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BANNERMAN RESOURCES

STOCK EXCHANGE ANNOUNCEMENT
8 April 2014

RCF TO INVEST FURTHER IN BANNERMAN AND FUND ETANGO PILOT PLANT PROGRAM

Perth, Australia – Bannerman Resources Limited (ASX: BMN, TSX: BAN, NSX: BMN) ("**Bannerman**" or "the **Company**") is pleased to announce that Resource Capital Fund VI L.P. ("**RCF VI**") has agreed to provide a A$4 million convertible note facility ("**Convertible Note Facility**") to support the construction and operation of a pilot plant at the Etango Project. It is subject to the approval of Bannerman shareholders.

The pilot plant will be constructed to confirm the Definitive Feasibility Study ("**DFS**") processing assumptions. It should further de-risk the Etango Uranium Project and help to preserve Bannerman's capacity to be an early mover to development in a rising uranium price environment. The Etango Project is a strategically important uranium asset located in the politically stable and uranium mining friendly jurisdiction of Namibia.

Resource Capital Funds (**"RCF"** or the **"Funds"**) are private equity funds with mandates to make investments exclusively in the mining sector across a diversified range of hard mineral commodities and geographic regions. RCF is currently investing its sixth fund, RCF VI, with committed capital of US$2.04 billion and currently manages three other active private equity funds, Resource Capital Fund V L.P., Resource Capital Fund IV L.P. (**"RCF IV"**) and Resource Capital Fund III L.P.

The Convertible Note Facility will complement the existing shareholding and convertible note held by RCF IV and highlights RCF's continuing support for the Company and the Etango Project.

The Convertible Note Facility will enable construction and operation of the pilot plant and progress the Etango Project to the early stages of detailed engineering. The pilot plant will also enable demonstration of the heap leach model at a larger scale to investors and financiers.

The pilot plant capital cost is estimated at approximately A$1.2 million. It is expected that the pilot plant will be operated for at least 12 months at a cost of approximately A$50,000 per month. The key features of the proposed pilot program are presented in **Attachment A**.

Bannerman's Chief Executive Officer, Len Jubber, said:

"Bannerman welcomes the continued support of RCF as the Company continues to pursue its strategy of positioning the Etango Project for fast track development in a rising uranium price environment."

"There is growing awareness that a looming supply shortfall will require a doubling of the uranium price to at least US70/lb U_3O_8 to incentivise new supply. However a key contributor to the impending supply deficit is the number of years it will take to bring new significant projects into production due to the lengthy technical, permitting and construction timeframes involved. Bannerman's advanced Etango Project remains one of the very few globally significant uranium projects that can realistically be brought into production in the medium term."

The Convertible Note Facility will be repayable in September 2016 and will have an 8% per annum coupon rate payable quarterly in arrears in new Bannerman shares or cash in certain circumstances. The conversion price is to be calculated on a VWAP prior to drawdown of funds under the facility, but will be between A$0.06 and A$0.095 per share. By way of example, based on the 60 day VWAP prior to this announcement, the conversion price will be A$0.095. The key terms and conditions of the Convertible Note Facility are presented in **Attachment B**.

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At the end of the March quarter, Bannerman had approximately A$1.85 million in cash reserves, and has been successful in significantly reducing the ongoing corporate overheads through a range of organisational and project activity changes.

Bannerman shareholder approval is required to authorise the entry into the Convertible Note Facility and the various related share issues to RCF VI which may arise under the facility (such as for the establishment fee and to satisfy interest payments). As RCF IV currently has a 13.6% shareholding in Bannerman and also holds an A$8 million convertible note, approval will also be sought to enable the combined holding of RCF IV and RCF VI in Bannerman to increase upon conversion of the respective convertible notes and the various related share issues. Full details of the impact of the Convertible Note Facility will be set out in the meeting documents and an independent expert's report will be provided to advise shareholders whether the proposal is fair and reasonable to shareholders who are not associated with RCF.

Bannerman's shareholders will be asked to approve the Convertible Note Facility at a General Meeting to be held in June 2014. Meeting documentation will be dispatched to shareholders in due course.

Len Jubber
Chief Executive Officer

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About Bannerman - *Bannerman Resources Limited is an exploration and 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 CGNPC's Husab Project 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 development of a large open pit uranium operation at Etango. Further information about Bannerman is available at www.bannermanresources.com.au*

About Resource Capital Funds – *Resource Capital Funds ("RCF" or the "Funds") are private equity funds with mandates to make investments exclusively in the mining sector across a diversified range of hard mineral commodities and geographic regions. The Funds are managed by RCF Management L.L.C. which has its principal office in Denver and additional offices in Perth, New York (Long Island) and Toronto. RCF pioneered the concept of mining-focused private equity funds and strives to produce superior returns to its investors, portfolio companies and fellow equity investors. Since inception, RCF has supported 118 mining companies (and several mining-services companies) involving projects located in 40 countries and relating to 28 commodities.*

RCF has experience in building management teams specifically suited to develop and or operate assets and has the resources and networks to draw upon to source top talent from around the world. In addition to providing financing, RCF has the in-house technical and financial expertise to actively guide a mining company's management team through the process of raising capital in the public equity and project financing markets. RCF's management team consists of individuals with extensive commercial and technical experience in the mining industry.

RCF is currently investing its sixth fund, Resource Capital Fund VI L.P., with committed capital of US$2.04 billion and currently manages three other active private equity funds, Resource Capital Fund V L.P., Resource Capital Fund IV L.P. and Resource Capital Fund III L.P. The Fund's committed capital is sourced primarily from US-based institutional investors. Further information about Resource Capital Funds is available at www.resourcecapitalfunds.com

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ATTACHMENT A

BANNERMAN RESOURCES

Etango Uranium Project

Pilot Plant Program

8 April 2014

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Technical Disclosures and Forward-Looking Disclaimers

This presentation should be read in conjunction with the release by Bannerman Resources Limited dated 10 April 2012 and entitled "Bannerman Reports Positive DFS Results and Milestone Agreement with Namibian State-Owned Mining Company". All material assumptions detailed in this presentation and underpinning the production target and forecast financial information in the DFS continue to apply and have not materially changed.

Certain disclosures in this presentation, 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.

Mineral resources that are not ore reserves do not have demonstrated economic viability.

The information in this presentation relating to the Mineral Resources of the Etango Project is based on a resource estimate compiled or reviewed by Mr Brian Wolfe in April 2012. Mr Wolfe is a Member of the Australian Institute of Geoscientists. Mr Wolfe was employed by Coffey Mining as an independent consultant to the Company at the time of the studies and public release of results. As Mr Wolfe is now no longer employed by Coffey Mining, Coffey Mining has reviewed this presentation and consent to the inclusion, form and context of the relevant information herein as derived from the original reports for which Mr Wolfe's consent has previously been given. Mr Wolfe has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and a Qualified Person as defined by Canadian National Instrument 43-101.

The information in this presentation relating to the Ore Reserves of the Etango Project is based on information compiled or reviewed by Mr Harry Warries, a full time employee of Coffey Mining Pty Ltd. Mr Warries 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", and is an independent consultant to Bannerman and a Qualified Person as defined by Canadian National Instrument 43-101. Mr Warries consents, and provides corporate consent for Coffey Mining Pty Ltd, to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources or Ore Reserves was prepared and first disclosed under the 2004 JORC Code. It has not been updated since to comply with the 2012 JORC Code on the basis that the information has not materially changed since it was last reported. All material assumptions and technical parameters underpinning the estimates of mineral resources continue to apply and have not materially changed.

All material assumptions detailed in this presentation and underpinning the production target and forecast financial information in the DFS (as previously announced on 10 April 2012 and reported on 30 January 2014 in compliance with Listing Rule 5.16 and 5.17) continue to apply and have not materially changed.

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Background

- ✓ Completed Etango DFS in April 2012
- ✓ 6 – 9 Mlbs U_3O_8 annual production over 15 year minelife
- ✓ Etango is the seventh largest uranium only project in the world
- ✓ Straightforward geology, mineralogy & metallurgy
- ✓ Large scale open pit mining, dynamic heap leaching & solvent extraction
- ✓ Looming uranium supply shortfall & Etango one of the very few globally significant projects that can realistically be brought into production in the medium term
- ✓ Pilot plant natural progression in project development and financing process

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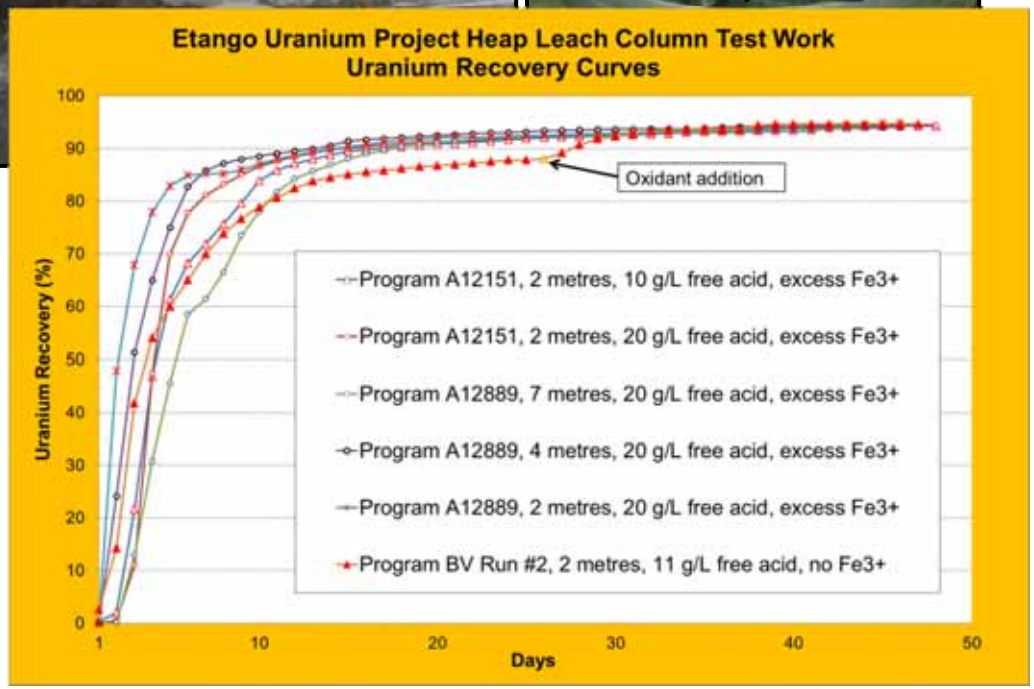

