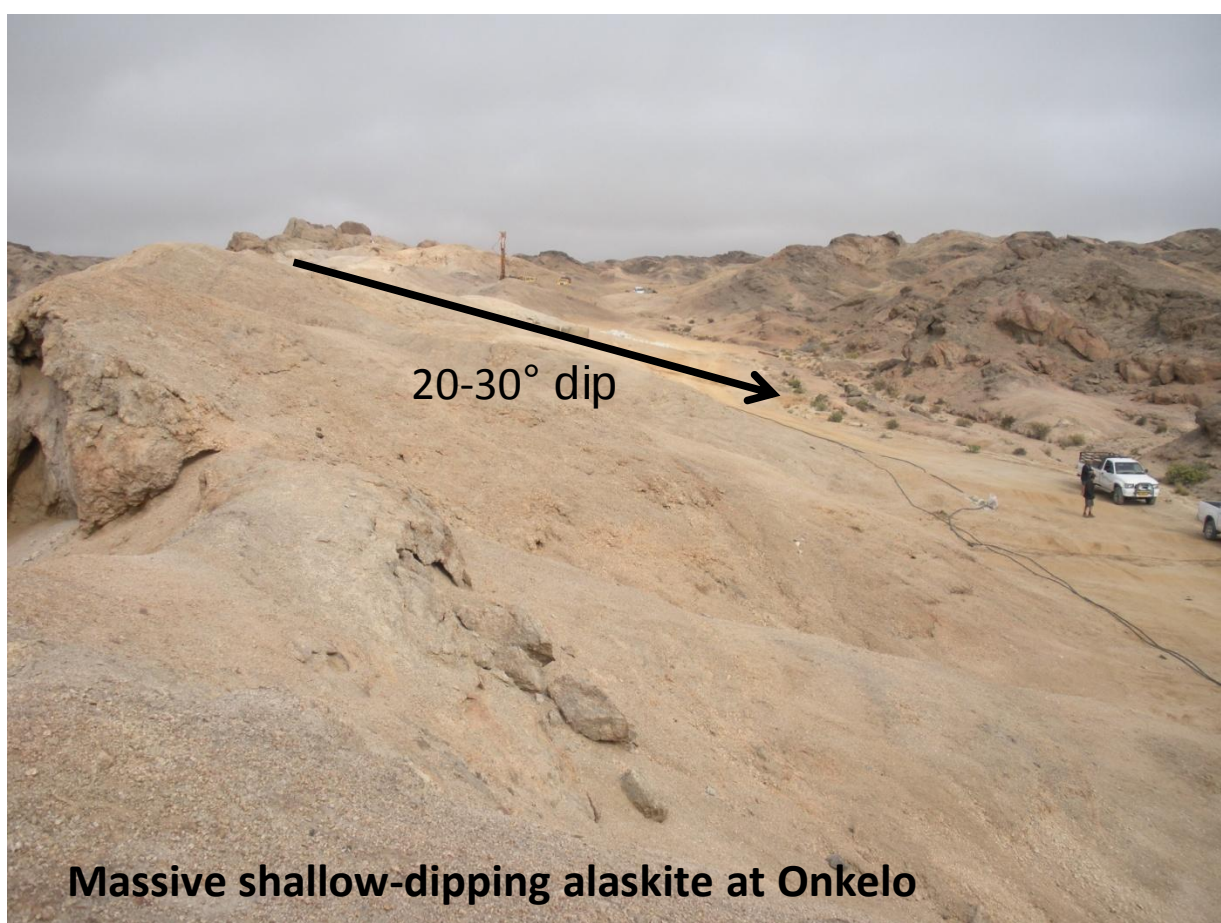
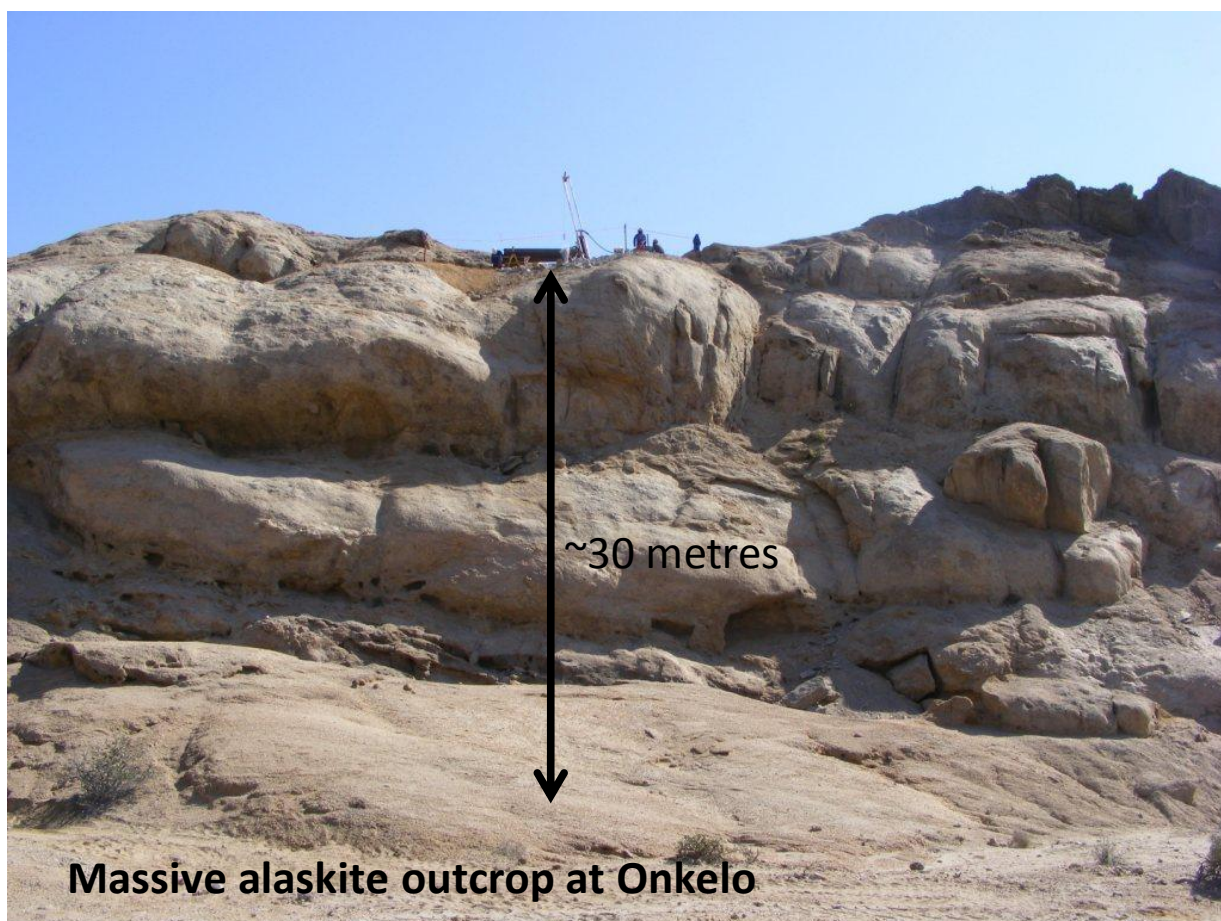
Chemical assay results from the drilling have confirmed extensions of multiple broad zones generally close to or directly from surface. Significant results reported during the quarter include:

