

**ASX RELEASE**

**17 November 2008**

## **Bannerman appoints highly qualified CEO and secures A\$20M funding facility**

### **HIGHLIGHTS**

- **Mr Len Jubber appointed as Chief Executive Officer**
- **Term sheet signed for A\$10M + A\$10M secured convertible note funding with Resource Capital Funds**
- **Company fully funded to completion of DFS for Etango Project.**

Perth, Australia - 17 November 2008 – Bannerman Resources Ltd (ASX: BMN, TSX: BAN) ("Bannerman" or the "Company") an Australian-based uranium exploration and mine development company with assets in Namibia, advises that Mr Len Jubber has accepted the position of Chief Executive Officer of the Company, effective immediately. As a consequence Mr Clive Jones will stand down as Interim Managing Director and remain as a Director of the Company.

Mr Jubber, a mining engineer with a post graduate degree in business administration, has extensive experience in the minerals industry both in Australia and overseas. He was Managing Director and Chief Executive Officer of Perilya Limited from May 2005 to March 2008, during a period of record profitability for the base metals miner. He also worked for seven years with Oceana Gold Limited, ultimately becoming Chief Operating Officer and an Executive Director of the company.

Prior to Oceana Gold, Len spent eight years in southern Africa with Rössing Uranium Limited, a subsidiary of Rio Tinto and operator of the Rössing uranium mine, located less than 20km to the north-east of Bannerman's Etango Project. Rössing is the world's largest open-cut uranium mine.

Bannerman believes the appointment of a CEO with a successful project development and operating background comes at an important time for Bannerman, with the Etango Project reaching a number of critical milestones in its development schedule.

*"We are very pleased to have attracted a candidate having the experience and credentials of Mr Jubber. Len's previous experiences in leading the development of major mining projects and his time at Rössing is highly valuable and relevant to the Company as we drive the Etango project towards development," Bannerman Chairman Mr Geoff Stanley said.*

Mr Jubber said Bannerman's two key projects in the established uranium district in Namibia can play an important role in meeting the demands of the world's energy markets in the future.

*"Despite the short-term challenges to junior miners posed by the global credit crunch and weakening commodities prices, the longer-term fundamentals for the uranium sector remain sound. I am delighted to be joining the Bannerman team at this exciting point in its development."* Mr Jubber said.

*"Nuclear power is a critical component in the future global energy mix, as the world struggles to reconcile the demand created by population growth and urbanisation, particularly in developing nations, with widespread concern over carbon emissions."*

*"Bannerman is one of the few prospective miners to have delineated a truly world-class resource at its Etango Project and, while there is still a considerable amount of work to be done, the Company is well placed to become a major supplier at a time of an expected global uranium production shortfall."*

Further details of Mr Jubber's remuneration arrangements are set out in the annexure to this announcement.

### **Interim Financing**

Bannerman also announces that it has executed a term sheet with Resource Capital Funds IV LLP ("RCF IV") for a secured convertible note facility ("Facility") for up to A\$20 million. Bannerman will draw down a minimum of A\$10 million and has the option of drawing down a further A\$10 million at any time during the 6 months following drawdown of the first tranche.

Resource Capital Funds, based in Denver, Colorado, is a specialist mining private equity manager that invests across a diversified range of commodities in projects located throughout the world.

Resource Capital Funds has a series of funds that represent US\$890 million in committed capital sourced primarily from US based institutional investors.

The conversion price for the first A\$10 million tranche under the Facility is A\$0.612 per share, a 76.2% premium to the 30 day volume weighted average market price of A\$0.347 per share on 14 November 2008. The conversion price for the standby tranche would be the lesser of \$0.612 and a 20% premium to the 30 day volume weighted average price of Bannerman shares at the time of drawdown of that tranche, subject to a minimum conversion price of A\$0.45. As noted above, drawdown of the standby tranche is at the election of Bannerman.

The Facility carries a coupon of 8% per annum, payable quarterly in arrears. Bannerman can elect to pay the coupon in the form of Bannerman shares rather than cash, based on prevailing market prices.

Drawdown under the Facility is subject to a range of conditions precedent including completion of definitive documentation. Documentation is well advanced and Bannerman is confident that the funds will be available by the end of November.

Subject to the conclusion of definitive documentation, shareholder approval to authorise conversion under the standby facility, together with the issue of shares (at the election of Bannerman) in satisfaction of coupon payments and certain other fees, will be sought at an extraordinary general meeting to be held in Q1 2009. Full details will be provided in the notice of meeting.

Under the terms of the Facility, RCF IV will be entitled to nominate one member to the Board of Directors of Bannerman.

Funds raised under the Facility will be directed towards definitive feasibility studies as described in the Company's quarterly activity report for the quarter ended 30 September 2008 and for general corporate and working capital purposes.

Bannerman Chairman Mr Geoff Stanley believes that concluding a financial agreement of this nature, despite the significant financial sector downturn, provides further evidence as to the credentials of Bannerman's Namibian assets.

*"The Board was pleased to have been able to negotiate these interim financing terms in an environment which is extremely challenging for junior companies such as Bannerman," Mr Stanley said.*

*"Critically, this funding will allow the Company to progress feasibility studies for the Etango Project to a point where funding options - and therefore value to shareholders - are able to be greatly enhanced," he said.*

### **Etango Project - Funding and Development work**

As noted in its September quarterly activities report, the Company has appointed leading independent Australian investment and advisory house Gresham Advisory Partners to assist it in reviewing funding and development options for the Etango Project.

The Company has been encouraged by the expressions of interest it has received in the Etango Project from a number of parties and remains committed to moving towards production as expeditiously as possible.

### **Geoff Stanley Chairman**

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## **Annexure – Overview of CEO’s appointment terms**

### **Appointment**

Mr Jubber has been appointed to the position of CEO on an evergreen basis.

### **Termination**

Mr Jubber may terminate his employment at any time by giving three months' notice in writing or such shorter period of notice as agreed in writing with Bannerman.

Bannerman may terminate the employment of Mr Jubber by giving three months' notice in writing or payment in lieu of notice (or a combination of notice and payment in lieu of notice).

### **Remuneration Package**

Fixed remuneration of \$400,000 per annum (inclusive of GST and superannuation), increasing in accordance with the achievement of specified milestones.

In addition to fixed remuneration, Bannerman will grant to Mr Jubber 5.5 million options to subscribe for Bannerman ordinary shares, on the following terms and conditions:

- 2.5 million options vesting 1 year from commencement subject to finalisation of a Prefeasibility Study for the Etango Project, with an exercise price of \$0.434 (being 125% of the 30 day volume weighted average market price of A\$0.347 per share on 14 November) (“Tranche 1 Exercise Price”)
- 1.5 million options vesting 2 years from commencement subject to the board approval of a positive Bankable Feasibility Study for the Etango Project, with an exercise price of \$ 0.543 (being 125% of the Tranche 1 Exercise Price )
- 1.5 million Options vesting 3 years from commencement subject to finalising project development financing, with an exercise price of \$0.678 (being 125% of the Tranche 2 Exercise Price.)

All options have a 3 year term from the date of grant.