Straightforward Metallurgy

- ✓ Uranium recoveries above 90% have been consistently achieved in short leach cycle times
- ✓ Low in acid consuming carbonates
- ✓ Little, if no, oxidant required
- ✓ Good geotechnical stability and high permeability
- ✓ No clay material
- ✓ Suited to heap leaching

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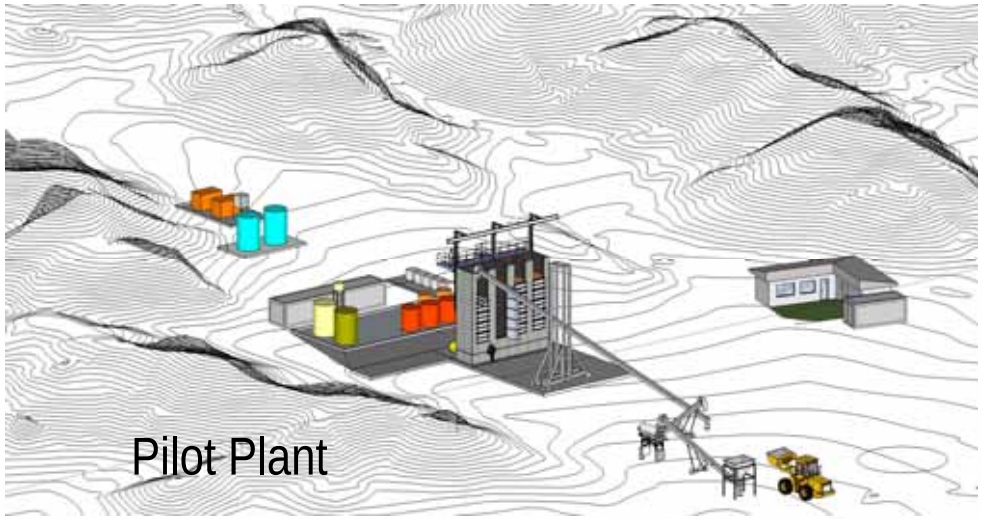
Benefits of Pilot Plant Program

Laboratory

- Confirm process plant performance in scale up from laboratory testing to larger scale operations
- Demonstrate the repeatability of the process
- Detailed design input data
- Build internal capability



Pilot Plant

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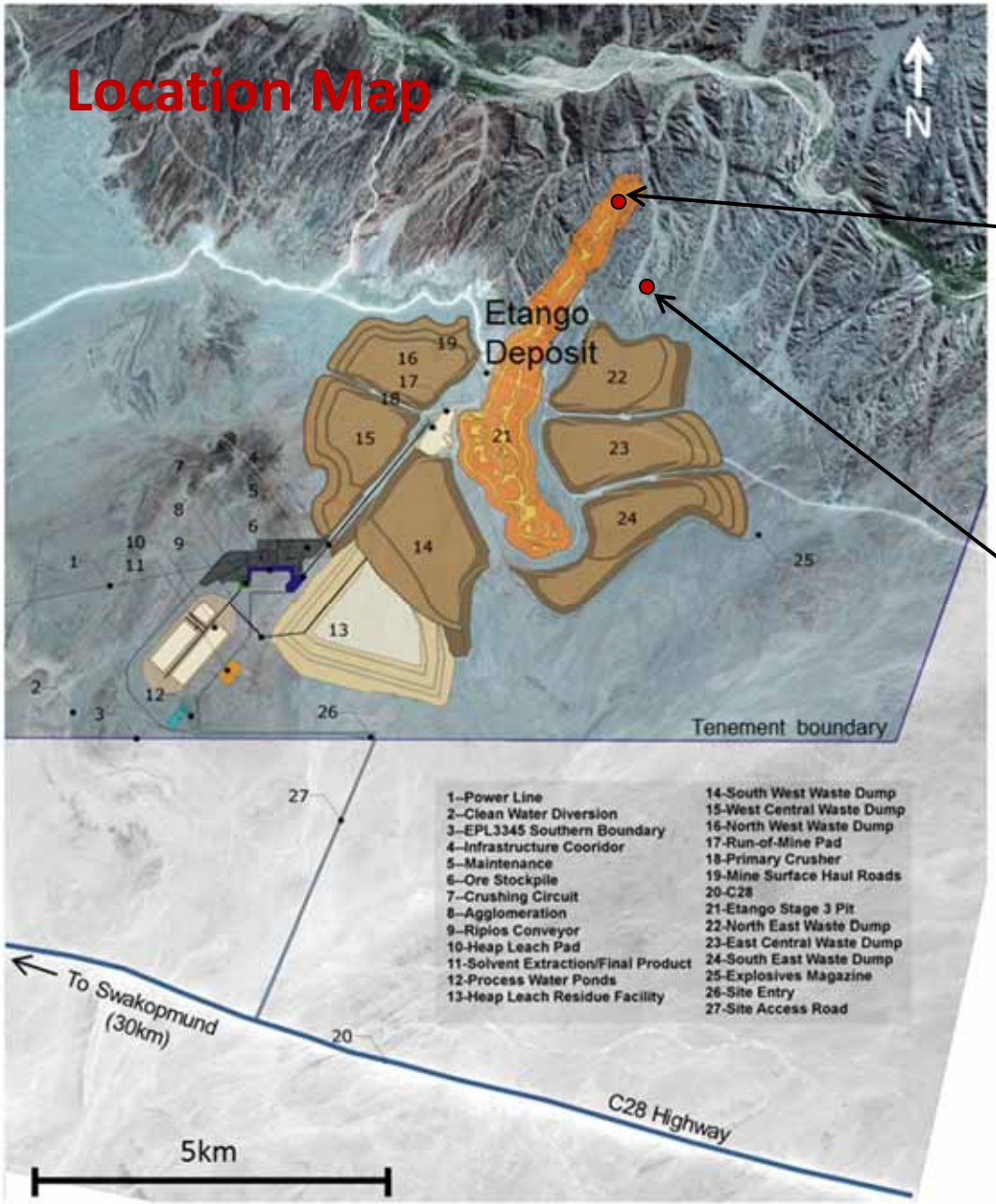
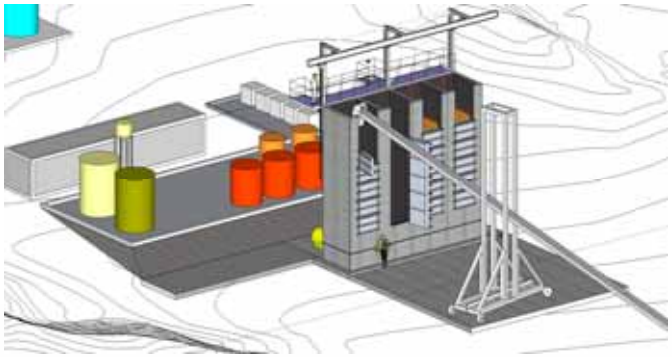
Location Map



Bulk sample site



Pilot Plant site

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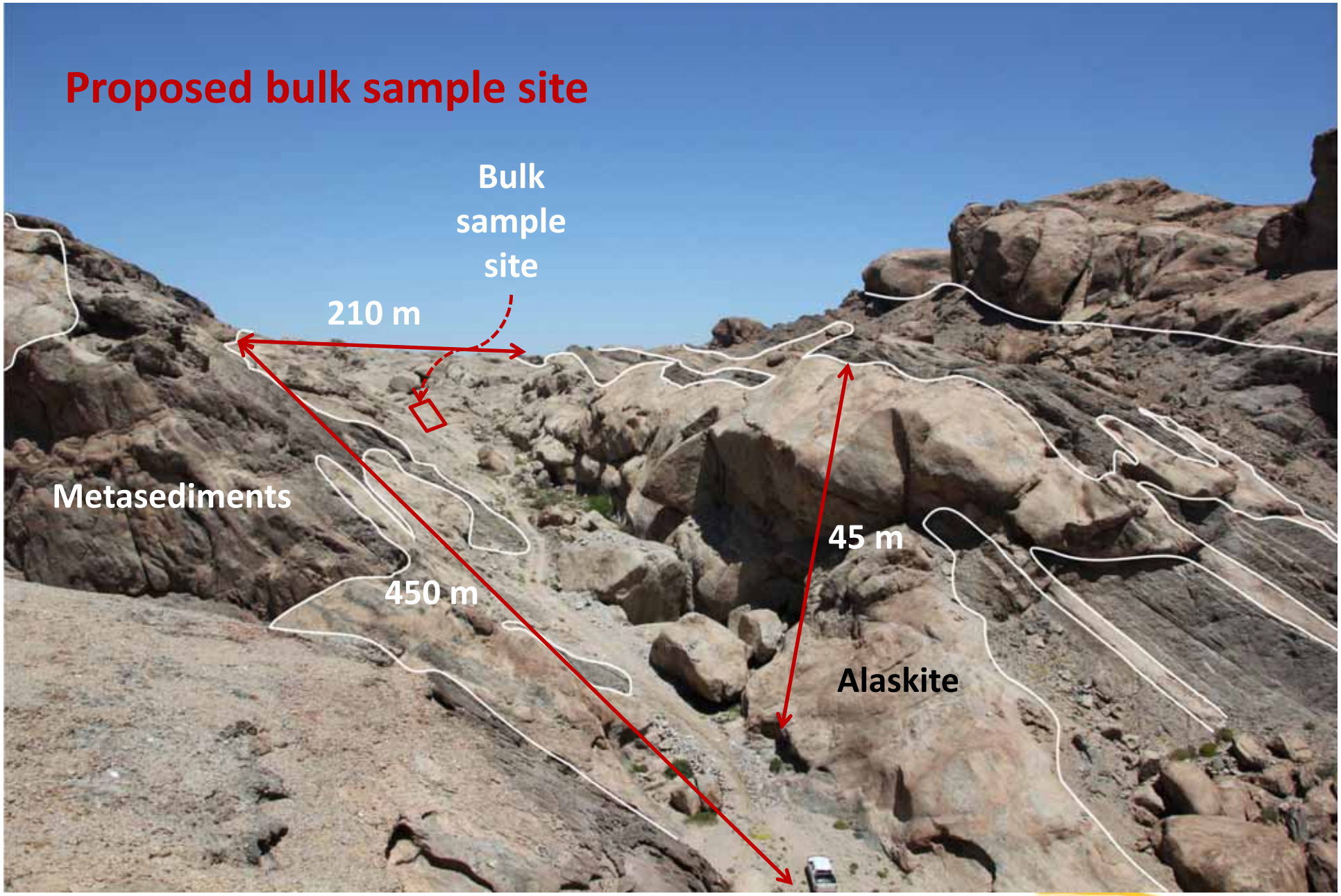
Proposed bulk sample site



