

BANNERMAN ADVANCES ETANGO DFS AND DISCOVERS NEW MINERALISATION

Highlights:

- **Onkelo West Drilling** – Mine-grade mineralisation was discovered at Onkelo West adjacent to the planned Etango open pit, generating **potential to expand and deepen the pit design** and **extend the mine life**.
- **Etango Project Definitive Feasibility Study** – The study is on schedule for completion at the end of March 2012. Significant developments during the Quarter include:
 - Optimisation of the site layout including the waste rock and heap leach residue dump;
 - Further **metallurgical test work confirming the rapid leaching and high recovery characteristics** of the Etango mineralisation;
 - Completion of plant designs and engineering drawings; and
 - Receipt of price submissions from suppliers.
- **Share placement** – 36.5 million ordinary shares at A\$0.225 per share were placed with existing and new institutional investors to raise total proceeds of A\$8.2 million.
- **Convertible note reduction and refinancing** – Reduction of the existing A\$10 million convertible note to A\$8 million and refinancing via a two year extension to 31 March 2014. Shareholder approval will be sought for the refinancing at a general meeting to be scheduled for mid-March 2012.
- **Share Purchase Plan** – On 4 January 2012, a Share Purchase Plan commenced for eligible shareholders to purchase up to A\$15,000 of new Bannerman shares at A\$0.225 (or C\$0.233) per share to raise maximum proceeds of A\$4 million. The Share Purchase Plan closes at 5:00pm Perth time (4:00am Toronto time) on 31 January 2012.
- **Cash position of A\$12.3 million** as at 31 December 2011.

Bannerman CEO, Mr Len Jubber, said: "It has been another productive quarter at Bannerman with the Definitive Feasibility Study for the Etango Project in Namibia nearing completion. The exploration team has also announced some very encouraging results from the Onkelo West drilling program that could result in extensions to the Mineral Resource and open pit design further to the west for up to 4km along strike. Although this will not form part of the DFS, it reinforces our belief that the DFS mine life is only just the beginning.

"We're looking forward to completion of the DFS in March 2012 at which time Etango will be one of the largest uranium projects at this stage of development held outside of the major producers and utilities. The uranium sector is experiencing a renewed interest as the world increasingly realises that the underlying drivers for nuclear power demand remain unchanged in contrast to the supply side challenges arising from uranium production shortfalls and project delays and deferrals.

"Bannerman is well positioned to benefit from the growing demand for secure, low risk and long life uranium supplies."

Len Jubber, Chief Executive Officer
30 January 2012

Etango Uranium Project (Bannerman 80%)

Background

The Etango Uranium Project is one of the world's largest undeveloped uranium deposits, located in the premier uranium mining jurisdiction of Namibia, home to Rio Tinto's Rössing and Paladin's Langer-Heinrich operating uranium mines. Etango is just 47km from one of the region's busiest deep water ports that's been exporting uranium for over 35 years, and is close to road, rail, electricity and water networks.

The Definitive Feasibility Study ('DFS') currently underway forecasts potential production of 6-8 million pounds ("Mlbs") U_3O_8 per year, over a long mine life, placing Bannerman in a strong position to capitalise on the growing demand for low-carbon emitting electricity.

Mineral Resource Estimate

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 Resources of 62.7 million tonnes ("Mt") at 205ppm for 28.3Mlbs of contained U_3O_8 , Indicated Resources of 273.5Mt at 200ppm for 120.4Mlbs of contained U_3O_8 , plus Inferred Resources of 164.6Mt at 176ppm for 63.9Mlbs of contained U_3O_8 .

The DFS is focused on the Measured and Indicated Mineral Resource categories of 148.7Mlbs U_3O_8 with the Inferred Mineral Resources offering the potential for conversion to higher resource categories and production levels over time.

Definitive Feasibility Study

Following completion of the Preliminary Feasibility Study Update ("PFS Update") in late 2010, the DFS commenced in April 2011 and is on track for completion at the end of March 2012.

