

During the June 2011 quarter, Bannerman Resources Limited (ASX: BMN; TSX: BAN; NSX: BMN) ("Bannerman" or the "Company") commenced the Definitive Feasibility Study ("DFS") on the Etango Uranium Project and, following the end of the quarter, received a conditional acquisition proposal from Chinese conglomerate Sichuan Hanlong Group.

HIGHLIGHTS

- **Acquisition proposal** – On 11 July 2011, Bannerman announced it had received a conditional proposal from Hanlong Mining Investment Pty Ltd, a subsidiary of Chinese conglomerate Sichuan Hanlong Group ("Hanlong"), for the acquisition of 100% of Bannerman for A\$0.612 cash per Bannerman share. Bannerman and Hanlong have commenced discussions regarding the proposal and further updates will be made in due course.
- **Development partner search** – As previously announced, Bannerman has been undertaking a process to identify a suitable joint venture partner to facilitate the financing, development and operation of the Etango Uranium Project. As part of this process, Bannerman has been in discussions with a number of large and well-funded parties. Accordingly, in addition to holding discussions with Hanlong, Bannerman intends to continue its joint venture discussions with these third parties.
- **Etango Project DFS** – The DFS commenced at the start of the quarter, with the initial phase of work focused on incorporating the key project improvements identified in the previous quarter. Key changes in the project configuration stemming from the improvement work include a 33% increase in the plant throughput compared with the December 2010 Preliminary Feasibility Study Update, simplification of the ore feed approach and revisions to the project layout. These changes will likely result in annual production increasing by approximately 20% to 6-8 million pounds U₃O₈. A reduction in operating costs to US\$38/lb U₃O₈ continues to be targeted.
- **Health & Safety** – Bannerman achieved a lost time injury free 12 months to 30 June 2011.
- **Environmental clearance for linear infrastructure** – Bannerman announced yesterday that it has received an Environmental Clearance from the Namibian Ministry of Environment and Tourism for the linear infrastructure proposed to service the Etango Uranium Project, including the access road and telecommunications, power and water services.
- **Namibian minerals policy changes** – Following release of proposed changes to Namibia's minerals policy, the Namibian Minister of Mines and Energy confirmed that ownership of existing exploration licences will not be affected.
- **Cash position** – Bannerman's cash reserves at 30 June 2011 totalled A\$15.3 million.
- **Board change** – Effective 27 May 2011, Mr Mason Hills was appointed as a non-executive director representing Bannerman's major institutional shareholder, Resource Capital Funds, following the retirement of Mr James McClements.

Len Jubber, Chief Executive Officer
29 July 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.

Definitive Feasibility Study ("DFS")

Bannerman commenced the Etango Project DFS at the start of the quarter, with the initial phase of work focused on incorporating the key project improvements identified in the previous quarter and advancing the confirmatory metallurgical testwork.

Key changes in the project configuration stemming from the improvement work include a 33% increase in the plant throughput, simplification of the mining approach and revisions to the project layout. These changes will likely result in production increasing by approximately 20% from 5-7 million pounds ("Mlbs") U_3O_8 per annum to 6-8Mlbs U_3O_8 per annum. A reduction in estimated operating costs from US\$42/lb to US\$38/lb U_3O_8 continues to be targeted.

Bannerman will continue to progress the DFS while carefully managing its expenditure rates, with the objective of completing the DFS by the end of March 2012.

(a) Mining

The DFS will be based on a 33% increased plant throughput scenario of 20 million tonnes per annum ("Mtpa") resulting in an approximately 20% increased annual uranium oxide production of 6-8Mlbs compared with the Preliminary Feasibility Study Update in December 2010 ("PFS Update").

The increased plant throughput captures an opportunity based on the previous approach of stockpiling approximately 5 million tonnes of low grade material annually, coupled with simplifying the mining schedule to minimise the material movement costs. The status of the key mining activities at the end of the quarter was as follows:

- A review of the mining dilution model has confirmed the robustness of the PFS Update estimates;
- Work on optimising the pit and mining equipment configuration is ongoing;
- A review of the layout of the project site has highlighted potential operating cost savings associated with prioritising the location of the waste dumps over that of the processing infrastructure;
- Mine scheduling based on the simplified single-product approach has confirmed the opportunity to reduce the material movement in the early years of the mine life with likely commensurate benefits in the operating and capital costs during this period;
- An initial review of the maintenance support capabilities of a number of equipment suppliers has been completed to consider the relative merits of conducting in-house or outsourced maintenance; and
- Investigation of the technical and economic viability of co-disposal of washed heap leach residue within the mined waste rock dumps is ongoing. The coarse nature of the leach residue material makes this a potentially viable approach.