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Bulk Sample Dimensions

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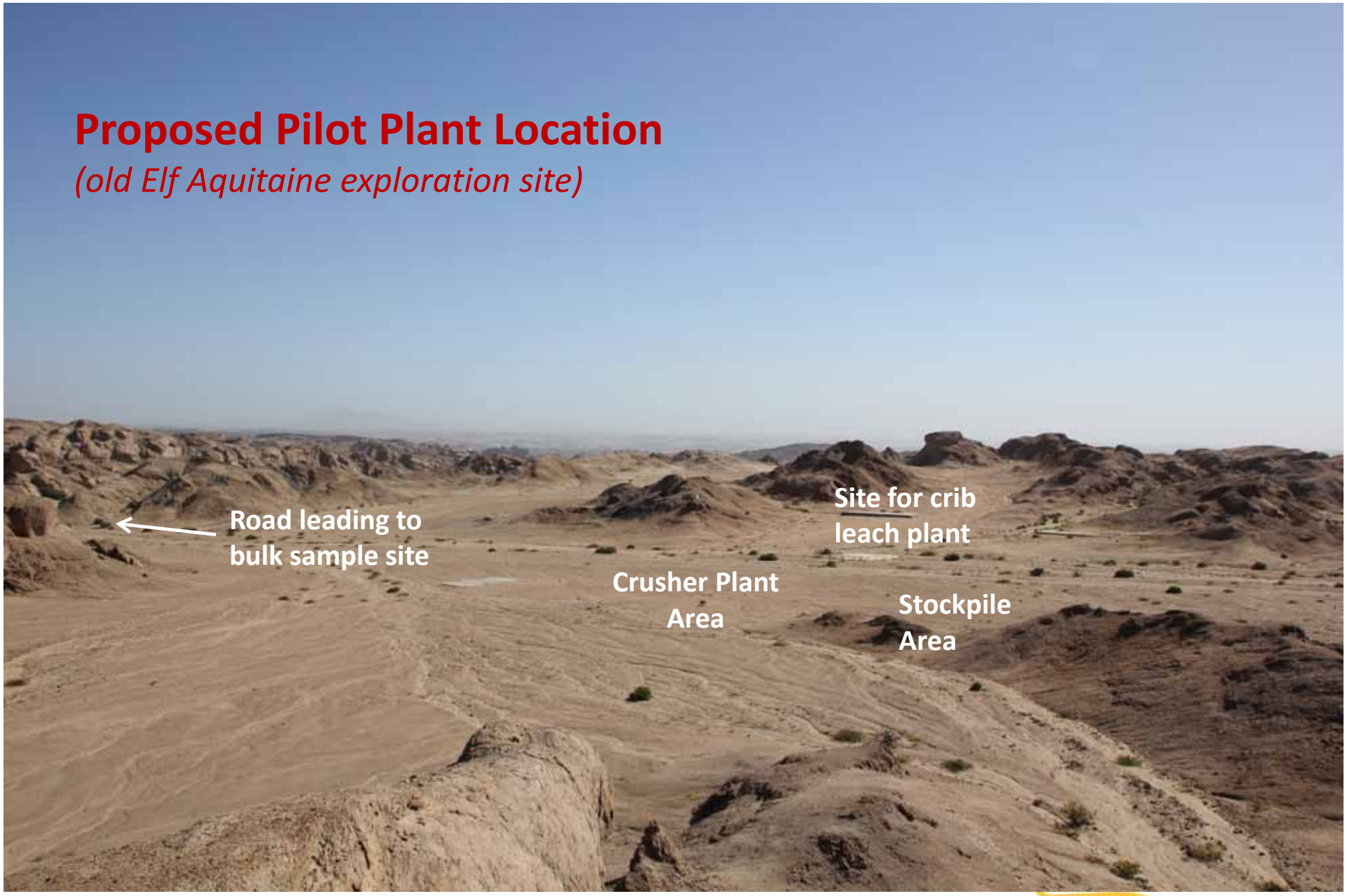
Proposed Pilot Plant Location

(old Elf Aquitaine exploration site)



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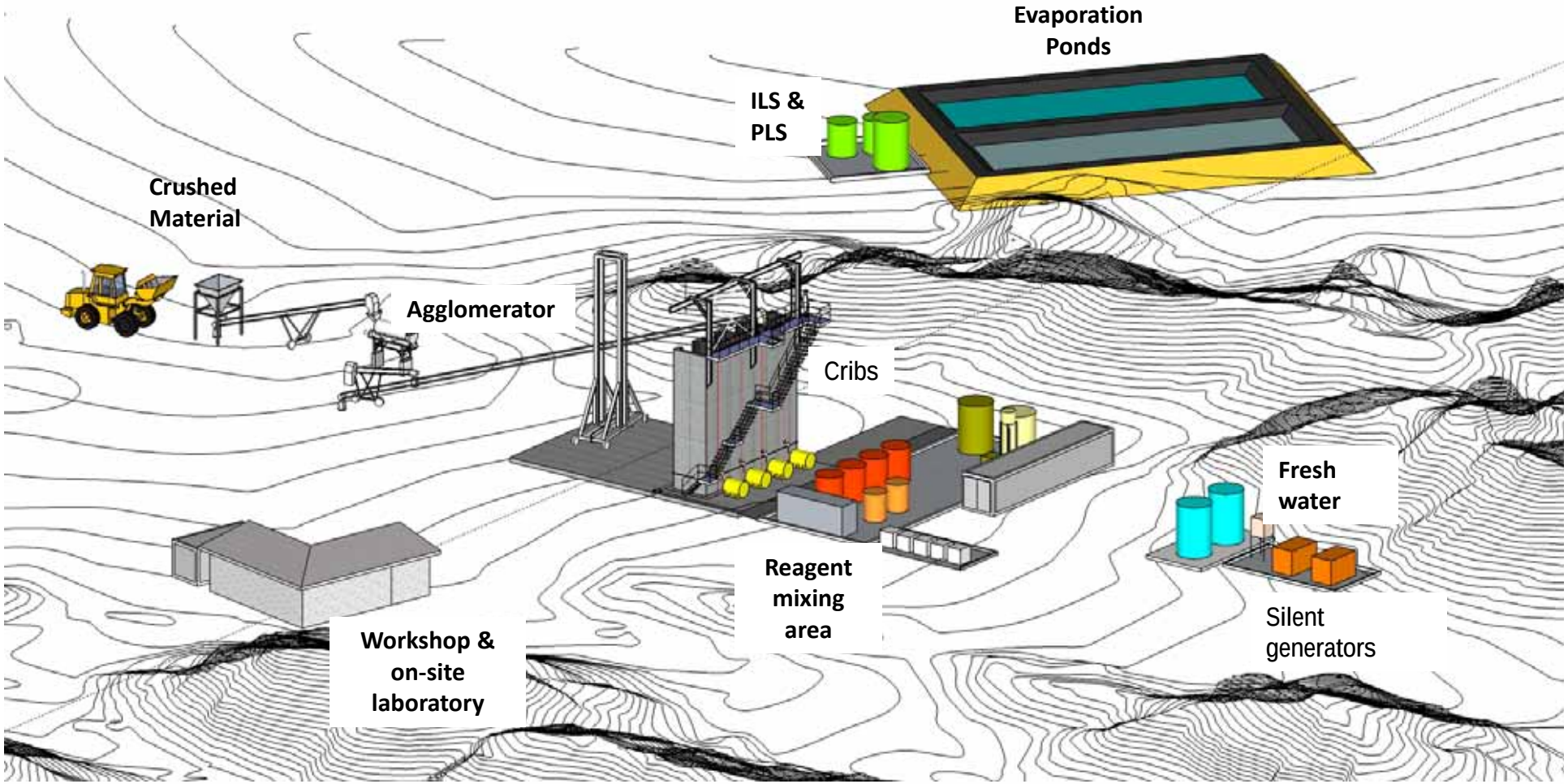
Pilot Plant Layout



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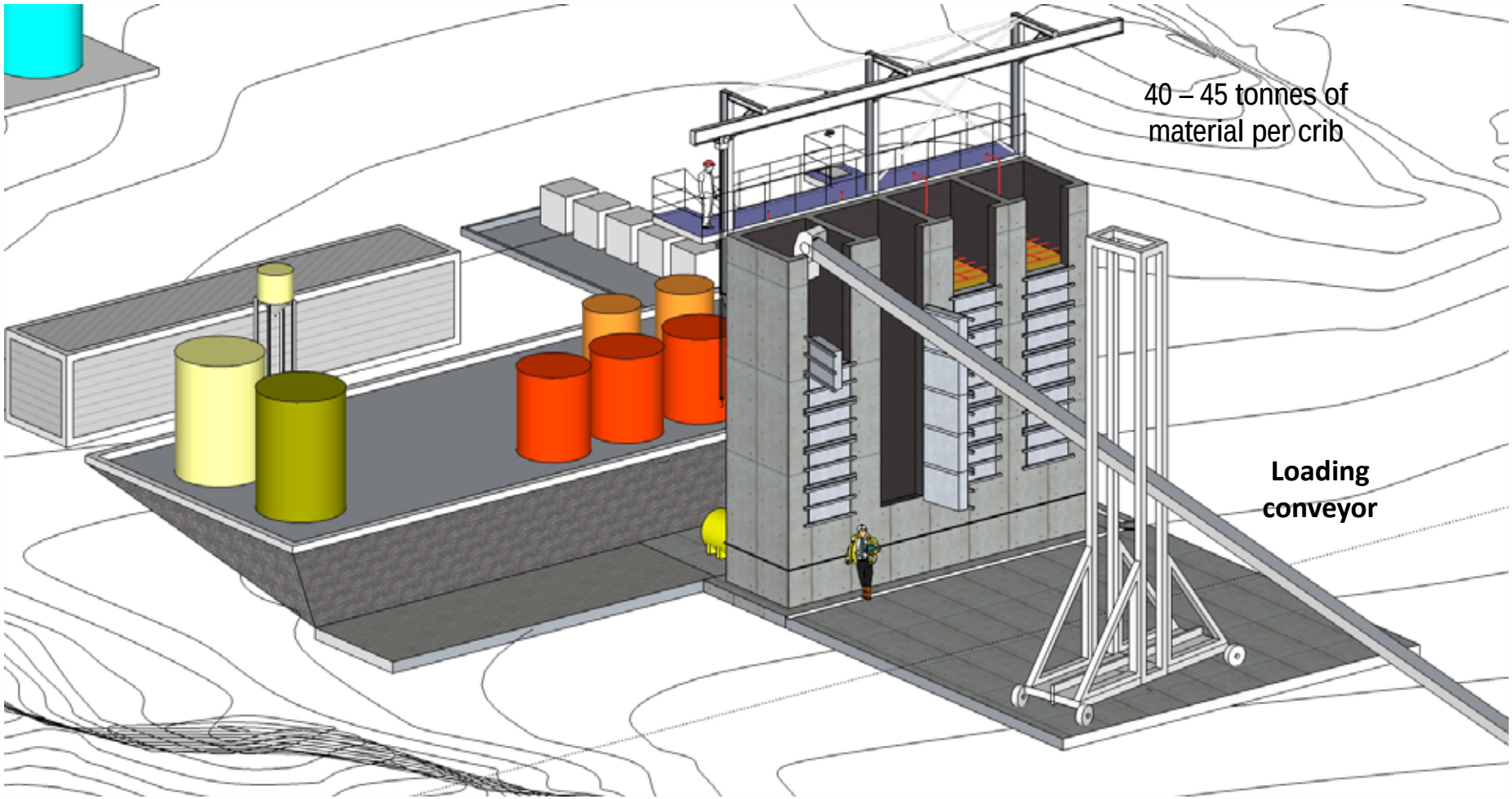
Pilot Plant – four 2m x 2m x 7m Columns