Key outcomes from the work to date are as follows:

- A 33% increase in the plant throughput from 15Mt per annum ("Mtpa") in the PFS Update to 20Mtpa in the DFS, resulting in a 20% increase in annual uranium production to 6-8Mlbs U_3O_8 ;
- A change in the mine scheduling philosophy from maximising ore grade to minimising material movement costs;
- Deferred pre-stripping to minimise the material movement and maximise operating cash flow in the early years of the mine life;
- Optimisation of the planned site layout to ensure the waste rock dumps and the processing facilities are located for best economic outcomes; and
- Identification of an optimal heap height of 5 metres.

(a) Mining

Work during the Quarter focused on the design of the waste rock and leach residue dumps.

In addition, geochemical analysis of the waste rock and heap leach residue, as well as store and release modelling of the prospective dumps, was completed. The results of this work, along with earlier favourable hydrogeological modelling, suggest that more efficient and lower cost designs for the waste rock and residue dumps are potentially achievable.

Mine scheduling work was also completed and equipment price submissions received from mining suppliers.

(b) Engineering

Engineering work completed in the Quarter comprised finalisation of the site layout and completion of process plant designs and drawings. Figure 1 shows the proposed site layout for the designed process plant, heap leach pads and associated infrastructure.

(c) Processing

Metallurgical test work during the Quarter involved the continuation of column test work in Swakopmund, Namibia, and the initiation of solvent extraction test work in Perth, Western Australia.

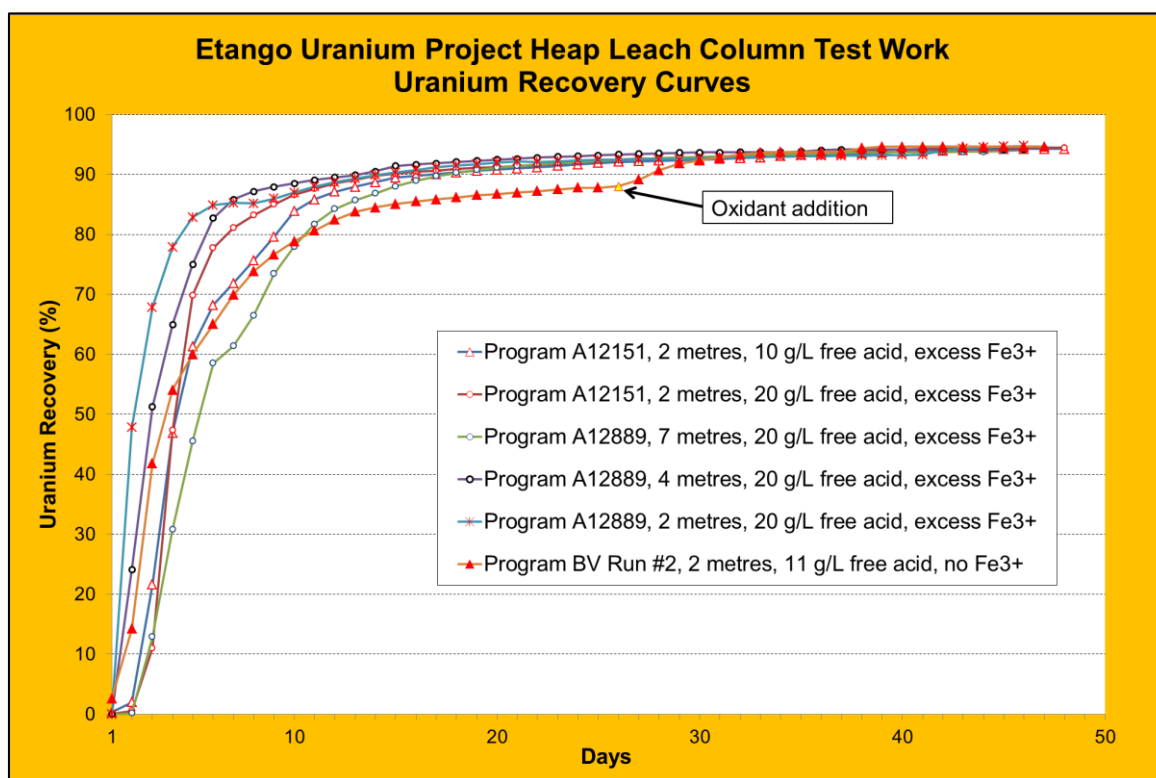
The drill core samples, selected to represent the first three years of production including associated dilution material, were prepared using a small-scale high pressure grinding roll ("HPGR") crushing unit for variability testing in column leach tests. The experimental component of this program is well underway and the analysis of the column data will be finalised in the next quarter upon receipt of the complete set of measurements taken for this program.

