



STOCK EXCHANGE ANNOUNCEMENT

12 May 2010

Unaudited Financial Statements and Management's Discussion and Analysis for the Quarter ended 31 March 2010

Bannerman Resources Limited (ASX: BMN, TSX: BAN, NSX: BMN) attaches its unaudited consolidated Financial Statements and Management's Discussion and Analysis for the quarter ended 31 March 2010, filed in accordance with Canadian reporting regulations.

For further information please contact:

Len Jubber

Chief Executive Officer
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

Ann Gibbs

Investor Relations
Toronto, Ontario, Canada
Tel: +1 416 388 7247

ann@bannermanresources.com

Australasian Media

David Tasker
Professional Public Relations
Tel: +61 (0)433 112 936

david.tasker@ppr.com.au

About Bannerman - Bannerman Resources Limited is an emerging uranium development company with interests in two properties in Namibia, a southern African country recognised as 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 development of a large open pit uranium mining and processing operation at Etango. More information is available on the Company's website at www.bannermanresources.com.



11 May 2010

**Notice Pursuant to Part 4.3(3)(a) of National Instrument 51-102
Continuous Disclosure Obligations**

The Interim Financial Statements of Bannerman Resources Limited filed for the three and nine month periods ended March 31, 2010 have not been reviewed by its auditor, Ernst & Young, in accordance with the standards for a review of interim financial statements as set out in the Handbook published by the Canadian Institute of Chartered Accountants.

Date: May 11, 2010

"RONNIE BEEVOR"

Ronnie Beevor
Chairman, Audit Committee
Bannerman Resources Limited





BANNERMAN RESOURCES LIMITED AND CONTROLLED ENTITIES

Consolidated Financial Statements
For the Period Ended
31 March 2010
(Unaudited)

The accompanying unaudited interim financial statements for the three and nine months ended 31 March 2010 have been prepared by management and approved by the Audit Committee on behalf of the Board of Directors of the Company. The Company's auditors have not reviewed these financial statements. Readers are cautioned that these financial statements contain forward-looking information as described in the associated Management's Discussion & Analysis.

**BANNERMAN RESOURCES LIMITED
AND CONTROLLED ENTITIES**

**CONSOLIDATED FINANCIAL REPORT
For the Period Ended 31 March 2010**

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REGISTERED OFFICE

Level 1, Suite 18
513 Hay Street
SUBIACO 6008
WESTERN AUSTRALIA
AUSTRALIA
Telephone: +61 (0)8 9381 1436
Facsimile: +61 (0)8 9381 1068



**BANNERMAN RESOURCES LIMITED
AND CONTROLLED ENTITIES**

**CONSOLIDATED INCOME STATEMENT (UNAUDITED)
(Expressed in Australian dollars)
For the Period Ended 31 March 2010**

	Note	3 Months Ended 31 March		9 Months Ended 31 March	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Continuing Operations					
Other revenue	2	192	79	725	405
Administration and other expenses	3	(903)	(703)	(2,616)	(2,252)
Directors' fees		(136)	(81)	(322)	(193)
Stock based compensation expense		(818)	(975)	(3,598)	(1,276)
Employee expenses		(512)	(269)	(1,578)	(937)
Shareholder and listing costs		(44)	(102)	(348)	(294)
Depreciation expense		(94)	(63)	(235)	(206)
Interest expense		(571)	(301)	(1,331)	(356)
Loss from continuing operations before income tax		(2,886)	(2,415)	(9,303)	(5,109)
Income tax expense		-	-	-	403
Net loss for period		(2,886)	(2,415)	(9,303)	(4,706)
Loss is attributed to:					
Equity holders of the parent company		(2,830)	(2,391)	(9,132)	(4,588)
Minority interest		(56)	(24)	(171)	(118)
		(2,886)	(2,415)	(9,303)	(4,706)
Loss per share					
Basic and diluted loss per share (cents per share)		(1.4)	(1.59)	(4.5)	(3.05)

The accompanying notes are an integral part of these consolidated financial statements.

**BANNERMAN RESOURCES LIMITED
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in Australian dollars)**

As at 31 March 2010

	Note	Unaudited 31 March 2010 \$'000	Audited 30 June 2009 \$'000
CURRENT ASSETS			
Cash and cash equivalents	4	20,394	37,578
Trade and other receivables	5	352	865
Other		108	78
TOTAL CURRENT ASSETS		20,854	38,521
NON-CURRENT ASSETS			
Other receivables		26	26
Property, plant and equipment	7	1,635	1,633
Exploration and evaluation expenditure	6	60,173	52,558
TOTAL NON-CURRENT ASSETS		61,834	54,217
TOTAL ASSETS		82,688	92,738
CURRENT LIABILITIES			
Trade and other payables		1,144	2,873
Interest bearing liabilities		1	9
Provisions		142	127
TOTAL CURRENT LIABILITIES		1,287	3,009
NON CURRENT LIABILITIES			
Interest bearing liabilities	8	8,716	7,978
TOTAL NON CURRENT LIABILITIES		8,716	7,978
TOTAL LIABILITIES		10,003	10,987
NET ASSETS		72,685	81,751
EQUITY			
Issued capital	9	86,077	86,106
Reserves		52,805	52,464
Accumulated losses		(66,824)	(57,692)
TOTAL PARENT ENTITY INTEREST		72,058	80,878
Minority Interest		627	873
TOTAL EQUITY		72,685	81,751

The accompanying notes are an integral part of these consolidated financial statements.