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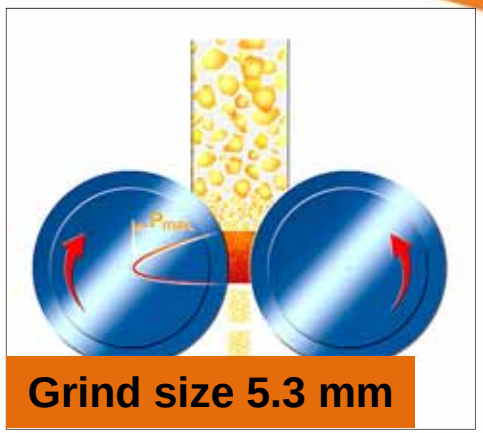
Process flowsheet

Drilling & Blasting

Primary & Secondary Crushing



Tertiary Crushing (HPGR)

Process Liquor Solution (PLS)

Nearby Processing Plant

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2014 Schedule

Activity	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Permitting									
Financing									
Approval									
Construction									
Commissioning									
CAPEX (A$)					400k	400k	400k		
OPEX (A$)								50k	50k

Envisage 12 month program in 2015 at operating cost of A$50,000 per month

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In Summary

- ✓ **Etango is the seventh largest uranium only project in the world**
- ✓ Completed Definitive Feasibility Study
- ✓ Pilot plant key step in project development and financing process
- ✓ Looming uranium supply shortfall
- ✓ Etango Project remains one of the very few globally significant projects that can realistically be brought into production in the medium term
- ✓ Retention of project and corporate knowledge
- ✓ Maintain first mover advantage

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Scale, Simplicity, Substance

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Corporate Snapshot

as 7 April 2014

Share price	A$0.096
Shares - currently on issue	322.9m
Shares - fully diluted (for options, rights, convertible note, Savanna settlement)	436m
Market capitalisation (undiluted)	A$31.0m
Average daily traded volume in last 12 months	~387,000 shares / day
Top 20 shareholders	~59 %
Cash on hand (as at 31 March 2014)	A$1.85m

Existing Con Note: A$8m; interest rate 8% pa; convertible into 84.2m shares; expiry 30/9/2016

Etango Project ownership: BMN 80% / Clive Jones 20% (free carried until the project is financed)

Major shareholders: RCF 13.6% / Global X 7.1% / Clive Jones 4.7% / Regent Pacific 3.4% / New City Inv. 3.3%

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The Opportunity

- ✓ **Very strong outlook for uranium price and uranium investments**
  - ✓ China building nuclear energy capability (5-year plan to increase nuclear power from 12.5Gw to 40Gw with multiple new reactors under construction).
  - ✓ Japan draft energy plan confirms that energy still a key component of future energy mix - applications for 17 restarts lodged. First 6 approvals potentially as early as mid 2014.
  - ✓ "Megatons to Megawatts" conversion program between Russia and the USA completed in 2013.
- ✓ **Globally significant uranium project which provides exceptional leverage to increasing uranium price**
  - ✓ Etango Project (80% BMN) is the seventh largest uranium project in the world, based on ore reserves.
  - ✓ First mover advantage to be consolidated through pursuing pilot plant program in 2014.
  - ✓ Bannerman shares have repeatedly demonstrated very strong leverage to a rising uranium price.
- ✓ **Robust Project, Premier Jurisdiction, Relevant Experience**
  - ✓ Etango is development-ready and underpinned by a detailed Definitive Feasibility Study.
  - ✓ Etango is strategically located in Namibia, a premier uranium mining jurisdiction.
  - ✓ Board and management team with relevant experience & proven track record.

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The Backdrop – Strong Uranium Market Fundamentals

Demand

- Japan paves way for orderly restarts in 2014.
- Chinese implement 5 year plan to increase nuclear capacity from 12.5GWE to 40GWe – currently 21 reactors in operation and 28 reactors under construction.
- Saudi Arabia states intention to build 16 new reactors by 2030 – first 2 by 2020.
- Russia states intention to build 21 new reactors by 2030

Supply

- Producers threatened by US$35/lb U_3O_8 spot price.
- Significant reduction in investment will curtail industry's ability to respond to growth in demand.
- Husab development by CGNPC only new major new project under construction.
- Last shipment under "Megatons to Megawatt" High Energy Uranium de-enrichment program completed in 2013.

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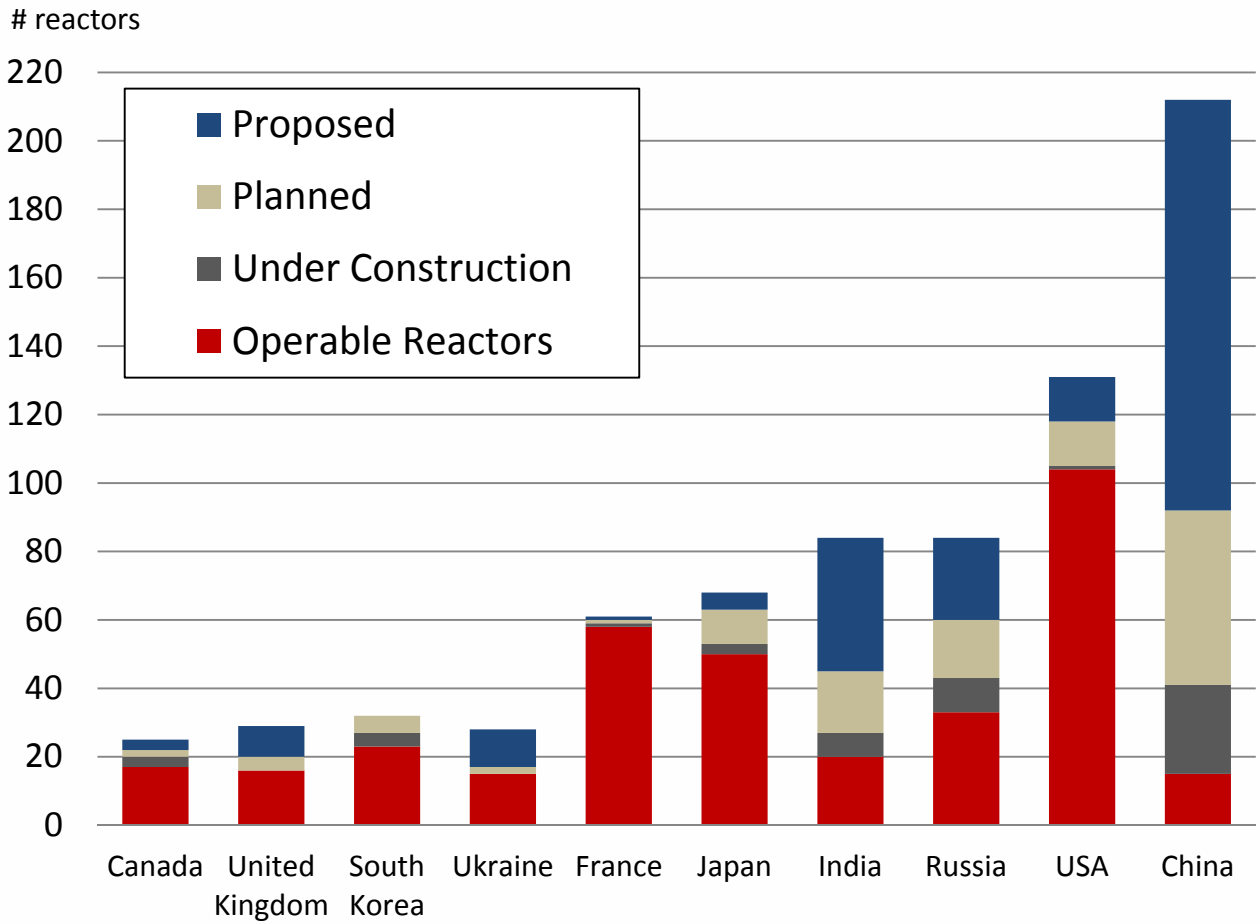
Demand – Asian Growth Driven



Source: WNA August 2013

438 reactors operable
in 30 countries,
71 under construction,
489 planned and proposed

China on track to increase nuclear capacity from
12.5 GWe to 40GWe by 2015*

*Source: The National Energy Administration of China, and various broker and press reports

India has recently reiterated its plan to increase nuclear capacity 14 fold to 63 GWe by 2032