The graph below shows various uranium extraction curves from the column tests conducted at two separate metallurgical laboratories. The results were achieved over a range of conditions including varied column heights (2, 4 and 7 metres) and irrigation liquor acidity levels.

The results confirm that:

- Laboratory column leaching of HPGR crushed ore, at a nominal particle size of P_{80} 4mm, continues to result in overall uranium recoveries greater than 90%;
- Efficient uranium recovery can be achieved in a 5 metre laboratory column with a concentration of free sulphuric acid below 20g/L in the irrigation liquor. This condition has the potential to decrease acid consumption and associated reagent costs;
- Uranium recoveries greater than 90% can be consistently achieved in short leach cycle times;
- Whilst ferric ion, a necessary oxidant in the leaching of uranium, is produced during the leach process from all Etango ore tested to date, controlled additions of oxidant may be required during operations to optimise leach kinetics; and
- When sufficient ferric ion is available from the first day of irrigation, sulphuric acid consumption for the tests was reasonably low at 14-17 kg/tonne.

These results confirm the consistent rapid leaching and high recoveries that can be expected at Etango.



Uranium leach curves indicating consistently high (>90%) uranium recoveries with rapid leaching kinetics using various column heights.

(d) Environmental and Social Impact Assessment

Bannerman has previously received environmental clearances from the Namibian Ministry of Environment and Tourism (“MET”) for development of the Etango Project and the linear infrastructure to service the mine site based on the configuration presented in the 2009 Environmental and Social Impact Assessment (“ESIA”).

An ESIA and accompanying Environmental and Social Management Plan, incorporating the now expanded resource area, site layout refinements and updated regional hydrogeological modelling, is scheduled to be lodged for public comment and consultation meetings in February 2012, following which it will be submitted to the MET for approval.

Upon receipt of an updated environmental clearance for the Etango Project, Bannerman will lodge further information, incorporating the DFS, with the Namibian Ministry of Mines and Energy in support of the existing Etango Mining Licence application.

Exploration

Etango Licence (Bannerman 80%)

The Etango Exclusive Prospecting Licence (EPL3345) covers an area of approximately 500km² and contains numerous known uranium occurrences. During the Quarter, Bannerman focused its exploration efforts on the Onkelo West area at the northern end of the Etango Deposit.

Onkelo West

A reverse circulation drilling program of 8 drillholes for 1,608 metres was carried out following the collection of approximately 100 surface spectrometer readings in the previous quarter which indicated the outcropping granitic rock, known locally as Alaskite, was mineralised. The program was drilled within 200 metres of the open pit design and indicates the potential for the mineralisation to extend beyond the planned pit boundary for a strike length of up to 4km (Figure 2).

Not only does this open up the potential to expand the open pit to the west but it also creates the possibility of economically deepening the pit and exposing possible down-dip extensions of mineralisation close to the Chuos-Khan Formation contact where the highest grade mineralisation is typically found in the Etango Deposit (Figures 3 and 4).