**BANNERMAN RESOURCES LIMITED
AND CONTROLLED ENTITIES**

**CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)
(Expressed in Australian dollars)
For the Period Ended 31 March 2010**

	Note	3 Months Ended 31 March		9 Months Ended 31 March	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
CASHFLOWS FROM/(USED IN) OPERATING ACTIVITIES					
Payments to suppliers and employees		(1,667)	(2,512)	(5,584)	(4,801)
Litigation settlement		-	(3,000)	-	(3,000)
Net cash used in operating activities		(1,667)	(5,512)	(5,584)	(7,801)
CASHFLOWS USED IN INVESTING ACTIVITIES					
Payments for exploration and evaluation		(1,074)	(2,995)	(11,389)	(12,340)
Purchase of plant and equipment		(87)	(123)	(324)	(1,139)
Interest received		229	86	700	491
Net cash used in investing activities		(932)	(3,032)	(11,013)	(12,988)
CASHFLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Proceeds from equity and note issues		-	-	-	11,920
Interest paid		(202)	-	(592)	-
Cost of equity and note issues		-	(33)	(29)	(694)
Net cash from/(used in) financing activities		(202)	(33)	(621)	11,226
Net decrease in cash held		(2,801)	(8,577)	(17,118)	(9,563)
Cash and cash equivalents at beginning of period		23,242	13,196	37,578	13,640
Effects of exchange rate changes on the balance of cash held in foreign currencies		(47)	1	(66)	543
Cash and cash equivalents at end of period	4	20,394	4,620	20,394	4,620

The accompanying notes are an integral part of these consolidated financial statements.

**BANNERMAN RESOURCES LIMITED
AND CONTROLLED ENTITIES**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
(Expressed in Australian dollars)
For the Period Ended 31 March 2010

	3 Months Ended 31 March		9 Months Ended 31 March	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Net loss after tax	(2,886)	(2,415)	(9,303)	(4,706)
Other comprehensive income:				
Foreign currency translation	(2,667)	275	(3,332)	4,398
Total comprehensive loss	(5,553)	(2,140)	(12,635)	(308)
Total comprehensive loss is attributable to:				
Equity holders of the parent company	(5,448)	(2,113)	(12,389)	(336)
Minority interest	(105)	(27)	(246)	28
	(5,553)	(2,140)	(12,635)	(308)

The accompanying notes are an integral part of these consolidated financial statements.

**BANNERMAN RESOURCES LIMITED
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
(Expressed in Australian dollars)**

For the Nine Months Ended 31 March 2010

	Issued Capital	Accumulated Losses	Option Reserve	Foreign Currency Reserve	Convertible Note Reserve	Minority Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2009	86,106	(57,692)	48,957	2,567	940	873	81,751
<i>Equity Transactions:</i>							
Share issue costs	(29)	-	-	-	-	-	(29)
Share based payments	-	-	3,598	-	-	-	3,598
<i>Total comprehensive loss</i>	-	(9,132)	-	(3,257)	-	(246)	(12,635)
Total Equity at 31 March 2010	86,077	(66,824)	52,555	(690)	940	627	72,685

	Issued Capital	Accumulated Losses	Option Reserve	Foreign Currency Reserve	Convertible Note Reserve	Minority Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2008 as previously reported	41,798	(14,816)	46,215	(13,225)	-	-	59,972
Correction of prior period error (Note 14)	-	(33,193)	-	8,757	-	861	(23,575)
Restated balance at 1 July 2008	41,798	(48,009)	46,215	(4,468)	-	861	36,397
<i>Equity Transactions:</i>							
Shares issued during the period	6,480	-	-	-	-	-	6,480
Share based payments	-	-	1,351	-	-	-	1,351
Equity component of convertible note	-	-	-	-	1,343	-	1,343
Deferred tax on convertible note	-	-	-	-	(403)	-	(403)
<i>Total comprehensive loss</i>	-	(4,588)	-	4,252	-	28	(308)
Total Equity 31 March 2009	48,278	(52,597)	47,566	(216)	940	889	44,860

The accompanying notes are an integral part of these consolidated financial statements

**BANNERMAN RESOURCES LIMITED
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
(Expressed in Australian dollars)
For the Period Ended 31 March 2010**

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Corporate Information

Bannerman Resources Limited ("Bannerman" or the "Company") is a company limited by shares incorporated in Australia. Bannerman's shares are publicly traded on the Australian Securities Exchange ("ASX") with additional listings on the Toronto Stock Exchange and the Namibian Stock Exchange.

Basis of Preparation

This general purpose condensed financial report for the three and nine months ended 31 March 2010 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Bannerman and its controlled entities (the "Group") as the annual financial report.

It is recommended that this interim financial report be read in conjunction with the annual report for the year ended 30 June 2009 and considered together with any public announcements made by Bannerman during the nine months ended 31 March 2010 in accordance with the continuous disclosure obligations of the ASX Listing Rules.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$1,000) unless otherwise stated under the option available to the Company under Australian Securities and Investments Commission (ASIC) Class Order 98/100. The Company is an entity to which the class orders applies.

Statement of Compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board ("AASB") and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Changes in Accounting Policies

On 1 July 2009 the Group adopted all Australian Accounting Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2009, including:

- *AASB 8 Operating Segments*

This standard requires the disclosure of information about the Group's operating segments and replaces the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group. The operations of the Group present one operating segment under the standard. The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the interim financial report.

**BANNERMAN RESOURCES LIMITED
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
(Expressed in Australian dollars)
For the Period Ended 31 March 2010**

Changes in Accounting Policies (continued)

- AASB 101 Revised *Presentation of Financial Statements*

The revised standard separates owner and non-owner changes in equity and requires a statement of comprehensive income to be prepared with discloses all changes in equity during a period resulting from non-owner transactions. The Consolidated Entity has elected to present comprehensive income using the two statement approach.

- AASB 123 Revised *Borrowing Costs*

The standard has been revised to require capitalisation of borrowing costs on qualifying assets. The Consolidated Entity's existing policy is consistent with the revised standard hence no change in accounting policy has been made.