Saudi Arabia states intention to develop 16 reactors by 2030

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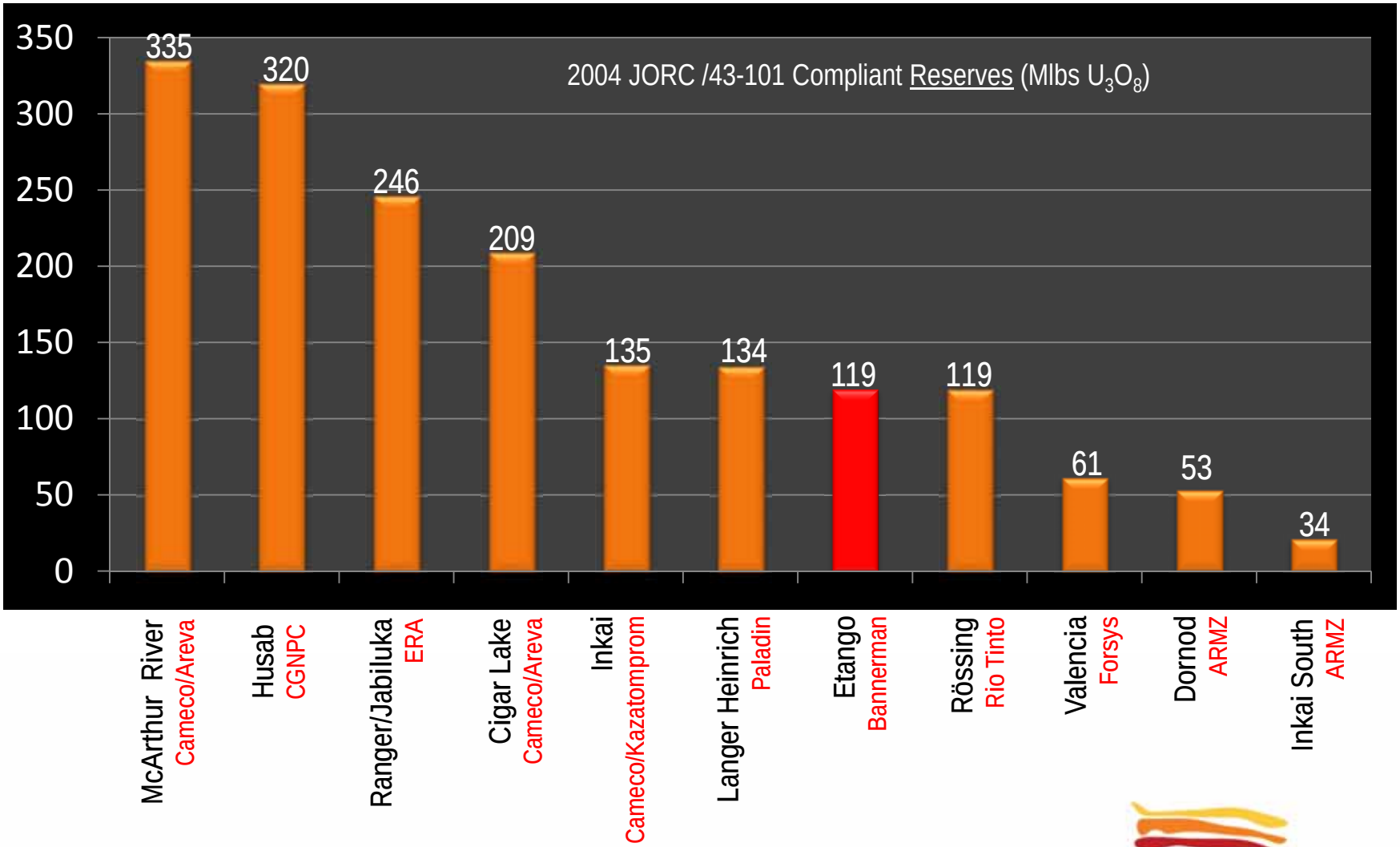
A Global Top 10 Uranium Project



Source: Bannerman & Versant Partners, August 2012.
Reflects 100% of projects.

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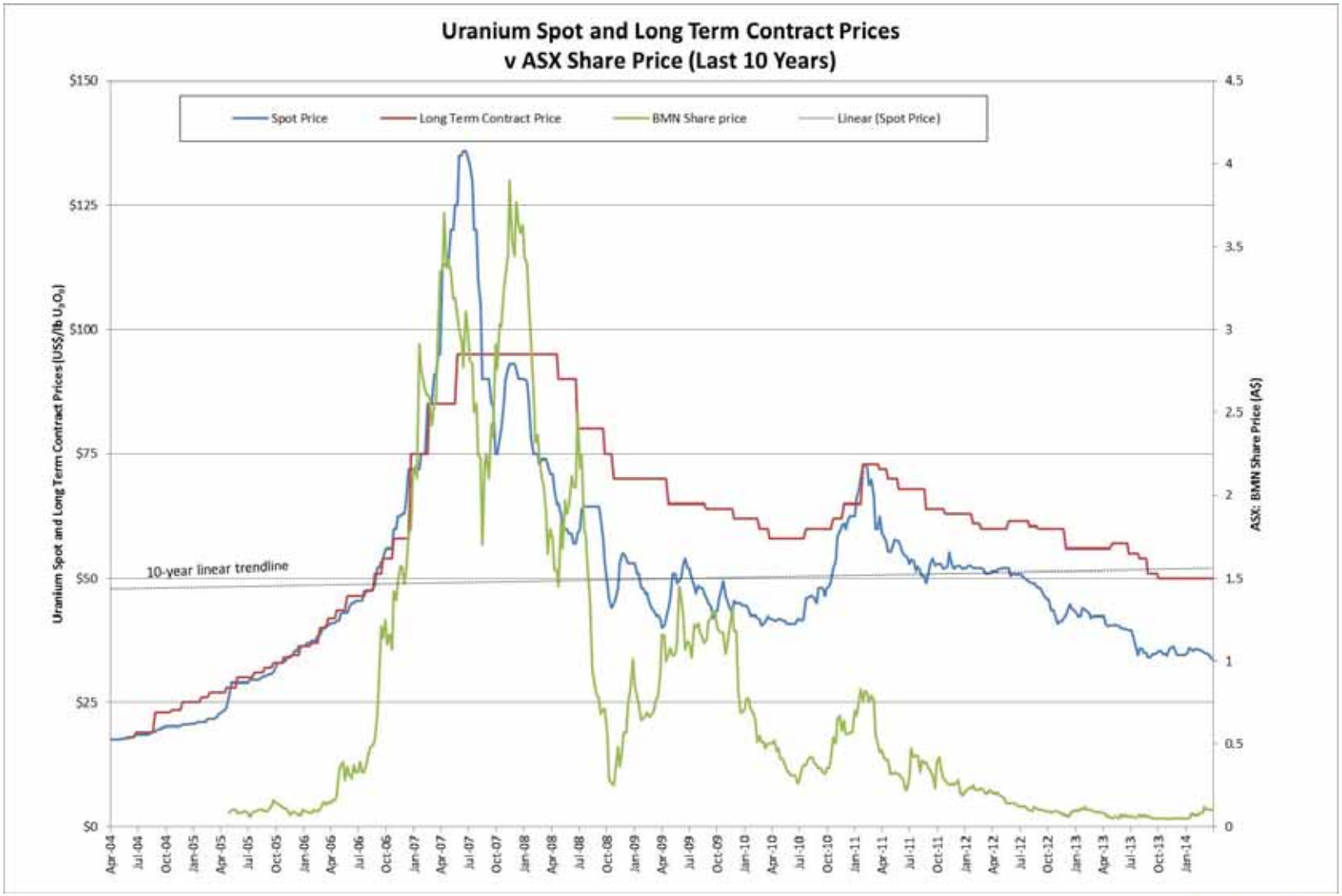
10 Year Uranium Prices & BMN Share Price



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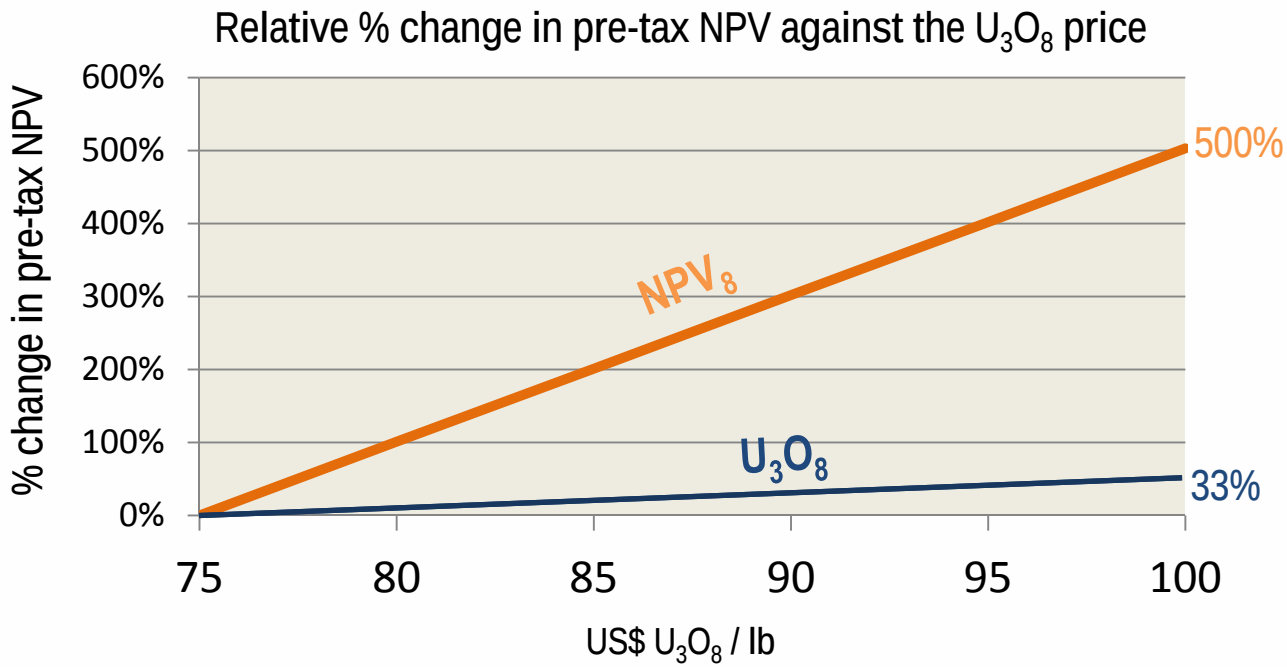
Highly leveraged to the uranium price



Historical Bannerman share price movement v U_3O_8 spot price

Period	U_3O_8 Spot Price Movement	Bannerman Share Price Move
Apr 05 – Jun 07	+490 %	+7,900 %
Jun 10 – Feb 11	+80 %	+240 %