Deposit	Drillhole ID	Downhole Interval (m)	Grade (ppm U ₃ O ₈)	From Depth (m downhole)
Oshiveli	GSHRC0050	36	239	85
Oshiveli	GSHRC0052	22	332	15
Oshiveli	GSHRC0057	32	260	28
Oshiveli	GSHRC0060	77	314	19
Oshiveli	GSHRC0061	43	514	148
Oshiveli	GSHRC0063	53	205	32
Oshiveli	GSHRC0064	23	247	Surface
Oshiveli	GSHRC0071	45	259	77
Oshiveli	GSHRC0072	23	347	84
Oshiveli	GSHRC0075	27	260	72
Oshiveli	GSHRC0076	21	248	55
Oshiveli	GSHRC0083	103	237	12
		<i>Including 21</i>	526	41
Oshiveli	GSHRC0089	13	279	32
Oshiveli	GSHRC0090	20	348	11
Oshiveli	GSHRC0093	12	286	15
Onkelo	GNKRC0046	27	350	175
Onkelo	GNKRC0049	57	325	120
Onkelo	GNKRC0051	42	451	66
Onkelo	GNKRC0053	11	413	93

Previous drilling at Oshiveli and Onkelo identified multiple broad mineralised zones close to or directly from surface within the host alaskite bodies. The assays returned from the drilling undertaken at both areas during the quarter have confirmed the extension of these multiple broad mineralised zones. Oshiveli and Onkelo are interpreted to be a 3 km northern extension of the deposit (refer previous drilling location plan).