The Group has not elected to early adopt any new standards or amendments.

Going Concern

The Group has sufficient cash on hand to enable it to continue to meet its committed capital and operating expenditure for at least 12 months beyond the date of these financial statements. If the Group chooses to maintain its planned levels of expenditure, it will be required to raise additional capital within the next 12 months.

**BANNERMAN RESOURCES LIMITED
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
(Expressed in Australian dollars)
For the Period Ended 31 March 2010**

	3 Months Ended 31 March		9 Months Ended 31 March	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
2. OTHER REVENUE				
Interest income	192	79	723	405
Sundry income	-	-	2	-
	192	79	725	405
3. ADMINISTRATION & OTHER EXPENSES				
Administration	621	370	1,629	1,269
Consulting	145	252	617	672
Occupancy	107	63	292	177
Insurance	30	18	78	90
Impairment of available-for-sale financial assets	-	-	-	44
	903	703	2,616	2,252
4. CASH & CASH EQUIVALENTS				
	31 March 2010		30 June 2009	
	\$'000		\$'000	
Cash at bank and on hand	363		18,578	
Short term deposits	20,031		19,000	
	20,394		37,578	
Under the terms of the Convertible Note (Note 8), the Company must, unless otherwise approved, maintain a minimum working capital (net cash) balance of not less than \$3,000,000.				
5. TRADE & OTHER RECEIVABLES				
GST/VAT receivable	286		802	
Other receivables	5		25	
Accrued interest receivable	61		38	
	352		865	
6. EXPLORATION & EVALUATION EXPENDITURE				
	9 months ended		Year ended	
	31 March 2010		30 June 2009	
	\$'000		\$'000	
Opening balance	52,558		21,975	
Expenditure incurred during the period	11,124		25,584	
Foreign currency translation movements	(3,509)		5,840	
Impairment adjustments	-		(842)	
	60,173		52,558	

**BANNERMAN RESOURCES LIMITED
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
(Expressed in Australian dollars)
For the Period Ended 31 March 2010**

Expenditure incurred during the period comprises expenditure on drilling, geological, feasibility and associated activities.

The value of the Company's interest in exploration expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

Etango Project – Bannerman 80%

The Etango Project is located approximately 41km by road east of the town of Swakopmund, Namibia and 47km northeast of the deep water port of Walvis Bay, and is situated southwest of Rio Tinto's Rössing uranium mine and to the west of Paladin Energy's Langer-Heinrich uranium mine. The Etango Project comprises one Exclusive Prospecting Licence (EPL3345) and is one of the world's largest undeveloped uranium deposits. Bannerman is focused on the feasibility assessment and development of a 5-7 million pounds per annum U₃O₈ open pit mining operation at Etango. Bannerman completed a Preliminary Feasibility Study on the Etango Project in December 2009 and has now progressed towards a Definitive Feasibility Study.

All of the costs of the Etango Project are recognised by Bannerman with a 20% minority interest shown separately.

Swakop River Project – Bannerman 80%

The Swakop River Project is located near the Langer-Heinrich uranium mine (owned and operated by a subsidiary of Paladin Energy Ltd) near Swakopmund in Namibia. The Swakop River Project consists of one Exclusive Prospecting Licence (EPL3346).

All of the costs of the Swakop River Project are recognised by Bannerman with a 20% minority interest shown separately.

Botswana Project – Bannerman 100%

Bannerman controls three prospecting licences 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 (131/2005 to 133/2005). The tenements cover an area totalling approximately 1,100km².

The following tables detail the consolidated expenditures on interests in mineral properties by area of interest for the nine months ended 31 March 2010 and the year ended 30 June 2009.

**BANNERMAN RESOURCES LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
(Expressed in Australian dollars)
For the Period Ended 31 March 2010**

Exploration & Evaluation Expenditure – Nine Months Ended 31 March 2010

<u>Areas of Interest</u>	<u>Etango</u> \$'000	<u>Swakop River</u> \$'000	<u>Botswana</u> \$'000	<u>Other</u> \$'000	<u>Total</u> \$'000
Balance 1 July 2009	49,006	3,552	-	-	52,558
Drilling and consumables	5,749	-	-	-	5,749
Assays and freight	792	-	-	-	792
Geophysics & d/hole surveys	182	-	-	-	182
Salaries and wages	1,112	-	-	-	1,112
Consultants and contractors	2,908	-	-	-	2,908
Travel & accommodation	122	-	-	-	122
Other	258	1	-	-	259
Total expenditure	60,129	3,553	-	-	63,682
Foreign exchange adjustment	(3,313)	(196)	-	-	(3,509)
Balance 31 March 2010	56,816	3,357	-	-	60,173

Exploration & Evaluation Expenditure – Year Ended 30 June 2009

<u>Areas of Interest</u>	<u>Etango</u> \$'000	<u>Swakop River</u> \$'000	<u>Botswana</u> \$'000	<u>Other</u> \$'000	<u>Total</u> \$'000
Balance 1 July 2008	18,544	2,929	502	-	21,975
Drilling and consumables	7,032	134	198	-	7,364
Assays and freight	2,826	1	35	-	2,862
Geophysics & d/hole surveys	322	4	-	-	326
Salaries and wages	1,476	27	65	-	1,568
Consultants and contractors	4,964	4	2	-	4,970
Legal & settlement	8,005	-	-	-	8,005
Travel & accommodation	164	34	31	-	229
Other	228	24	9	-	261
Total expenditure	43,561	3,157	842	-	47,560
Exploration written off	-	-	(842)	-	(842)
FX adjustment	5,445	395	-	-	5,840
Balance 30 June 2009	49,006	3,552	-	-	52,558

**BANNERMAN RESOURCES LIMITED
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
(Expressed in Australian dollars)
For the Period Ended 31 March 2010**

