

During the March 2011 quarter, Bannerman Resources Limited (ASX: BMN; TSX: BAN; NSX: BMN) ("Bannerman" or the "Company") completed a project improvement review of the December 2010 Preliminary Feasibility Study Update ("PFS Update") leading to a number of potential project improvements and cost reductions, commenced the Definitive Feasibility Study ("DFS"), and reported encouraging exploration drilling results on its Etango Project licence.

HIGHLIGHTS

- **Project improvement** – A review of the Etango Project PFS Update involving in-house and external technical personnel has identified opportunities to enhance the Project economics, incorporating potential operating cost reductions of up to US\$4/lb U₃O₈ (thereby potentially reducing estimated operating costs to approximately US\$38/lb) and providing a robust foundation for commencement of the DFS.
- **Commencement of DFS** – Bannerman at the end of the quarter appointed its DFS engineering consultants and commenced the DFS work program.
- **Metallurgical testwork** – Ongoing laboratory column tests have continued to enhance the understanding of the relationship between reagent consumption and metallurgical recoveries. Preliminary results indicate that additional oxidants may not be required to effect efficient leaching, further highlighting the favourable mineralogy of the deposit.
- **Regional exploration** – As reported in the quarter, Bannerman obtained high grade surface rock chip samples at the Cheetah Prospect during an initial mapping and ground geophysics program. Follow-up RC drilling at Cheetah returned chemical assay intersections of up to 10 metres at 339ppm U₃O₈.
- **Renewal of exploration licences** – Bannerman has received statutory two year renewals from the Namibian Ministry of Mines and Energy for its Etango and Swakop River exploration licences, without any reduction in area.
- **Cash position** – Bannerman's cash reserves at 31 March 2011 totalled A\$18.7 million.
- **Key objectives for 2011** – The recent natural disasters and consequential issues at the Fukushima Daiichi nuclear power facility in Japan have resulted in short term weakness in the uranium spot price and uranium equities prices. Bannerman is assessing the effect of these events on its business plan for 2011. However, based on Bannerman's confidence that the future of nuclear power is assured because of nuclear power's clean base load generation capacity, Bannerman will continue to pursue its key business objectives while carefully managing its expenditure rates. Bannerman's plans for 2011 are to progress the Etango Project DFS, test prospective regional exploration targets, secure a development partner and obtain the grant of the Etango mining licence.

Bannerman's CEO, Len Jubber, said: "Bannerman is at a very significant stage of development – the Company is commencing a DFS on a world class uranium resource and has identified a number of opportunities to enhance the economics of the Project. These areas will be the immediate focus of our Project team."

Len Jubber, Chief Executive Officer
28 April 2011

Etango Project (Bannerman 80%)

Background

The Etango Project is one of the world's largest undeveloped uranium deposits and is located in a premier uranium mining jurisdiction in Namibia, southern Africa. Etango has the strategic economic advantage of its close proximity to road, rail and electricity networks, one of southern Africa's largest commercial ports, water infrastructure, and to established support industries and labour forces in the region. These factors, combined with the significant scale of expected annual production, long project life and low technical risk, define an attractive project well positioned in a world where nuclear energy and the demand for uranium is projected to grow significantly.

Preliminary Feasibility Study Update (December 2010)

Bannerman released the results of the Etango Project PFS Update in the previous quarter. Life-of-mine production from Measured and Indicated resources using heap leach processing is presently estimated as 106 million pounds ("Mlbs") of uranium oxide (U_3O_8). The mining schedule provides for at least 20 years of production at an average of 5-7Mlbs U_3O_8 per annum. Substantial additional material is expected to be included in the ultimate open pit mine design based on the addition of Inferred resources at satellite deposits.

The mineral resource estimate for the Etango Project, reported at a cut-off grade of 100 parts per million ("ppm") U_3O_8 , presently comprises Measured and Indicated resources of 336.2 million tonnes ("Mt") at 201ppm for 148.7Mlbs of contained U_3O_8 , plus Inferred resources of 164.6Mt at 176ppm for 63.9Mlbs of contained U_3O_8 .

The estimated processed tonnage in the feasibility study to date, drawn only from Measured and Indicated resources, totals 292Mt at an average head grade of 195ppm U_3O_8 and waste to ore stripping ratio of 3.7 (or 3.5 with the inclusion of in-pit Inferred resource material). This represents approximately 87% of the current total Measured and Indicated resources of the Etango deposit, but less than 60% of the total resource tonnage.