Mineralisation remains open between the two resource areas and also at depth. Accordingly, resource extension drilling is continuing at both areas and further results will be reported as they become available. Two RC drilling rigs and two diamond drilling rigs are presently operating at Oshiveli and Onkelo with the aim of further extending the known mineralised zones along strike and down dip.

Only some of the reported drilling results from these areas were incorporated into the July 2009 resource update for the Etango Project. Results which fell outside of the drilling database cut-off date for the July 2009 estimate will be included in the next resource update, expected in late 2009 or early 2010.



Metallurgical Testwork

Comminution

For a heap leach processing route, two viable comminution options have been identified. They are (1) three stage conventional crushing and (2) two stage conventional crushing with a high pressure grinding roll ("HPGR") for the third stage.

During the quarter, heap leach testwork on samples derived from open circuit HPGR crushing testwork was completed with results demonstrating that the relatively fine particle size distribution allows higher extraction in shorter retention times with lower acid consumption than is the case for conventional cone crushers. The results of follow-on closed circuit testwork are being incorporated into the PFS.

Heap Leach

Heap leaching is currently the preferred processing route for the Etango Project. Following bottle roll testwork completed in the previous quarter, small-scale heap leach column tests using 1 metre high by 103mm diameter columns produced similar encouraging results to the preceding bottle roll tests. These results formed the basis of the process design to date.

Larger scale testwork utilising 4 metre high by 190mm diameter columns was undertaken during the quarter. Initial results received in July indicated potentially significant improvements in leach kinetics (less time and acid consumption to achieve given recovery levels) compared with the smaller scale tests.

As a result, the PFS may need to be amended as the leaching rate is the key determinant of the size of the heap leach pad, the scale of the required stacking and reclaiming equipment and the use and therefore total cost of acid. Drilling is already underway for a larger 15-20 tonne bulk sample from various locations within the deposit planned for use in larger scale column tests (1.2 metre diameter and up to 7 metres high).

Agglomeration and percolation testing on fines material has also commenced to test a range of binders and acid pre-treatment rates, all relevant to the optimisation of the heap leaching process.

Agitated Leach

Testing of standard whole-of-ore agitated tank leaching was completed in 2008. Beneficiation testwork, including gravity separation and flotation, to evaluate the viability of generating a high grade uranium concentrate commenced earlier this year at a range of fine grind sizes.

Recently returned positive preliminary flotation test results have, as highlighted previously, the potential to impact materially on the choice of processing flowsheet. If concentration by way of flotation methods is confirmed to be technically and commercially viable, an agitated tank leach process flowsheet incorporating a flotation circuit could be expected to deliver a low mass pull concentrate which would potentially give rise to lower operating risks and costs. Operating costs would be lower as leaching of a high grade float concentrate would consume significantly less sulphuric acid, the cost of which accounts for a significant proportion of the total processing cost. Also, the logistics of transporting acid into the operation would be simplified.

Mine Design

Pit outlines and mineable resources have been delineated based on the February 2009 resource estimate. Detailed pit designs, including the incorporation of mining infrastructure, were provided to mine contracting firms with Southern African experience for the purposes of seeking contract mining quotes. Concurrently, Bannerman and its mining consultants have undertaken studies to determine a range of estimated mining costs assuming an owner-mining scenario. A number of opportunities are being followed up, including the use of diesel/electrical trolley-assisted haul trucks as currently used at the nearby Rössing open pit mining operation.

The results of geotechnical drilling programs and hydro-geological studies were incorporated into the PFS mine design following review with the respective consultants.

Sterilisation drilling is still underway where the proposed waste dumps, heap leach residue pads and processing plant are planned to be located.

Infrastructure and Utilities

Discussions have continued with the Namibian water utility, NamWater, regarding process water supplies and infrastructure requirements for water delivery to site. Information for the PFS regarding volumes and prices has been gathered for further review.