7. PROPERTY, PLANT & EQUIPMENT

	Cost \$'000	Accumulated Depreciation \$'000	Net Book Value \$'000
31 March 2010			
Land and buildings	730	-	730
Vehicles	507	(174)	333
Plant and equipment	360	(173)	187
Office furniture and equipment	674	(289)	385
	2,271	(636)	1,635
30 June 2009			
Land and buildings	775	-	775
Vehicles	348	(109)	239
Plant and equipment	337	(113)	224
Office furniture and equipment	594	(199)	395
	2,054	(421)	1,633

8. INTEREST BEARING LIABILITIES

	31 March 2010 \$'000	30 June 2009 \$'000
<u>Non Current Liabilities</u>		
Secured convertible note	8,707	7,969
Finance lease	9	9
	8,716	7,978

In November 2008, Bannerman entered into a financing agreement with Resource Capital Fund IV L.P. ("RCF") for \$20 million through a convertible note facility comprising an initial tranche of \$10 million ("First Tranche") and a standby tranche of \$10 million ("Standby Tranche") available within 6 months from drawdown of the First Tranche. The First Tranche was drawn down on 16 December 2008 and shareholders at a general meeting held on 16 April 2009 approved the convertible note facility thereby enabling the Company to draw down on the Standby Tranche by 16 June 2009. Bannerman subsequently elected not to draw down the Standby Tranche and, pursuant to the terms of the convertible note facility agreement, Bannerman subsequently paid a break fee.

At the date of issue, the debt and equity components of the convertible note were separated according to their fair values. Total proceeds of the issue were allocated to the respective fair values of the equity and debt components with the effect that the discount on the debt component is being amortised into earnings as interest expense such that, over the term of the convertible note, the debt component will increase to the face value of \$10 million at maturity.

**BANNERMAN RESOURCES LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
(Expressed in Australian dollars)
For the Period Ended 31 March 2010**

The interest expense recorded on the convertible note reflects an effective interest rate of approximately 18.3% over the life of the convertible note. Interest payable on the convertible note is at a coupon rate of 8% per annum and is paid quarterly in arrears in cash or shares, at Bannerman's election.

Included in creditors and accruals is an amount of \$201,644 for accrued interest on the convertible note to 31 March 2010.

The convertible note is secured by a fixed and floating charge over the Company's assets and a share mortgage over the Company's shares in Bannerman Mining Resources (Namibia) (Pty) Ltd. RCF is entitled at any time after drawdown until maturity to convert the principal and any accrued interest into Bannerman ordinary shares at a conversion price of \$0.612 per share. On maturity (15 December 2011), if RCF has not elected to convert the principal into equity, the initial principal amount invested and any interest accrued thereon will be repayable in cash.

9. ISSUED CAPITAL

(a) Issued and outstanding:

	Number of shares '000	Amount \$'000
Issued		
Balance, 1 July, 2008	145,975	41,798
Exercise of options	4,800	1,920
Issue to RCF (i)	500	380
Savanna settlement (ii)	5,500	4,180
Balance 31 December 2008	156,775	48,278
Issue to RCF (iii)	223	197
Issue to RCF (iv)	600	798
Placement (v)	30,000	29,763
Share Purchase Plan (vi)	7,500	7,495
Exercise of vendor options (vii)	6,613	1,322
Share issue costs	-	(1,747)
Balance 30 June 2009	201,711	86,106
Share issue costs	-	(29)
Balance 31 December 2009	201,711	86,077
Total Issued Share Capital 31 March 2010	201,711	86,077

- (i) On 17 December 2008, the Company issued RCF 500,000 fully paid ordinary shares as part of the RCF convertible note facility agreement (refer Note 8).
- (ii) On 17 December 2008, the Company entered into a settlement agreement with Savanna Marble CC ("Savanna") relating to Savanna's legal challenge to the Company's rights to the Etango Project exclusive prospecting licence. Under the terms of the Savanna settlement agreement, in consideration for the termination of the proceedings, Savanna was entitled to receive \$3.5 million cash and 9.5 million fully paid ordinary shares in Bannerman. The initial payment comprising \$3 million cash (made on 8 January 2009) and 5.5 million shares (issued on 14 January 2009) were recorded as at 31 December 2008.

**BANNERMAN RESOURCES LIMITED
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
(Expressed in Australian dollars)
For the Period Ended 31 March 2010**

- (iii) On 28 April 2009, the Company issued RCF 223,398 fully paid ordinary shares in consideration for the payment of quarterly interest on the convertible note.
- (iv) On 12 June 2009, the Company issued RCF 600,000 fully paid ordinary shares as part of the Standby Tranche break fee contained in the RCF convertible note facility agreement (refer Note 8).
- (v) On 12 June 2009, the Company completed an institutional capital raising of 30,000,000 fully paid ordinary shares at A\$1.00 (C\$0.875) per share.
- (vi) On 29 June 2009, the Company completed a share purchase plan for 7,500,000 fully paid ordinary shares to eligible existing shareholders at A\$1.00 per share.
- (vii) During May and June 2009, 6,612,500 vendor options were exercised at A\$0.20 per share.