Project Improvements

Following release of the PFS Update in December 2010, Bannerman commenced a review of the Etango Project utilising in-house and external technical consultants. The work identified opportunities to enhance the Project economics, incorporating potential operating cost reductions of up to US\$4/lb U_3O_8 equating to a potential reduction in estimated operating costs to US\$38/lb U_3O_8 produced:

- Investigation of an increase in the processing throughput from 15 million tonnes per annum ("Mtpa") to 20Mtpa.

This opportunity arises due to the mining schedule presently incorporating stockpiling of lower grade mineralisation in the earlier years of the operation. This stockpiled material can be processed through an expanded crushing and heap leaching facility for no additional mining cost as it is already fully costed for mining prior to stockpiling. In addition, avoidance of the need to delineate low grade material for stockpiling is expected to create opportunities for improved mining efficiency. The mine life is not expected to reduce materially because presently only approximately 60% of the total resource estimate has been subjected to the PFS Update, and further resources are expected to come into the ultimate mine designs.
- The nature and scale of the envisaged large open pit mining operation creates opportunities to favourably impact on the operating costs, including:
 - Scheduling has indicated that approximately 30% of the waste rock could be back-filled into the mined pit voids;

- Optimising the site layout of the processing infrastructure, waste dumps and heap leach residue pad to gain maximum benefit from minimising the materials handling costs of the location and layout of the crushing, heap leaching and extraction circuits; and
 - The use of more than one primary crusher during the course of the mine life to ensure that the crushers and waste dumps are optimally located.
- Investigating the co-disposal of washed heap leach residue within the waste rock dumps. The relatively inert and coarse characteristics of the depleted heap leached material make this a potentially viable approach leading to savings in operating and capital costs.

The above opportunities form part of the initial work being pursued within the DFS.

Definitive Feasibility Study

Bannerman has commenced the DFS with the support of the engineering groups which assisted in the completion of the recent PFS Update, including:

- AMEC Minproc – overall study coordination and the crushing, grinding and leaching aspects of the processing plant and the overall infrastructure of the Project;
- Bateman Engineering – the downstream section of the processing plant commencing at the solvent extraction circuit;
- Metago Environmental Engineers – heap leach residue storage;
- Coffey Mining – geology and mining engineering; and
- A. Speiser Environmental Consultants and ERM – environmental engineering including the Environmental and Social Impact Assessment (“**ESIA**”), the associated Environmental and Social Management Plan (“**ESMP**”) and various other environment-related studies.

Bannerman has assembled a small but experienced owner’s team which will manage the DFS.

Metallurgical Testwork

Laboratory column testing in Perth has progressed very well with the next phase of laboratory heap leach column testwork to be undertaken in Swakopmund, Namibia. The testwork completed to date has continued to de-risk the metallurgical aspects of the Project flowsheet, and planning for large scale on-site column testwork will be completed shortly following site visits by engineers.

The laboratory testwork commenced during the March quarter to further optimise the oxidation requirements of the deposit and the agglomeration acid rates has indicated that additional oxidants may not be required to facilitate efficient leaching.

A testwork program to evaluate the opportunity of co-disposing the washed heap leach residue with the mine waste rock has commenced.

Renewal of Exclusive Prospecting Licences

The Namibian Ministry of Mines and Energy has issued Bannerman’s Namibian subsidiary with a statutory two year extension of its two nuclear fuels Exclusive Prospecting Licences (“**EPL**”). The renewal conditions are standard for these types of licences. These EPLs comprise Bannerman’s Etango Uranium Project (EPL 3345) and Swakop River Exploration Project (EPL 3346). The licences have each been renewed to April 2013 without any reduction in area.

Environmental Permitting and Mining Licence

As previously reported, Bannerman has received a formal environmental clearance from the Namibian Ministry of Environment and Tourism for development of the Etango Project as described in the 2009 Environmental and Social Impact Assessment ("ESIA"). An updated ESIA and accompanying Environmental and Social Management Plan, incorporating the enlarged resource and site layout refinements from the PFS Update, will be lodged for public comment mid-year, following which it will be submitted to the Namibian Ministry of Environment and Tourism.

Bannerman will, following receipt of an updated environmental clearance, lodge supplementary information with the Ministry of Mines and Energy in further support of the mining licence application lodged in December 2009.

Exploration

In addition to resource definition and extension drilling activities within the Etango Project, Bannerman is also engaged in regional exploration activities in Namibia and Botswana. All of Bannerman's exploration properties lie in close proximity to known uranium mines, deposits and anomalies including Rössing, Langer Heinrich and others in Namibia and Letlhakane and Foley in Botswana.

Etango Licence (Bannerman 80%)

The Etango licence (EPL 3345) covers an area of approximately 500km² and contains numerous known uranium occurrences. In 2010, RadonX™ surveys, exploration drilling, ground geophysics and geological mapping led to the discovery of the Ondjamba and Hyena deposits which lie in similar stratigraphic and structural settings, to the immediate east and south of the existing Etango resource area respectively.