Swakop River Project (Bannerman 80%)

The Swakop River Exclusive Prospecting Licence (EPL3346) covers an area of approximately 800km² and contains palaeochannel targets with uranium mineralisation in calcrete sediments. The licence surrounds Paladin Energy’s Langer-Heinrich operation on three sides.

Field investigations were completed in the Quarter on the known pegmatite occurrences within EPL3346 in order to test for uranium occurrences. No anomalous results were returned.

Corporate

Share Placement

A share placement of 36.5 million shares at A\$0.225 per share primarily to new and existing institutional investors to raise gross proceeds of A\$8.2 million was successfully completed in December 2011. The placement was undertaken pursuant to approval obtained from Bannerman’s shareholders at the annual general meeting held on 17 November 2011.

Proceeds from the share placement and Share Purchase Plan (refer below) will be used to fund completion of the Etango Project DFS by the end of March 2012, associated confirmatory pilot plant test work, regional exploration and drilling activities, a reduction in the existing convertible note and general working capital requirements.

Bannerman’s major institutional shareholder and the holder of the Company’s A\$10 million convertible note, Resource Capital Funds (“RCF”), subscribed for A\$2 million of the share placement, the proceeds of which have since been used to reduce the convertible note as part of a two year extension of the note on the terms set out below.

Convertible Note Refinancing and General Meeting of Shareholders

In the Quarter, Bannerman reached agreement with RCF for a reduction in the amount of the outstanding convertible note from A\$10 million to A\$8 million and to roll it over into a new convertible note. Subject to execution of formal documentation and receipt of regulatory and shareholder approvals by 31 March 2012, the new note will commence on the existing note's maturity date of 31 March 2012 and extend to 31 March 2014. The conversion price of the new note is A\$0.28125 per share, being a 25% premium to the recent share placement price, and the unchanged 8%pa coupon interest is payable quarterly through the issue of new Bannerman shares or in cash in certain circumstances.

Bannerman will pay an extension fee to RCF of A\$0.4 million through the issue of approximately 1.43 million Bannerman shares upon receipt of regulatory and shareholder approvals.

Bannerman expects to schedule a shareholders' meeting for mid-March 2012 to seek approval from shareholders for the new convertible note.

Share Purchase Plan

Bannerman has implemented a Share Purchase Plan ("SPP") under Australian law allowing eligible shareholders to subscribe for up to A\$15,000 worth of new Bannerman shares at the same price as the share placement (i.e. A\$0.225 per share or the Canadian dollar equivalent of C\$0.233 per share), to raise a maximum of A\$4 million.

The **SPP closes at 5:00pm Perth time (4:00am Toronto time) on Tuesday 31 January 2012**. Qualifying eligible shareholders in Australia, New Zealand and Canada who were on the share register as at 5:00pm Perth time on 13 December 2011 are entitled to participate in the SPP, and SPP offer documents have already been mailed out them. Should shareholders wish to take up the offer they should complete the required application form or contact the Company's share registrar, Computershare, in Australia on 1300-557-010 or +61-3-9415-4000, and in Canada on +1-800-564-6253.

Cash Position

Following completion of the share placement and before commencement of the SPP, the Company's cash balance as at 31 December 2011 was A\$12.3 million (30 September 2011: A\$11.5 million).

Issued Securities

The Company's issued share capital as at 31 December 2011 comprised 271,466,858 ordinary shares, 8,365,466 performance rights issued under the shareholder-approved Employee Incentive Plan ("EIP") and Non-Executive Director Share Incentive Plan, and 14,129,950 unlisted options. The EIP performance rights are dependent upon various performance targets and continuous employment periods, and the options, some of which also have related performance targets and continuous employment periods, have a weighted average exercise price of A\$1.13 per share.

For further information please contact:

Len Jubber

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

Tim Haughan

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

Media

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

Spyros Karellas

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

About Bannerman - Bannerman Resources Limited is an emerging uranium development company with uranium interests in Namibia, a southern African country which is 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 Bannerman's website at www.bannermanresources.com.