- (b) Options on issue:
The outstanding share options as at 31 March 2010 were as follows:

Expiry Dates	Exercise Price	Balance 1 Jul 2009	Granted	Exercised	Expired Cancelled	Balance 31 Mar 2010	Vested 31 Mar 2010
November 30, 2010	A\$6.50	2,250,000	-	-	-	2,250,000	2,250,000
December 13, 2010	A\$0.20	2,725,000	-	-	-	2,725,000	2,725,000
September 1, 2011	A\$2.51	1,000,000	-	-	-	1,000,000	1,000,000
September 1, 2011	A\$2.44	250,000	-	-	-	250,000	250,000
December 27, 2011	A\$2.40	200,000	-	-	-	200,000	200,000
November 30, 2011	A\$7.50	2,250,000	-	-	-	2,250,000	2,250,000
June 21, 2012	A\$3.70	75,000	-	-	75,000	-	-
July 27, 2012	A\$1.40	-	200,000	-	-	200,000	200,000
September 1, 2012	A\$3.00	1,000,000	-	-	-	1,000,000	1,000,000
September 1, 2012	A\$4.00	250,000	-	-	-	250,000	250,000
November 1, 2012	C\$4.12	100,000	-	-	-	100,000	-
November 17, 2012	A\$0.434	2,500,000	-	-	-	2,500,000	2,500,000
November 25, 2012	A\$1.45	-	602,100	-	-	602,100	602,100
January 28, 2013	A\$3.64	350,000	-	-	150,000	200,000	-
February 2, 2013	A\$0.91	600,000	-	-	-	600,000	-
February 16, 2013	A\$0.83	600,000	-	-	-	600,000	-
June 3, 2013	A\$2.80	250,000	-	-	-	250,000	-
August 31, 2013	A\$1.46	-	600,000	-	-	600,000	-
August 31, 2013	A\$1.82	-	600,000	-	-	600,000	-
November 17, 2013	A\$0.543	1,500,000	-	-	-	1,500,000	-
November 25, 2013	A\$1.45	-	500,000	-	-	500,000	-
February 2, 2014	A\$1.140	600,000	-	-	-	600,000	-
August 20, 2014	A\$1.510	-	250,000	-	-	250,000	-
November 17, 2014	A\$0.678	1,500,000	-	-	-	1,500,000	-
November 25, 2014	A\$1.81	-	500,000	-	-	500,000	-
February 2, 2015	A\$1.43	600,000	-	-	-	600,000	-
August 20, 2015	A\$1.89	-	250,000	-	-	250,000	-
August 31, 2015	A\$2.28	-	600,000	-	-	600,000	-
November 25, 2015	A\$2.26	-	500,000	-	-	500,000	-
		18,600,000	4,602,100	-	225,000	22,977,100	13,227,100
Weighted average exercise price (A\$)		2.57	1.76	-	3.66	2.40	3.17
Average life to expiry (years)		2.5	4.5	-	-	2.6	1.5

**BANNERMAN RESOURCES LIMITED
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
(Expressed in Australian dollars)
For the Period Ended 31 March 2010**

Directors held 9,802,100 options as at 31 March 2010 with an average exercise price of A\$1.86 per share and an average life to expiry of 2.7 years.

The following table provides the assumptions used in determining the fair value of the options granted during the nine month period ending 31 March 2010:

Grant Date	Number of Options	Dividend Yield	Expected Volatility	Risk-free Interest Rate	Expected Life	Option Exercise Price	Share Price at Grant Date	Fair Value per Option
20 Aug 2009	250,000	Nil	85%	5.0%	5 years	\$1.51	\$1.08	\$0.70
20 Aug 2009	250,000	Nil	85%	5.0%	6 years	\$1.89	\$1.08	\$0.72
31 Aug 2009	600,000	Nil	85%	5.0%	4 years	\$1.46	\$1.13	\$0.67
31 Aug 2009	600,000	Nil	85%	5.0%	5 years	\$1.82	\$1.13	\$0.70
31 Aug 2009	600,000	Nil	85%	5.0%	6 years	\$2.28	\$1.13	\$0.73
25 Nov 2009	500,000	Nil	85%	4.92%	4 years	\$1.45	\$1.25	\$0.77
25 Nov 2009	500,000	Nil	85%	4.92%	5 years	\$1.81	\$1.25	\$0.80
25 Nov 2009	500,000	Nil	85%	4.92%	6 years	\$2.26	\$1.25	\$0.82
25 Nov 2009	200,000	Nil	85%	4.92%	2.7 years	\$1.40	\$1.25	\$0.65
25 Nov 2009	602,100	Nil	85%	4.92%	3 years	\$1.45	\$1.25	\$0.65

Terms of Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares. At shareholders' meetings, each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to obtain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure which assists to ensure an optimal cost of capital available to the Company.

Under the terms of the convertible note (Note 8), the Company must, unless approved otherwise, maintain a minimum working capital (net cash) balance of not less than \$3,000,000.

10. SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group not otherwise disclosed in future financial years.

**BANNERMAN RESOURCES LIMITED
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
(Expressed in Australian dollars)
For the Period Ended 31 March 2010**

11. COMMITMENTS & CONTINGENCIES

As part of the settlement agreement as outlined in Note 9(a)(ii), a further cash payment of \$0.5 million and the issue of 4.0 million ordinary shares is due to Savanna. These payments are contingent upon the grant of the Etango Project mining licence.

In order to maintain current rights of tenure to mining tenements, the Group has exploration and evaluation expenditure obligations up until the expiry of its exploration licences.

The following stated obligations, which are subject to renegotiation upon expiry of the current leases, are not provided for in the financial statements and represent a commitment of the Group:

<u>Exploration and evaluation expenditure</u>	31 March 2010	30 June 2009
	\$'000	\$'000
Not longer than one year	6,800	6,620
Longer than one year, but not longer than five years	-	7,494
Longer than five years	-	-
	<u>6,800</u>	<u>14,114</u>

Applications for statutory two-year renewals of the Etango (EPL 3345) and Swakop River (EPL 3346) exclusive prospecting licences, both of which were due to expire subject to renewal on 26 April 2009, were filed with the Namibian Ministry of Mines & Energy ("MME") in January 2009 in accordance with the stipulated renewal application timeframes. The Etango Project title was renewed for a two year period and currently expires on 26 April 2011. The Swakop River Project title is being renewed following receipt of a Notice of Grant from the MME on 23 April 2010. In accordance with Namibian legislation, the title remains valid while undergoing the renewal process.