The mining component of the DFS is expected to be completed early in the December quarter.

(b) Processing

The status of key processing activities at the end of the quarter was:

- A review of the heap leaching parameters, including pad dimensions, acid concentration and acid addition rates, was well advanced and indicated that it may be advantageous to reduce the height of the heap leach pad. The outcome of the review will be finalised at the end of the current quarter;
- Testwork also confirmed that little or no additional oxidation agents are required for efficient leaching; and
- Metallurgical testing has been substantially relocated from Perth, Australia, to Swakopmund, Namibia. This change will not only improve sample logistics but will also enable ongoing cost-effective testing for the establishment of a large-scale field test program envisaged for early 2012.

(c) Engineering

Engineering activities were focused on the design and layout changes required to give effect to the increase in plant throughput to 20Mtpa.

(d) Environmental and Social Impact Assessment

The hydrogeological model for the Etango Project will be re-run once the revised plant and site layout has been completed.

A geo-chemical testwork program to evaluate the opportunity of co-disposing the washed heap leach residue with the mine waste rock will commence in the September quarter.

Regulatory Approvals

Bannerman reported yesterday that it has received an Environmental Clearance from the Namibian Ministry of Environment and Tourism for the linear infrastructure proposed to service the Etango Uranium Project. The linear infrastructure comprises an access road and telecommunications, power and water services. This follows the receipt in April 2010 of an Environmental Clearance for development of the Etango Project based on the configuration set out in the 2009 Environmental and Social Impact Assessment ("ESIA").

An updated ESIA and accompanying Environmental and Social Management Plan, incorporating the now expanded resource area and site layout refinements, is scheduled to be lodged for public comment in the December 2011 quarter, following which it will be submitted to the Namibian Ministry of Environment and Tourism for approval.

Upon receipt of an updated environmental clearance for development of the Etango Project, Bannerman will lodge supplementary information with the Ministry of Mines and Energy in further support of the existing Etango mining licence application.

As announced by Bannerman on 11 May 2011, the Namibian Minister of Mines and Energy confirmed in a press release that ownership of existing exploration licences will not be affected by the proposed mineral policy changes for state participation in certain mineral developments. This includes Bannerman's two exploration licences in Namibia. In addition, the Minister confirmed that existing mining licence applications will be considered under the existing procedures on their own merit and without prejudice.

Exploration

Renewal of Exclusive Prospecting Licences

As noted in the March 2011 quarterly report, in April the Namibian Ministry of Mines and Energy 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.

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.

(a) Hyena Prospect

Previously reported drilling at Hyena South intersected areas of high grade mineralisation. During the quarter, Bannerman completed a new phase of reverse circulation (“RC”) drilling at Hyena South with the aim of better defining and extending this high grade mineralisation. The RC drilling intersected further narrow high-grade mineralisation.

A re-evaluation of the drilling results indicate that high grade mineralised bodies dip to the north and are not sub-vertical as previously interpreted. This interpretation suggests that the area of 600m by 800m between Hyena South and the Ondjamba western extension is underexplored and could host additional mineralised alaskite bodies. Follow-up drilling in this area is being considered.

(b) Ondjamba Prospect

Further drilling along the western border of the Ondjamba deposit has confirmed the continuity of mineralisation for 400m along strike to the west. Grades are similar to the average grade at the Ondjamba and the Hyena North bodies. Limited drilling is needed to connect the Ondjamba and Hyena North bodies.

(c) Ompo Prospect

Geological mapping at the Ompo area commenced in April 2011 and revealed higher grade uranium mineralisation in alaskite bodies along a clearly mineralised zone trending northeast-southwest. Measurements on surface with the handheld spectrometer indicated grades of 2,000-6,000ppm eU in one area and several other readings throughout the mapped area range between 100ppm and 750ppm eU.