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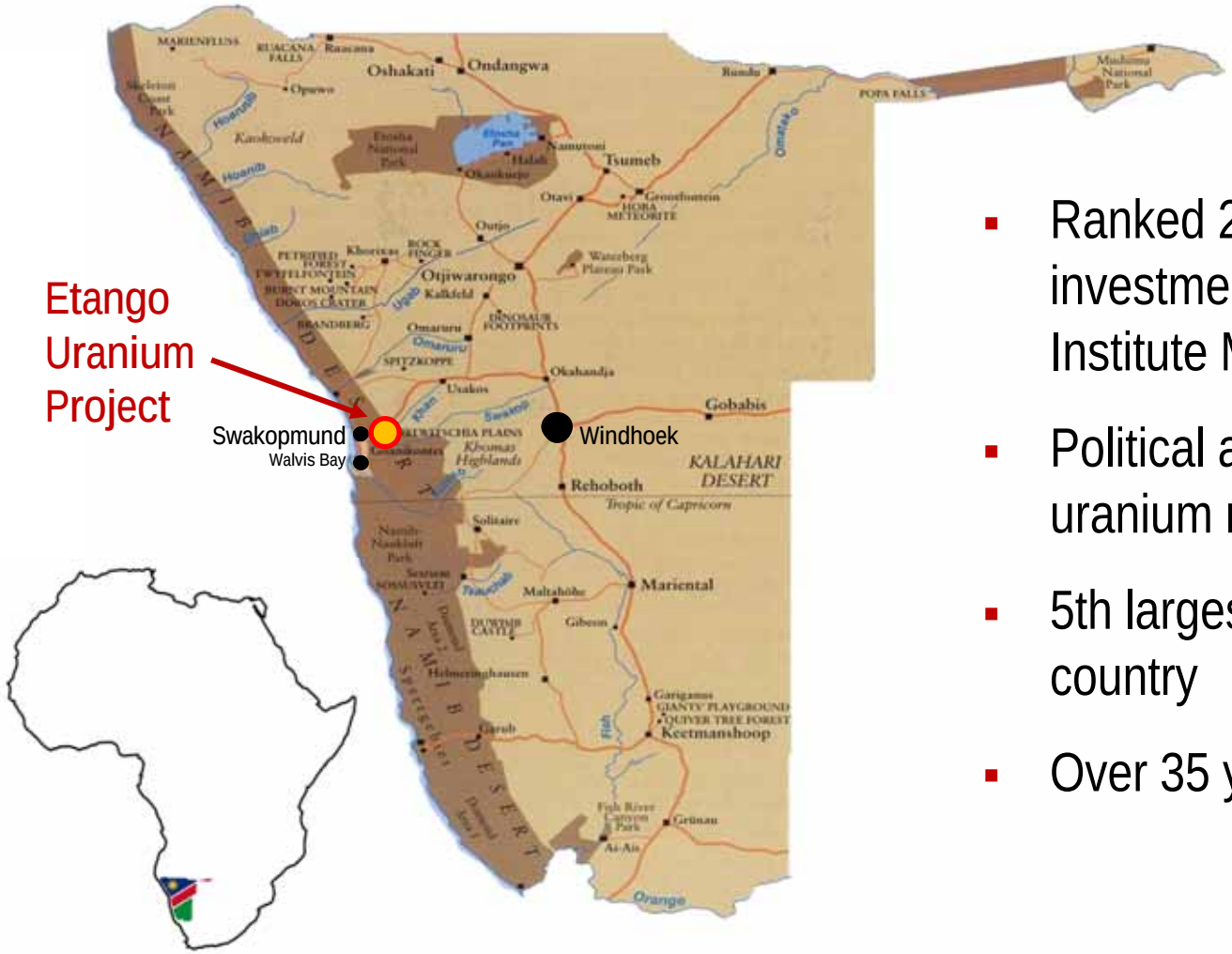
Namibia – A Premier Uranium Mining Jurisdiction



- Ranked 2nd most attractive African investment jurisdiction in Fraser Institute Mining Company Survey
- Political and social support of uranium mining
- 5th largest uranium producing country
- Over 35 years of uranium mining

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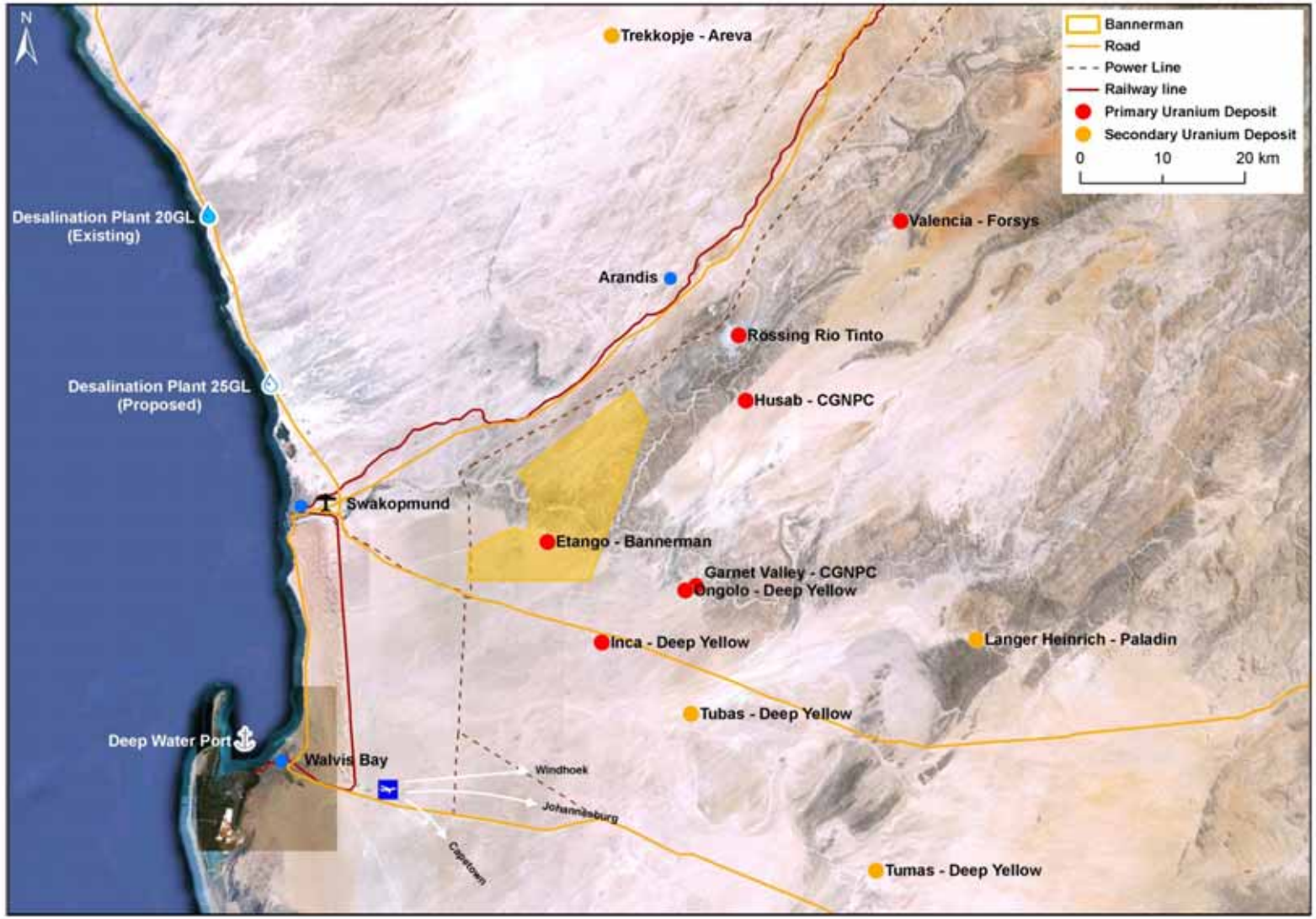
Erongo Uranium Province

Extensive uranium inventory and infrastructure rich



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Etango Project Mineral Resource and Ore Reserve Estimates

Mineral Resource	Tonnes (Mt)	Grade (ppm U_3O_8)	Contained U_3O_8 (Mlbs)
Measured	62.7	205	28.3
Indicated	273.5	200	120.4
Measured & Indicated Resource	336.2	201	148.8
Inferred (Etango)	45.7	202	20.3
Inferred (Ondjamba & Hyena)	118.7	166	43.6
Ore Reserve			
Proved	64.2	194	27.4
Probable	215.3	193	91.8
Proved and Probable Ore Reserve	279.6	194	119.3

80% conversion

Notes:
1. Figures may not add due to rounding.
2. Bannerman holds an 80% interest in the Etango Project through its Namibian subsidiary. All details reported are for 100% of the Project.
3. Mineral Resources are reported at a cut-off grade of 100ppm U_3O_8 and are inclusive of Ore Reserves.
4. Ordinary Kriged Resource estimate based upon 3m cut composites; bulk density of 2.64t/m^3; and panel dimensions of 25mNS by 25mEW by 10mRL.
5. The Ore Reserve was estimated with a modelled mining loss of 2.6% of metal, mining dilution of 4.9% of the total ore tonnes, a cut-off grade of 70ppm U_3O_8, a processing recovery of 84.5%, a metal price of US$75/lb U_3O_8 and the DFS cost estimates.
6. Mineral Resources which are not Ore Reserves do not have demonstrated economic viability.