Formal approvals of the renewal applications for the project tenements in Botswana were received in early March 2009.

The figures represented above reflect the Company's intended exploration and evaluation plans for the next licence period. If the Group decides to relinquish certain leases and/or does not meet the expenditure obligations or obtain appropriate waivers, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

12. SEGMENT REPORTING

The Group is undertaking a feasibility assessment of and exploring for uranium resources in southern Africa. The operations of the Group present one operating segment under AASB 8 Operating Segments. The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the interim report.

**BANNERMAN RESOURCES LIMITED
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
(Expressed in Australian dollars)
For the Period Ended 31 March 2010**

13. CONTROLLED ENTITIES

Parent Entity

Bannerman Resources Limited

Controlled Entities

Elfort Nominees Pty Ltd

Bannerman Mining Resources (Namibia) (Pty) Ltd

	% Equity Interest	
	31 March 2010	30 June 2009
Elfort Nominees Pty Ltd	100	100
Bannerman Mining Resources (Namibia) (Pty) Ltd	80	80

This Management's Discussion and Analysis ("**MD&A**") of Bannerman Resources Limited ("**Bannerman**" or the "**Company**") is dated May 11, 2010 and provides an analysis of the Company's performance and financial condition for the three months ended March 31, 2010 (the "**Quarter**"). This MD&A should be read in conjunction with the Company's June 30, 2009 audited consolidated annual financial statements and notes thereto, and the Company's unaudited interim consolidated financial statements for the Quarter. The financial statements (and the financial information contained in this MD&A) comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board. These documents, along with others published by the Company, including the Company's Annual Information Form ("**AIF**"), are available under the Company's profile on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at sedar.com.

This MD&A may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out in this MD&A under "*Risk Factors*". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements. Readers are also referred to the "*Cautionary Note Regarding Forward Looking Statements*" in this MD&A.

References to "A\$" are to Australian dollars and references to "C\$" are to Canadian dollars.

Overview

Bannerman is a uranium exploration and development company listed on the Australian, Toronto and Namibian stock exchanges. Bannerman's principal focus is the exploration and development of uranium projects in Namibia, southern Africa. The primary and most significant asset is an 80% interest in the Etango Uranium Project ("**Etango Project**") in Namibia which is at a definitive feasibility study stage of development. Etango is one of the world's largest undeveloped uranium deposits, and Bannerman is focused on the feasibility assessment and development of a large open pit uranium operation at Etango. The Company, through its Namibian subsidiary, also holds title to the Swakop River Exploration Project ("**Swakop River Project**") and in addition directly holds a 100% interest in a number of exploration properties in Botswana.

The Etango Project area forms part of Exclusive Prospecting Licence ("**EPL**") 3345 which was granted to Bannerman's 80% subsidiary, Bannerman Mining Resources (Namibia) (Pty) Ltd, on April 27, 2006 to explore for nuclear fuels, including uranium, expressed as uranium oxide (U_3O_8). The title was renewed for a further two year period in May 2009 expiring April 26, 2011. A renewal application for the Company's Swakop River Project (EPL 3346) was lodged in early 2009 and on April 20, 2010 the Company received a Notice of Preparedness to Grant the renewal, which is expected to formally occur before the end of May 2010. As of March 31, 2010, Bannerman has spent approximately A\$60 million on its Namibian licences.

Following the positive results of a Scoping Study completed in September 2007, work commenced on a feasibility study to consider the development of a uranium mine at the Etango Project in Namibia. The feasibility study is ongoing and has involved various technical consultants including AMEC Minproc Ltd, Independent Metallurgical Operations Pty Ltd and Coffey Mining Pty Ltd. Bannerman completed and released the results of the Preliminary Feasibility Study during the previous quarter, and a Definitive Feasibility Study has now commenced. Subject to ultimate completion of a successful Definitive Feasibility Study and project financing, Bannerman is targeting to bring the Etango Project into production in late 2013.

Highlights

The key highlights for Bannerman during the Quarter were as follows:

- An updated mineral resource estimate for the Etango deposit incorporating a 38% increase in Measured & Indicated resources from 102.8Mlbs to 142.1Mlbs U₃O₈, accounting for 88% of the total resource estimate. Overall metal content increased 7% from the resource estimate announced in December 2009.
- A mining review based on the updated resource model is progressing well with an expected increase in estimated mineable resources and decrease in estimated mining costs.
- Metallurgical testwork has identified that the deposit not only leaches very rapidly but also that a substantial proportion of the uranium leaches at a low level of acid concentration.
- Environmental clearance has been received from the Namibian Ministry of Environment and Tourism.
- Regional exploration activities have recommenced on the Company's Namibian properties.
- Further management and feasibility study appointments.
- Cash reserves at quarter end of A\$20.4 million (December 31, 2009: A\$23.2 million).

Etango Project (Bannerman 80%)

Definitive Feasibility Study

The Definitive Feasibility Study (“DFS”) commenced in December 2009 and has subsequently focused on confirming the most cost-effective processing option for the Etango deposit and scoping of detailed work programs to capture operating cost savings identified in the mining component of the Project.

The key DFS activities undertaken during the quarter were as follows.

a. Updated Mineral Resource Estimate – March 2010

In February 2010, Bannerman commissioned independent technical consultants Coffey Mining Pty Ltd to prepare an updated mineral resource estimate for the Etango Project incorporating the drilling completed in the second half of 2009 including the Anomaly A, Oshiveli and Onkelo areas which define the Etango deposit. The results of the resource update were announced on 31 March 2010. The updated mineral resource estimate has been prepared in accordance with the Australian JORC Code and with Canadian National Instrument 43-101. The resource estimate is tabulated below.