Technical Disclosures

The information in this release that relates to the exploration results of the projects owned by Bannerman is based on information compiled by Mr Martinus Prinsloo, Exploration Superintendent of Bannerman. Mr Prinsloo is a Member and a Chartered Professional of the Australasian Institute of Mining and Metallurgy, 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 National Instrument 43-101 of the Canadian Securities Administrators. Mr Prinsloo consents to the inclusion in the release 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 or supervised by Mr Neil Inwood, a full time employee of Coffey Mining Pty Ltd. Mr Inwood is a Fellow of The Australasian Institute of Mining and Metallurgy and 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 is an independent consultant to Bannerman and Qualified Person as defined by Canadian National Instrument 43-101. Mr Inwood consents, and provides corporate consent for Coffey Mining Pty Ltd, to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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 release, 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, sedar.com. Readers are cautioned not to place undue reliance on forward-looking statements. Bannerman 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.

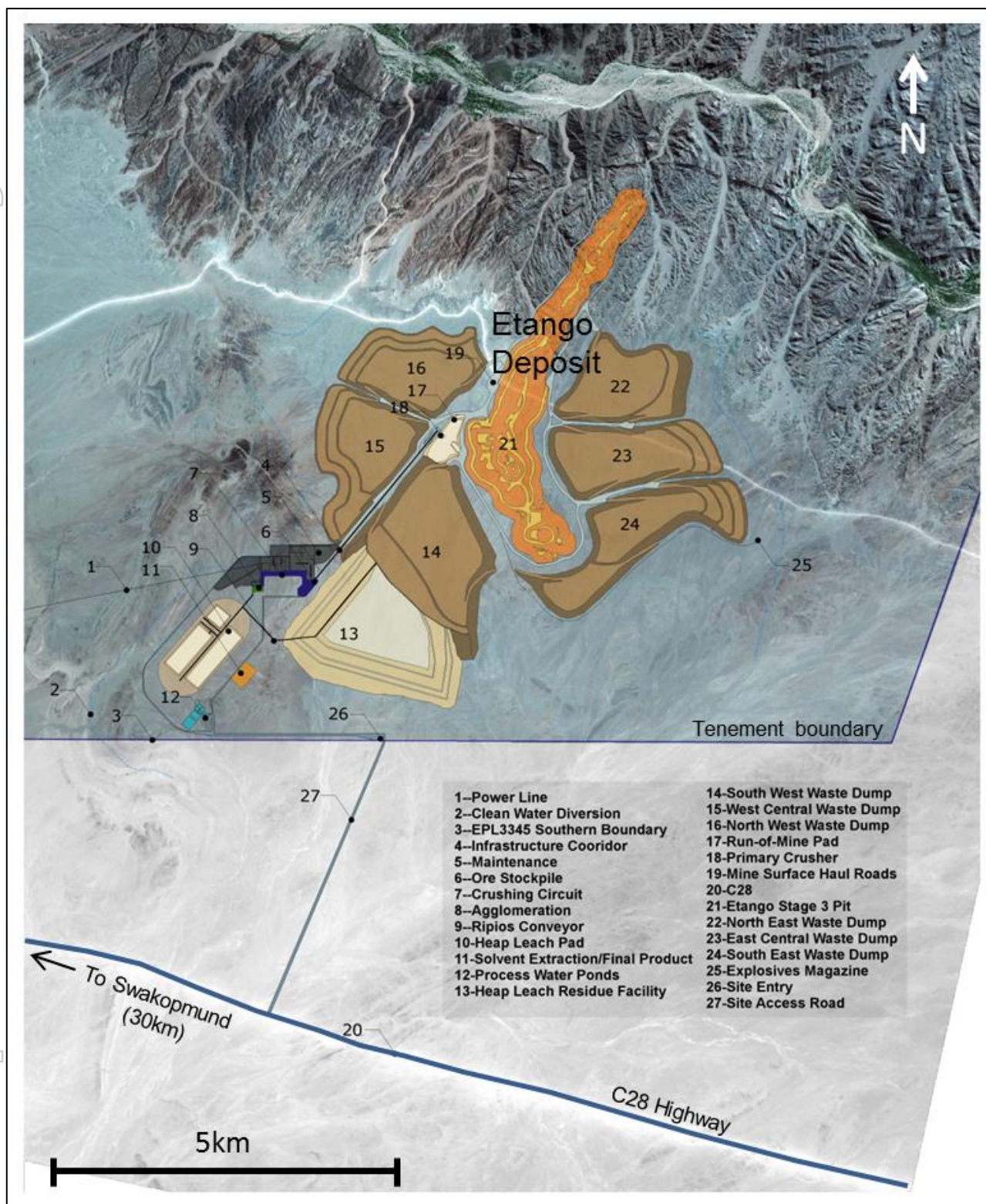


Figure 1: Proposed Etango site layout.