Discussions are also continuing with the Namibian power utility, NamPower, for the required power infrastructure and supply to the Etango site.

Further meetings have also been held with the Namibian Government and road and rail transport providers regarding infrastructure requirements and potential arrangements for delivery of consumables and other supplies to the Etango Project site during the construction and operating phases.

Environmental and Social Impact Assessment

The Environmental and Social Impact Assessment ("ESIA") progressed in the quarter with the focus upon various baseline studies and on stakeholder and Government briefings. Following the briefings, a number of modifications were made to the proposed site layout plans. An internationally recognised environmental consultancy has been engaged to assist with completing the impact assessment studies and compilation of the environmental and social management plans.

Mining Licence Application

Bannerman currently plans to submit an application for the Etango Project mining licence prior to the end of the year.

EXPLORATION

Etango Project (Bannerman 80%)

The Etango Uranium Project area lies wholly within Exclusive Prospecting Licence ("EPL") 3345 which covers an area of approximately 500 km².

Exploration activities are being stepped up both near to the Etango Project site and regionally, with structural and geophysical work undertaken during the quarter having highlighted key targets to be drill tested with the existing contracted drilling rigs in the next few months.

The Namibian Ministry of Mines and Energy on 20 May 2009 granted the formal renewal of the Etango Project EPL 3345 for an additional two year period, expiring 26 April 2011.

The Etango Project EPL is wholly-owned by Bannerman's 80% subsidiary, Bannerman Mining Resources (Namibia) (Pty) Ltd.

Swakop River Project (Bannerman 80%)

The Swakop River licence covers an area of approximately 800 km² and contains extensive paleo-channel targets with uranium mineralisation in calcretised sediments. These calcretised sediments are similar to those hosting uranium mineralisation in the adjacent Langer Heinrich paleo-channel.

During the quarter, assay results for the 900 metres of reconnaissance exploration drilling in the Bloedkoppie paleo-channel undertaken in the March quarter were received. The paleo-channel was shallower than indicated by an electro-magnetic survey and the results indicated that the calcretes in this particular area are poorly mineralised. Further surface geophysical work is scheduled for the September and December quarters to enable delineation of exploration targets.

The application for the statutory two-year renewal of the Swakop River EPL (EPL 3346) was filed early in the year in accordance with the stipulated renewal application timeframes and in conjunction with the renewal application for EPL 3345. Following recent correspondence with Ministry personnel, renewal of this title is expected in due course. The Swakop River EPL is wholly-owned by Bannerman's 80% subsidiary, Bannerman Mining Resources (Namibia) (Pty) Ltd.

Botswana Project (Bannerman 100%)

Bannerman controls three Prospecting Licences (131/2005 to 133/2005) for uranium, precious metals, base metals and platinum group minerals in Botswana. These licences are referred to as the *Serule South*, *Serule North* and *Dukwe* Licences and are located in the Foley and Sua Pan regions in Botswana. The tenements cover an area of 2,308km².

Formal approvals of the renewal applications for the project tenements were received in March. Assay results from the preliminary drilling program completed in the December 2008 quarter were received during the quarter and did not indicate targets for follow-up within the explored areas. Bannerman is reviewing the next phase of exploration on the titles.

Board Changes

Following the end of the quarter, Bannerman announced changes to its Board reflecting the continued evolution from an exploration company to its current focus on the feasibility assessment and ultimate development of the Etango Uranium Project.

Mr Ronnie Beevor has been appointed as a non-executive director, and will also become Chairman of the Company's Audit Committee. Mr Beevor is an investment banker having been Head of Investment Banking at NM Rothschild & Sons (Australia) Limited between 1997 and 2002. He has had an extensive involvement in the natural resources industry, both in Australia and internationally. Mr Beevor was formerly a non-executive director of ASX-listed Oxiana Limited which successfully developed the Sepon gold-copper project in Laos as well as the Prominent Hill copper-gold project in South Australia. Mr Beevor holds directorships in a number of other private, ASX-listed and AIM-listed resources companies. He has an Honours Degree in Philosophy, Politics and Economics from Oxford University in the UK and qualified as a chartered accountant in London in 1972.