Etango Project – Updated Mineral Resource Estimate – March 2010 Uniform Conditioning Method

Lower Cut-off (ppm U ₃ O ₈)	Measured Resources				Indicated Resources				Inferred Resources			
	Tonnes	Grade	Contained U ₃ O ₈		Tonnes	Grade	Contained U ₃ O ₈		Tonnes	Grade	Contained U ₃ O ₈	
	(Mt)	(ppm U ₃ O ₈)	(Tonnes)	(Mlbs)	(Mt)	(ppm U ₃ O ₈)	(Tonnes)	(Mlbs)	(Mt)	(ppm U ₃ O ₈)	(Tonnes)	(Mlbs)
100	54.9	221	12,100	26.8	234.1	223	52,200	115.3	42.0	216	9,100	20.0
150	39.6	259	10,300	22.6	166.5	264	44,000	96.8	27.8	262	7,300	16.1
200	25.6	305	7,800	17.2	108.5	312	33,900	74.6	18.0	311	5,600	12.4

Note: Figures may not add due to rounding; bulk density of 2.64t/m³; Uniform Conditioning estimate; Panel dimensions of 50mNS x 25mEW x 10mRL and SMU dimensions of 12.5mNS x 12.5mEW x 5mRL with Information Effect.

The total metal content of the resource estimate increased 7% from the previous mineral resource estimate announced in December 2009. Bannerman reports its resource estimates at a cut-off grade of 100 parts per million (“ppm”) U₃O₈. Measured resources have increased substantially from 2.0 million pounds (“Mlbs”) to 26.8Mlbs U₃O₈. Indicated resources have increased 14% from 100.8Mlbs to 115.3Mlbs U₃O₈ and Inferred resources have consequently decreased from 49.2Mlbs to 20.0Mlbs U₃O₈.

Total drilling to date within the Etango Project is over 285,000 metres, with approximately 242,000 metres included in the resource estimate. The drilling included in the resource model comprises a total of 903 reverse circulation and 128 diamond drillholes. Drilling rarely penetrates more than 350-400 metres below surface and, as a result, approximately two thirds of the total mineral resource estimate is located within 200 metres of the surface. The deposit remains open at depth.

The drillhole spacing has also been gradually reduced from an initial 100m x 100m down to 50m x 50m and recently to 25m x 50m spacing in the starter pit areas. As a result, the degree of geological continuity and confidence that can be attached to the deposit is such that the Measured and Indicated resource categories now comprise 88% of the total mineral resource. The Etango mineral resource model is robust and sufficient for the DFS.

b. Resource Growth

As reported during the Quarter, further good assay results were obtained from infill drilling undertaken in late 2009 in the Anomaly A area, and from near-surface infill and extensional drilling completed in the Oshiveli and Onkelo areas. The results from both these programs (as reported on 4 March 2010) allowed the upgraded resource estimate to incorporate a substantial quantity of Measured and Indicated resource material. The reported drilling at Oshiveli and Onkelo also closed the gap between the two areas.

During the Quarter, drilling comprised 18 diamond core drillholes for 3,514 metres and 13 rotary air blast drillholes for DFS hydrology monitoring purposes.

Results from the infill drilling at Oshiveli in late 2009 were incorporated into the updated mineral resource estimate. Results from the 14 infill diamond drillholes drilled at Oshiveli in the Quarter, which have not yet been incorporated into the resource model, support the geological interpretation and grade assessments in this area. The addition of the intersected mineralisation is expected to ultimately increase the size and classification of the existing resource estimate in this location.

Bannerman is continuing resource definition drilling, in particular in the Oshiveli area. This drilling is expected to be finalised by mid-year and will result in another updated mineral resource estimate to be completed in the September 2010 quarter.

Three diamond core drillholes were also completed in the Hyena prospect area located approximately 1.5km south of the Anomaly A resource area. The objective of this drilling was to obtain a better understanding of the lithology, mineralogy and structural orientation at this potential satellite deposit.

c. Mining Review

Bannerman has commenced a detailed mining study to incorporate the benefits of the upgraded resource model and to further refine the mine design and production schedule with the objective of reducing the estimated mining unit operating costs. Potential cost reductions in this area present a major opportunity given that over half of total operating costs are mining-related. Work to date has identified a range of areas for operating cost improvements including:

- Review of economic cut-off grade and stockpiling strategies with the objective of bringing forward higher grade and lower cost material for processing earlier in the mine life;
- Mine scheduling and cost improvements involving in-pit and ex-pit dumping of waste rock material;
- Use of larger mining equipment to achieve better economies of scale;
- Analysis of owner versus contract mining, including related capital and operating cost trade-offs;

- Analysis of electrically-powered (i.e. trolley-assisted) haul trucks with the objective of reducing fuel costs; and
- Review of production drilling and blasting strategies to ensure appropriate product size for the plant, and optimal blasting costs.

As scheduled, the mining review will now incorporate the new resource model with expansions to mineable resources expected. The mining study is presently scheduled to be completed around mid year.

d. Process Development

During the Quarter, Bannerman continued an extensive metallurgical testwork program focusing on flotation and acid leaching tests. The Company announced on 16 February 2010 that it had received results from a range of continuous flotation tests which, while providing further confidence in the application of flotation beneficiation to the Etango ore, resulted in variances from previous testwork undertaken in 2009. Specifically, the continuous tests indicated average flotation recoveries of 85% compared with +90% recoveries recorded in the batch testwork. Analysis of the flotation test results is still underway.

A significant feature, namely that the deposit not only leaches very quickly but that a substantial proportion of the uranium leaches at low levels of acid concentration, was identified during the flotation testing. This has now become the focus of further detailed testing. Benefits of the faster leaching include a smaller leaching circuit and hence reduced capital and operating costs. The current leach test program, review of all metallurgical test results to date and evaluation of flowsheet options will continue in the June quarter.