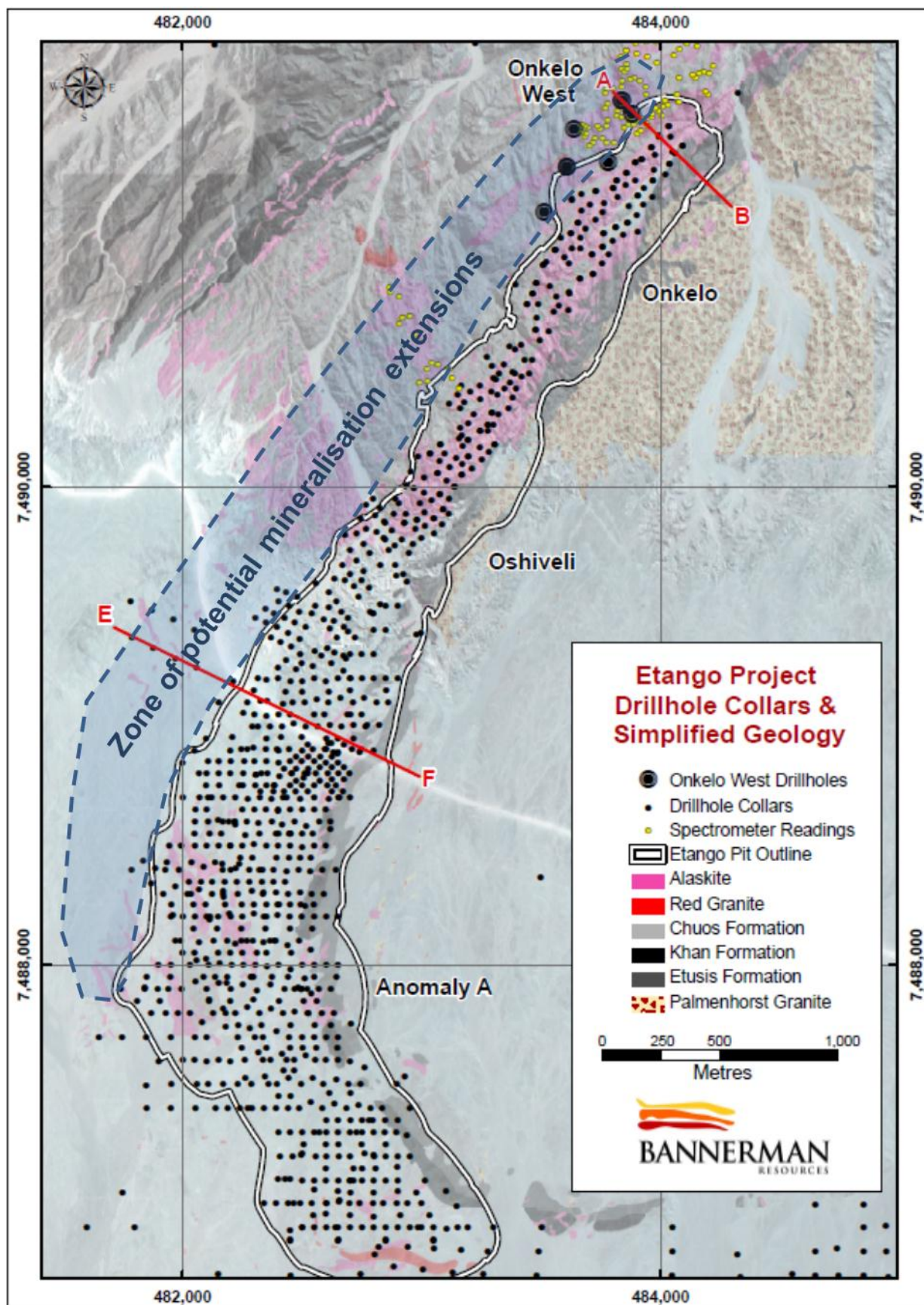


Figure 2: Etango open pit design boundaries, showing the locations of drillhole collars and Sections A-B and E-F as illustrated below in Figures 3 and 4.