Bannerman also announced the resignation of Mr Alastair Clayton. Mr Clayton joined the Board in May 2006 and since that time contributed extensively to the evolution of Bannerman from the initial stages of exploration at the Etango site through to achievement of significant growth in the Etango Project mineral resource and current feasibility assessment.

Executive Appointments

During the quarter, the Company's executive team was further strengthened with the appointment of Mr Kieron Munro as Head of Geology based out of the Perth office. Mr Munro has 30 years' experience in exploration, development and mining across a range of commodities in Africa, Australia, Asia and New Zealand. He has held operational and geological management positions in a range of private and publicly listed enterprises, and is a qualified competent person for the purposes of the Australian JORC Code and Canadian National Instrument 43-101.

Financing

During the quarter, Bannerman successfully concluded an equity placement for gross proceeds of A\$30 million to Australian and foreign institutional and mining investors, and closed a Share Purchase Plan ("SPP") to eligible shareholders for A\$7.5 million. Both the equity placement and SPP were undertaken at an issue price of A\$1.00 per share and were heavily oversubscribed. The issue price represented a 9% discount to the 5-day volume weighted average price prior to the trading halt on the ASX for the placement on 28 May 2009.

The equity placement was split into three equal components with A\$10 million placed to institutional and sophisticated investor clients of Argonaut Securities Pty Ltd in Australia, A\$10 million placed to clients of Haywood Securities Inc. in Canada as part of an underwritten offering, and A\$10 million completed as a non-brokered placement to Regent Pacific Group Limited ("Regent Pacific"). Regent Pacific is a Hong Kong listed, diversified mining company with interests in copper, zinc and gold, together with various interests in thermal coal assets in Asia, principally China. In addition, Regent Pacific holds several interests in listed companies with uranium exposure, including Kalahari Minerals plc and Polo Resources Limited, both of which are major shareholders of ASX-listed Extract Resources Limited.

Following completion of the equity placement, the Company let the second A\$10 million tranche of the Resource Capital Funds 2008 convertible note facility lapse undrawn. The first A\$10 million tranche of the convertible note remains on issue with a repayment date of 16 December 2011 unless converted prior to this time (the conversion price is A\$0.612 per share).

Cash Position

The Company's cash balance as at 30 June 2009 was A\$37.6 million following completion of the equity placement and SPP financing.

General Meeting

A General Meeting of shareholders was held in Perth on Thursday 16 April 2009 where shareholder approval was received for a range of resolutions relating to previous financing and other transactions, including approval of the equity placement which was completed later in the quarter.

Perth Office

During the quarter, the Company moved its Perth office to new premises at Suite 18, Level 1, 513 Hay Street, Subiaco, Western Australia, 6008. Telephone and facsimile numbers remain unchanged.

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 Project situated southwest of Rio Tinto's Rössing uranium mine and to the west of Paladin Energy's Langer-Heinrich uranium mine. Etango is one of the world's largest undeveloped uranium deposits. Bannerman is focused on resource extension drilling and the feasibility assessment of a large open pit mining operation at Etango. More information is available on Bannerman's website at www.bannermanresources.com.au.

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Bannerman has not completed feasibility studies on its projects. Accordingly, there is no certainty that such projects will be economically successful. Mineral resources that are not ore reserves do not have demonstrated economic viability.

Certain disclosures in this report, 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, www.sedar.com. Readers are cautioned not to place undue reliance on forward-looking statements. Bannerman Resources Ltd 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.

The information in this report that relates to the Mineral Resources of the Anomaly A and Oshiveli deposits is based on a resource estimate completed by Mr Neil Inwood and the information in this news release that relates to the Mineral Resources of the Onkelo deposit is based on a resource estimate completed by both Mr Iain Macfarlane and Mr Neil Inwood who are full time employees of Coffey Mining Pty Ltd. Messrs. Inwood and Macfarlane are Members of The Australasian Institute of Mining and Metallurgy and have 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 are independent consultants to Bannerman and Qualified Persons as defined by Canadian National Instrument 43-101. Messrs. Inwood and Macfarlane consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to the exploration results of the projects owned by Bannerman is based on information compiled by Mr Andrew Cunningham, who is a full time employee of Bannerman and/or its subsidiaries. Mr Cunningham is a Member of The Geological Society of South Africa, a Recognised Overseas Professional Organisation by the Australasian Joint Ore Reserves Committee, 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 Cunningham consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.