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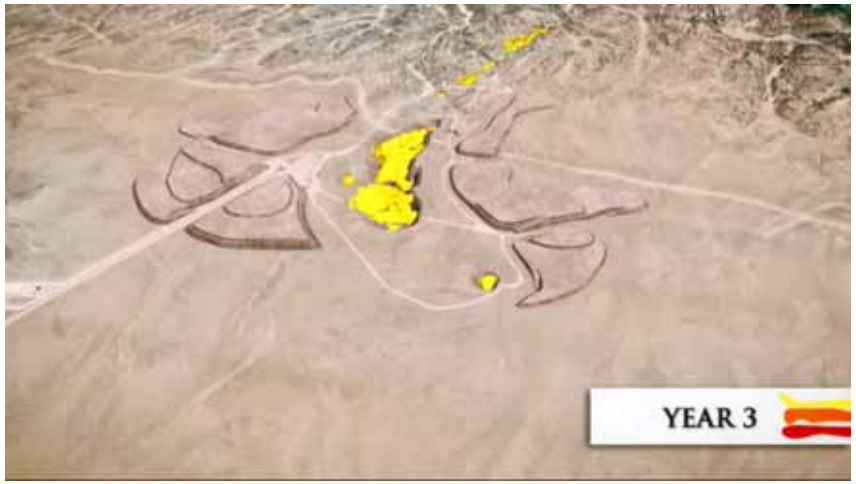
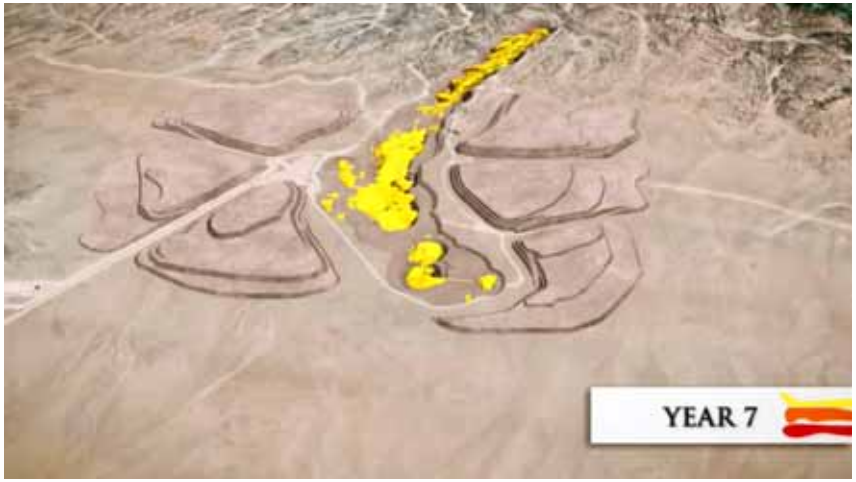
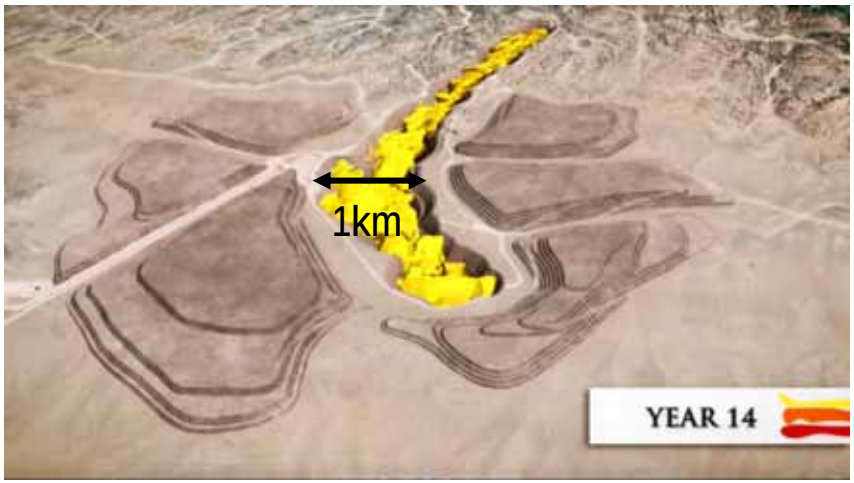
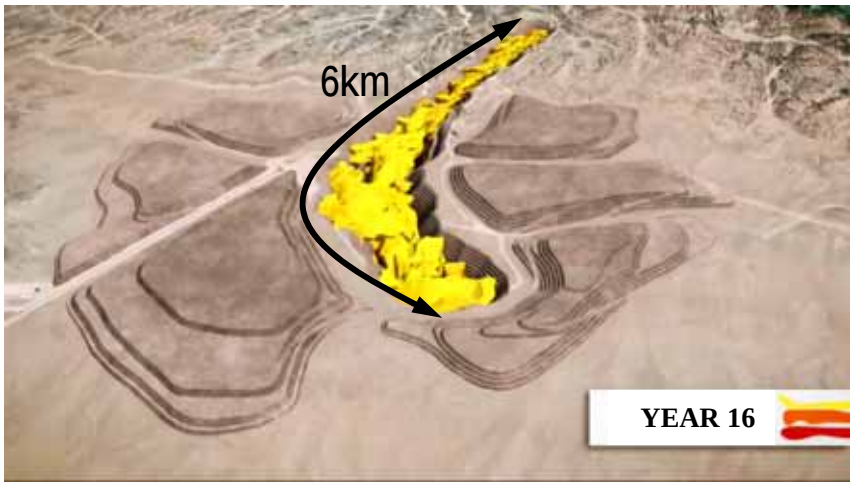
Simple Open Pit Mining

Ore Reserve Estimate based on over 275km Drilling









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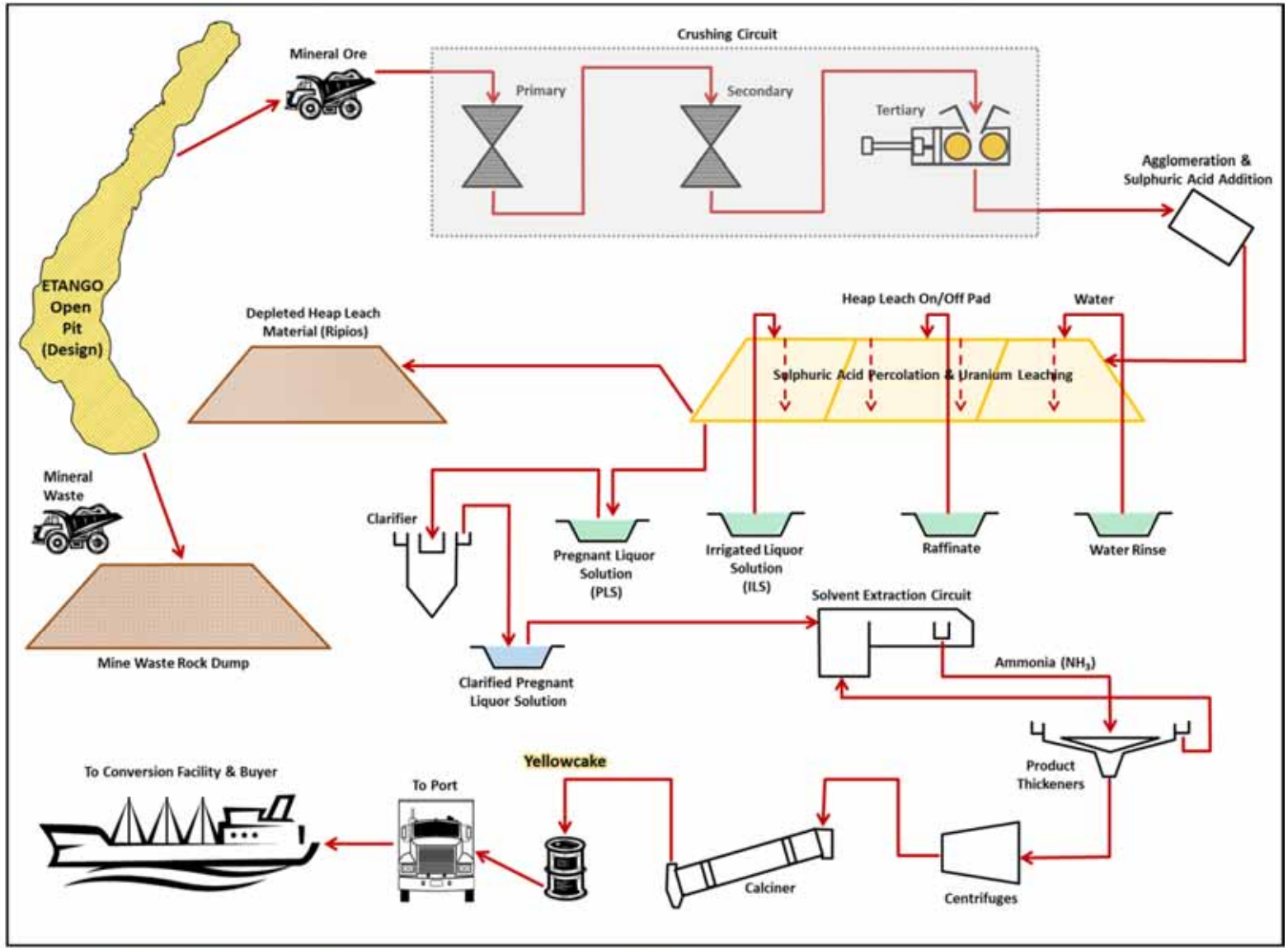
Simple, Conventional Process Flowsheet



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Straightforward 3 Stage Crushing

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Conventional Sulphuric Acid Heap Leaching

50 day on – off cycle

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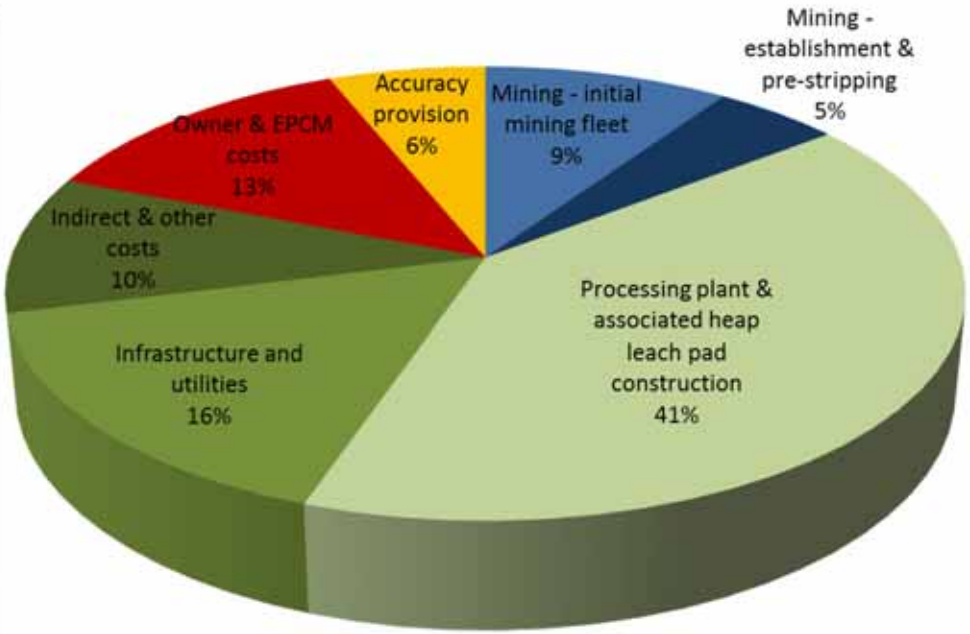
Etango – DFS Pre-Production Capital Costs

DFS Pre-Production Capital Cost Estimate (April 2012)	US$ million
Mining – fleet, establishment & pre-stripping	127
Process plant	354
Site infrastructure	91
External infrastructure (power, water, rail, road and port)	47
EPCM costs	72
Accuracy provision	54
First fills and spares	29
Owner's costs (personnel, housing, training, insurance etc)	40
Other (camp facilities, mobilisation and demobilisation and temporary services)	56
Total pre-production capital expenditure	870