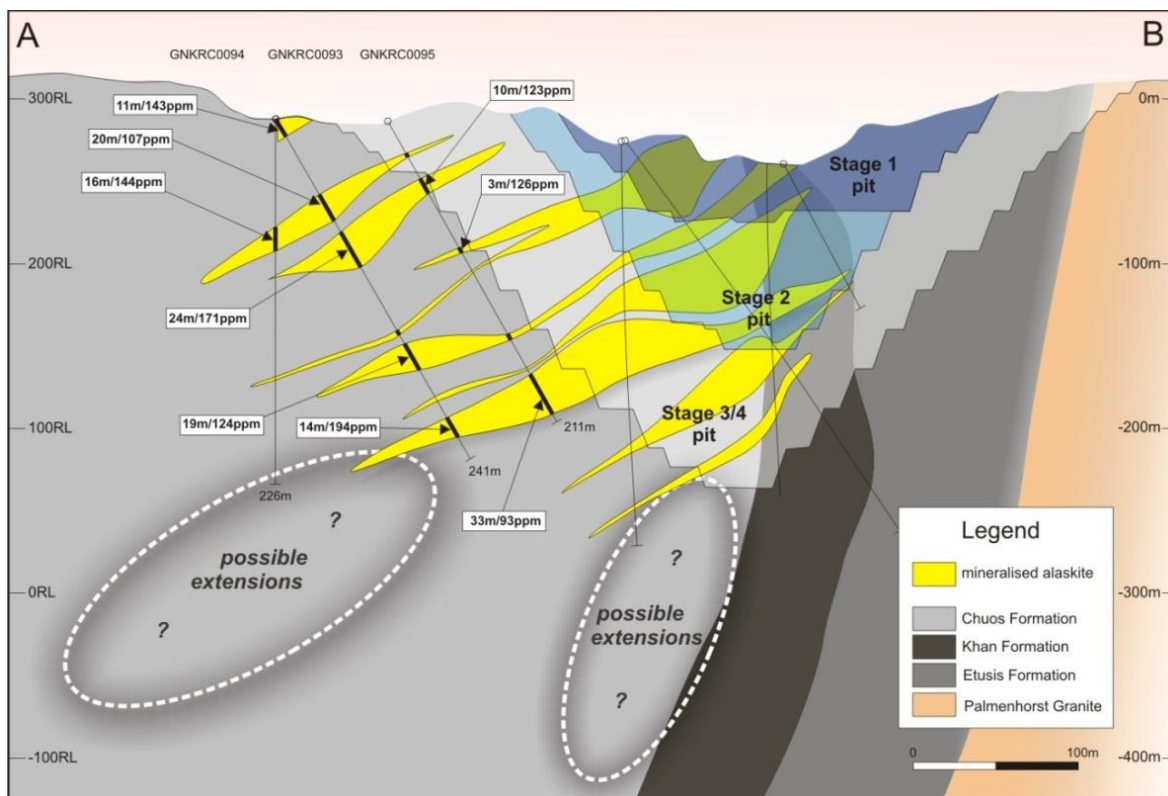


Figure 3: Section A-B showing the new drilling, the interpreted extension to the Etango Deposit and the staged open pit outlines.