An initial RC drilling program to test the down dip extension of the surface mineralisation commenced late in the quarter. Preliminary drilling results indicated the down dip extension of mineralisation as well as some zones with high grade mineralisation. Follow-up drilling is being considered.

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.

A shallow drilling program of 30 holes ranging in depth from 4 to 14 metres was completed in the Tinkas Channel immediately adjacent to the western end of the existing Langer-Heinrich mining licence area. The purpose of the program was to test the potential for shallow mineralisation. Carnotite mineralisation was intersected in 13 of the drillholes, however the results indicated that only a small part of the channel is mineralised. No further drilling is planned in the Tinkas Channel.

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. Renewal applications for the licences have been submitted.

A Mobile Metal Ion (“MMI”) orientation survey for uranium and precious metals was undertaken in the quarter. The purpose of the orientation survey was to determine the sampling depth for the planned follow-on MMI survey.

Corporate

Cash Position

The Company's cash balance as at 30 June 2011 was A\$15.3 million (30 June 2011: A\$18.7 million).

Acquisition Proposal from Hanlong Mining

Following the end of the quarter, on July 11, 2011, Bannerman announced that it had received a conditional proposal from Hanlong Mining Investment Pty Ltd, a subsidiary of Chinese conglomerate Sichuan Hanlong Group (“**Hanlong**”), for the acquisition of 100% of Bannerman for A\$0.612 cash per Bannerman share by way of a scheme of arrangement.

Bannerman has commenced discussions with Hanlong in relation to its proposal. As previously disclosed, Bannerman has also been undertaking a process to identify a suitable joint venture partner to facilitate the financing, development and operation of the Etango Uranium Project. In addition to holding discussions with Hanlong in relation to its proposal, Bannerman intends to continue its joint venture discussions with third parties in order to explore all options for delivering the best possible outcome for Bannerman shareholders.

There can be no certainty that the Hanlong proposal will proceed and it is possible that a final position will not be known for some months.

Proposed Namibian Tax Changes

Following the end of the quarter, the Namibian Minister of Finance announced a number of proposed amendments to the country's tax laws. These proposals include amendments relating to an increase in the corporate tax rate for mining companies from 37.5% to 44%, the introduction of export levies and value-added tax for raw minerals, the introduction of transfer and stamp duties, changes to the withholding tax regime, the introduction of taxes on the sale of mineral licences, and various administrative amendments.

The proposed changes are under discussion with various industry groups, and it is expected that further amendments and clarification will occur before draft legislation is introduced into the Namibian Parliament later this year.

Board Change

Effective 27 May 2011, Mr Mason Hills was appointed as a non-executive director representing Bannerman's major institutional shareholder, Resource Capital Funds, following the retirement of Mr James McClements.

Issued Securities

The Company's issued share capital as at 30 June 2011 comprised 234,435,934 shares, 3,248,500 Employee Incentive Plan (“**EIP**”) performance rights and 18,427,450 unlisted options, with the EIP rights dependent upon various performance targets and the options, some of which also have in-built performance targets, having a weighted average exercise price of A\$2.11 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.

For further information please contact:

Len Jubber

Chief Executive Officer
Perth, Western Australia
Tel: +61 (0)8 9381 1436

Media

David Tasker
Professional Public Relations
Tel: +61 (0)433 112 936
david.tasker@ppr.com.au

Tim Haughan

Investor Relations Manager
Perth, Western Australia
Tel: +61 (0)8 9381 1436
admin@bannermanresources.com.au

Peter Kerr

Chief Financial Officer
Perth, Western Australia
Tel: +61 (0)8 9381 1436

Spyros Karellas

Investor Relations
Toronto, Ontario, Canada
Tel: +1 416 800 8921
spyros@pinnaclecapitalmarkets.ca

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.

Reference to hand held spectrometer results refers to use of a Company-owned Terraplug RS-125 handheld spectrometer. The uranium values are recorded by placing the unit on the outcrop and expressed as parts per million (ppm) eU which is equivalent to ppm U. Results from this unit provide an indication of uranium mineralisation; with the assumption being that the uranium is in (secular) equilibrium with its daughter products (or radio-nuclides) which are the principal gamma emitters. If uranium is not in equilibrium – as a result of the redistribution (depletion or enhancement) of uranium and/or its daughter products - then the true uranium concentration on the outcrop will be higher or lower than those reported.

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.