Cheetah Prospect

Analysis of exploration results during 2010 led Bannerman to conclude that the favourable Khan/Chuoss Formation stratigraphy extends north across the Swakop River for another 10-15km within Bannerman's EPL 3345. First indications of anomalous radon values in the area were received from the Rössingberg RadonX™ survey (reported in July 2010). Recent detailed geological mapping and surface sampling combined with ground radiometric geophysics surveys led to the delineation of the Cheetah Prospect.

The Cheetah Prospect area has now been the subject of detailed geological mapping, a surface radiometric geophysical survey and surface sampling. As reported on 22 March 2011, following the collection of encouraging surface grab samples, 17 reverse circulation ("RC") drillholes were completed for 2,739 metres over a strike length of approximately 3km. Significant results included 8 metres at 240ppm U₃O₈ from 20 metres downhole, 10 metres at 339ppm U₃O₈ from 18 metres downhole, and 2 metres at 864ppm U₃O₈ from 50 metres downhole.

Hyena Prospect

Previously reported drilling at Hyena intersected areas of high grade mineralisation, with values up to 16 metres at 1,021ppm U₃O₈. During the quarter, Bannerman commenced a new phase of RC drilling at Hyena with the aim of better defining and extending this high grade mineralisation. This drilling intersected further narrow high-grade (+1,000ppm U₃O₈) intervals. A review of the prospect will be conducted following receipt of further drill assay results.

Ondjamba Prospect

Further drilling along the western border of the Ondjamba deposit has confirmed the continuity of mineralisation to the west. Follow-up drilling is being assessed.

Swakop River Project (Bannerman 80%)

The Swakop River licence (EPL 3346) covers an area of approximately 800km² and contains paleo-channel targets with uranium mineralisation in calcretised sediments. These calcretised sediments are similar to those hosting uranium mineralisation at the adjacent Langer Heinrich operation.

A shallow drilling program is scheduled to commence shortly in the Tinkas Channel immediately adjacent to the western end of the existing Langer-Heinrich mining licence area. The purpose of the program is to test the potential for shallow mineralisation.

Botswana Project (Bannerman 100%)

Bannerman owns three Prospecting Licences (131/2005 to 133/2005) covering an area of 1,100km² 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.

Work scheduled for the current June 2011 quarter includes a Mobile Metal Ion (MMI) survey for uranium and precious metals. The results of this work will be used in conjunction with a metal stream sediment survey to define potential drilling targets.

Corporate

Cash Position

The Company's cash balance as at 31 March 2011 was A\$18.7 million (31 December 2010: A\$22.7 million).

Development and Off-take Partner Opportunities

Bannerman's financing plan for the Etango Project comprises a mixture of project debt and equity financing, in combination with finance and off-take buying commitments from suitable end-users and/or strategic development partners. Bannerman has appointed London-based specialist financial advisory group, Cutfield Freeman & Co, to lead the partner search process. Bannerman is aiming to pursue a sensible and value-accretive development partner transaction at the project level to facilitate its financing plan.

During and following the March quarter, discussions continued with a number of interest development parties, and Bannerman continues to pursue these opportunities.

Issued Securities

The Company's issued share capital has not changed during the quarter. As at 31 March 2011, the Company had 234,435,934 shares and 18,477,450 unlisted options on issue, with the options having a weighted average exercise price of A\$2.12 per share.

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 mine. Etango is one of the world's largest undeveloped uranium deposits. Bannerman is focused on the feasibility assessment and development of a large open pit uranium operation at Etango. More information is available on the Company's website at www.bannermanresources.com.

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Technical Disclosures

Certain disclosures in this report, including management's assessment of Bannerman Resources Ltd'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 the Company'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 the Company's various statutory reports, including its Annual Information Form available on the SEDAR website, 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 Company 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.

The information in this report relating to the geology and exploration results of the projects owned by Bannerman Resources Ltd is based on information compiled by Mr Kieron Munro, a consultant to the Company. Mr Munro is a Member of the Australian Institute of Geoscientists, a Recognised 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 a 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 Canadian National Instrument 43-101. Mr Munro consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report relating to the Mineral Resources of the Etango Project is based on a resource estimate completed by Mr Neil Inwood, and the information in this report relating to the Mineral Resources of the Ondjamba and Hyena deposits is based on a resource estimate completed by Mr Neil Inwood and Mr Steve Le Brun. Both Mr Inwood and Mr Le Brun are full time employees of Coffey Mining Pty Ltd. Each of Messrs. Inwood and Le Brun 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 Le Brun consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.