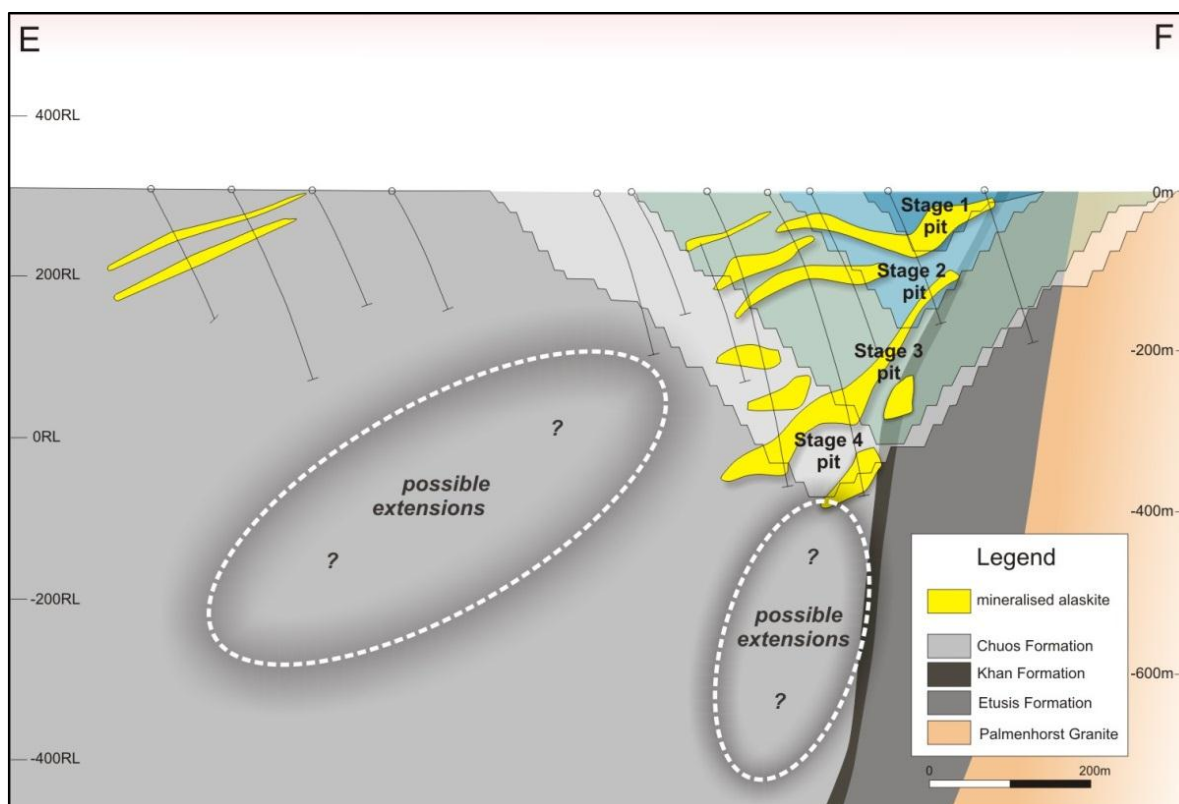


Figure 4: Section E-F showing the historical shallow western zone drilling, the interpreted extensions to the Etango Deposit and the staged open pit outlines.