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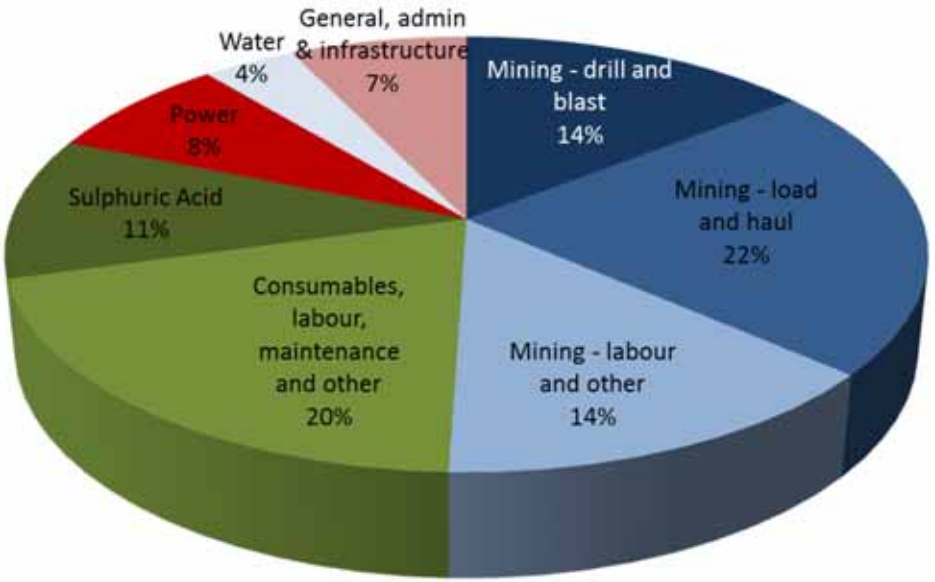
Etango – DFS Cash Operating Costs

DFS Cash Operating Cost Estimate (April 2012)	First 5 Years	Life-of-Mine
Mining:		
- US$/tonne mined	1.72	1.97
- US$/tonne ore	7.87	8.55
Processing (US$/tonne ore):		
Consumables, labour, maintenance & other	3.37	3.41
Sulphuric acid	1.78	1.79
Power	1.29	1.31
Water	0.64	0.65
	7.08	7.15
General & administration (US$/tonne ore):	1.26	1.23
Total cash operating costs (US$/tonne ore)	16.21	16.93
Total cash operating costs (US$/lb U_3O_8 produced)	40.85	45.71



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BANNERMAN RESOURCES

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ATTACHMENT B: Key Terms & Conditions of the RCF VI Convertible Note Facility

Facility	The facility will comprise of a total commitment of A$4,000,000 (**Facility**).
Use of funds	Bannerman will use the new funds to construct and operate a pilot plant facility for the Etango Project and meet its corporate and working capital requirements.
Commencement	Drawdown will be available upon 15 business days' notice, with such notice to be given within 30 days after satisfaction of the conditions precedent (see below). (**Commencement Date**). If Bannerman does not drawdown the Facility where (i) the conditions precedent (see below) have been satisfied and the Facility is available for drawdown or (ii) Bannerman has not acted in good faith in seeking to satisfy the conditions precedent, Bannerman will pay RCF a fee of $120,000.
Maturity Date	30 September 2016 (**Maturity Date**).
Conditions Precedent	The Company must satisfy several conditions precedent in order to draw down under the Convertible Note Facility, including: (a) technical, legal, financial and permitting due diligence satisfactory to RCF VI; (b) all necessary governmental and regulatory approvals and Bannerman shareholder approval in relation to the Facility; (c) Bannerman confirming that it is in compliance with relevant securities regulations, and that all material information has been publicly disclosed; (d) legal documentation satisfactory to RCF VI; (e) granting and perfection of security in favour of RCF VI (see below); (f) all necessary consents in relation to the granting of security in favour of RCF VI; (g) all necessary consents and, if applicable, waivers of any rights of pre-emption required to enable RCF VI to exercise its rights under the security; (h) receipt by RCF VI of such legal opinions from its counsel as it may require; (i) payment of all fees and expenses, including issue of the establishment fee shares (see below), as contemplated by the term sheet entered into between RCF VI and Bannerman; (j) no material adverse change in Bannerman's financial condition or operations; (k) RCF VI being satisfied with the corporate budget of Bannerman; and (l) no event of default having occurred that remains subsisting. If the conditions precedent are not satisfied by 7 July 2014, RCF VI may terminate the Convertible Note Facility.
Establishment Fee	As consideration for RCF VI agreeing to the Convertible Note Facility, Bannerman has agreed to pay to RCF VI an establishment fee of A$120,000, to be satisfied by the issue to RCF VI of Bannerman shares. The shares will be issued on the date of drawdown at an issue price equal to the 5 day VWAP of Bannerman shares on the ASX prior to the date of drawdown.
Interest	The interest will be at a fixed coupon rate of 8% per annum and is paid quarterly in arrears in Bannerman shares using the 5 day VWAP of Bannerman shares on the ASX applicable on the last day of each quarterly interest period, or cash in certain circumstances.
Bannerman repayment of the Convertible Note Facility	On the Maturity Date, if RCF VI has not elected to convert the Facility into equity (see below), Bannerman will repay to RCF VI in cash the principal outstanding, accrued interest and any other amounts which are secured and outstanding in cash under the Convertible Note Facility.
Conversion of Principal Outstanding by RCF VI	RCF VI may, at any time prior to the Maturity Date, elect to convert all or part of the principal outstanding into Bannerman shares at a price per Share, equal to the higher of: (a) the lower of: i) A$0.095; and ii) 150% of the 60 trading day VWAP as at the date of drawdown. (b) A$0.06, (**Conversion Price**).
Bannerman conversion of Principal Outstanding	Bannerman may, after the first anniversary of the date of drawdown, elect to convert all or part of the principal outstanding to shares at an issue price per share equal to the Conversion Price provided that: (a) the rolling 20 day VWAP of Bannerman shares on the ASX is equal to, or more than, 3

	times the amount of the Conversion Price; and (b) the average daily volume of shares traded on ASX during that 20 day period is not less than 2% of the total number of shares to be issued to RCF VI upon such a conversion.
Bannerman voluntary prepayment	Bannerman may elect to prepay all the principal outstanding (plus any outstanding interest) at any time up to 60 days prior to the Maturity Date. If Bannerman elects to make that prepayment, then it is also required to issue to RCF VI the number of options that is equal to the principal outstanding divided by the Conversion Price (**Prepayment Options**). The Prepayment Options will have an exercise price equal to the Conversion Price, an exercise period from the date of issue to (and including) the Maturity Date and otherwise be issued on the terms set out in the existing convertible note agreement with RCF IV.
Security	The Convertible Note Facility will be secured, in favour of RCF VI, by: (a) a charge over all of the Company's present and after acquired property, interests and rights; (b) a charge over the Company's shares, dividends and other rights in respect of its subsidiary, Bannerman Resources Nominees (UK) Limited (**Bannerman UK**); (c) mortgage and fixed and floating charge over all of Bannerman UK's assets and undertakings; and (d) a pledge over the rights, title and interests held by Bannerman UK in the shares of Bannerman Mining Resources (Namibia)(Proprietary) Limited (**Bannerman Namibia**).
Amendment to the Conversion Price	In the event of any reorganisation of Bannerman's issued capital, then the provisions of the Convertible Note Facility will be reorganised in the same manner as options are adjusted under the ASX Listing Rules on a reorganisation of capital. The Conversion Price will be subject to an adjustment under an anti-dilution formula should Bannerman raise equity at less than 80% of a rolling 5 day VWAP, in which case there will be a reduction in the Conversion Price which is proportionate to the dilution in value attributable to the amount of equity raised.
Change of control	It will be a review event if: (a) a person obtains a relevant interest in 50% or more of the shares in Bannerman (other than RCF IV or its associates); or (b) Bannerman or any of its subsidiaries ceases to have an ownership interest of at least 50% in the Etango Project without RCF's prior consent. Upon the happening of a review event, Bannerman and RCF VI will consult each other as to the effect of that event, upon which RCF VI may elect to: (a) convert all amounts outstanding under the Facility into shares; or (b) on 120 days' notice, require the repayment of all amounts outstanding under the Facility.
Bannerman's undertakings	Under the terms of the Convertible Note Facility, Bannerman will give customary representations, warranties, undertakings and indemnities. In addition, it will also give warranties and undertakings in respect of: (a) the maintenance of: (i) not less than a 50% interest in the Etango Project (either indirectly or through its holding in Bannerman Namibia); and (ii) the tenements of the Etango Project; (b) ensuring that any shares issued under the terms of the Convertible Note Facility (either as a new issue or on the exercise of the Prepayment Options) are freely tradeable on ASX; and (c) the maintenance of a minimum cash balance of A$1.25 million, which will include A$500,000 that Bannerman has set aside to pay Savanna Marble CC in the event that a mining licence is granted over the Etango Project (**Savanna Payment**). If the Savanna Payment is made, the minimum cash balance will reduce to A$750,000. (d) If requested by RCF VI, Bannerman will appoint a nominee of RCF VI to its board of directors.
Default	If Bannerman defaults under the Convertible Note Facility and the default continues, then Bannerman would require RCF VI's prior consent in order to exercise its rights to convert the

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	principal outstanding and/or interest to shares. In addition, upon the occurrence of an event of default, all amounts owing under the Facility may become immediately due and payable. Under the terms of the Convertible Note Facility, there will be certain customary events of default, including: (a) failure by Bannerman to pay or repay any amounts outstanding under the Facility and Bannerman not remedying that failure within 2 business days of the due date; (b) breach of the Convertible Note Facility, including where specified security documents or consents or a representation, warranty or statement is or proves to be incorrect in a material respect, and the breach is not rectified within 7 days; (c) Bannerman, Bannerman UK or Bannerman Namibia implement a merger, demerger or scheme of arrangement without RCF VI's approval; (d) the Etango Project is abandoned; (e) any event or series of events, whether related or not, occurs which has or is likely to have a material adverse effect on Bannerman; (f) Bannerman's securities are suspended from trading on ASX for an aggregate period in excess of 5 days over any rolling 12 month period; and (g) any material part of the Etango Project or the relevant tenements is nationalised, confiscated or requisitioned.
Approvals	Bannerman is required to use reasonable endeavours to obtain a Mining Licence in respect of the Etango Project before the Maturity Date. The terms of the Convertible Note Facility will generally require Bannerman to ensure that it has all required shareholder approvals (if any) before it issues any shares or Prepayment Options under the Convertible Note Facility.

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