Environmental and Social Impact Assessment

Following the end of the Quarter, Bannerman received notification of formal environmental clearance from the Namibian Ministry of Environment and Tourism (“**MET**”) for development of the Etango Project as described in the Environmental and Social Impact Assessment (“**ESIA**”).

In 2009, Bannerman lodged the ESIA for the Etango Project with the MET. The ESIA was conducted and reviewed by independent environmental consultants, in accordance with the Environmental Protection Act of Namibia. The ESIA was based on an open pit mining operation focused on the Anomaly A deposit, with processing proposed to be undertaken by heap leach methods.

It is envisaged that following finalisation of the processing flowsheet and completion of the DFS, a final ESIA will be lodged and an amendment to the environmental clearance requested.

As previously reported, no substantial legislative, environmental or social impediments have been identified for development of the Etango Project. The Erongo region already hosts a number of large uranium producing operations, and uranium mining and processing is well understood in the local communities and by Government regulatory authorities. The Etango Project enjoys local community support and is expected to have a significant positive impact on the Erongo regional and Namibian national economies, including local employment and skills training.

Mining Licence

In late 2009, Bannerman also lodged a Mining Licence application for the Etango Project with the Namibian Ministry of Mines and Energy. The Mining Licence application is based on the Preliminary Feasibility Study released in December 2009, encompassing an open pit mining operation with processing undertaken by way of agitated tank leaching of a flotation concentrate. Bannerman continues to liaise with the Namibian Government regarding the grant of the Mining Licence.

Exploration

Etango Project (Bannerman 80%)

The Etango tenement (EPL 3345) covers a total area of 500km² and contains the Etango deposit. An exploration plan is being compiled based on early exploration of the most promising known targets, in conjunction with the development of new targets, to define further uranium mineralisation. All previous exploration has been based on the concept of discovering uranium mineralisation by radiometric surveys, either airborne or on the ground, and it is now recognised that these methods have not provided a definitive test of the licence area.

Initial exploratory rotary air blast drilling was undertaken during the quarter at Anomaly B, one of the initial target areas coincident with an identified radiometric anomaly. The drilling of the shallow holes tested a large sheeted alaskite plug that occurs in the nose of a large regional fold structure. This initial drilling failed to intercept any significant uraniumiferous zones, although abundant thorium-rich alaskites were intersected in the drilling.

Subsequent to the period end, the Company announced encouraging initial results from the regional exploration program just commenced on its Etango exploration licence. In addition, positive results were received from further infill diamond drillholes at Oshiveli and are expected to add to the size and classification of the existing resource estimate of the Etango deposit. The next updated resource estimate is due in the September quarter.

Exploration to the west, east and south of the Etango deposit has confirmed the presence of highly anomalous radon gas occurrences, suggesting the presence of concealed uranium mineralisation in close proximity to the proposed pit area at Etango. These areas have not previously been drilled.

The first extensive radon cup survey was purposefully conducted in and around the area of known mineralisation at Etango. The strong correlation between the previous resource drilling results and the survey supports the plan to drill test the new anomalies. Radon cup surveys elsewhere on the Etango licence area are scheduled to commence in late May followed by similar surveys at the Swakop River licence.

Swakop River Project (Bannerman 80%)

The Swakop River licence (EPL 3346) covers an area of approximately 800km² and contains extensive 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. No drilling work was undertaken during the Quarter. Plans for the June quarter include commencement of a geophysics survey within the Elspe Channel and use of ground-penetrating radar over calcrete and sand-covered areas in the southern portion of the licence area.

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. An exploration program is now being considered following recent site visits and a review of the historical exploration data. It is anticipated that a radon cup survey will be conducted during the September quarter.

Corporate

Board Changes

Subsequent to the Quarter end on May 5, 2010, Non-Executive Director Dr David Smith was appointed as Chairman of the Board. Dr Smith, who joined the Bannerman Board in November 2009, gained more than 30 years' experience in technical, operational and senior management roles with the Rio Tinto organisation. His roles included: President of Rio Tinto Atlantic covering the Simondou Project in Guinea, West Africa; Managing Director of Rio Tinto's extensive Pilbara iron ore operations in Western Australia; and Chief Executive Officer of Rössing Uranium Limited in Namibia responsible for annual sales of over 5 Mlbs of uranium oxide to power utilities worldwide. Dr Smith is also a Non-Executive Director of Western Australian iron ore producer Atlas Iron Limited and Australian mine and construction contracting group Macmahon Holdings Limited.

Incumbent Chairman Mr Geoff Stanley will remain on the Board as a Non-Executive Director.

Management Appointments

During the Quarter, Mr Werner Ewald was appointed to the position of Project Coordinator residing in Swakopmund, effective late June. Mr Ewald is a Namibian national and a qualified Electrical Engineer with over 20 years' technical and operating experience at the Rössing Uranium Mine, where he currently holds the position of Manager, Mine Operations.

In addition, as previously advised, Ms Leigh-Ayn Absolom joined Bannerman in the position of Group Financial Controller and Mr Glen Smith was appointed Company Secretary. Ms Absolom is a qualified Chartered Accountant and member of the Institute of Chartered Accountants in South Africa, with development and mining company experience as well as an audit background with a major accounting firm. Mr Smith is a professional Company Secretary and member of the Australian Institute of Chartered Secretaries and Administrators.

Following the end of the Quarter, Bannerman made two appointments to the DFS project team. Mr Paul Henharen was appointed Project Study Manager with responsibility for project management and completion of the DFS, and Mr Paul Thompson was seconded from Coffey Mining to oversee the DFS mining review.

Results of Operations

The Company incurred a net loss of A\$2.9 million for the Quarter compared with a net loss of A\$2.4 million for the prior corresponding quarter ended March 31, 2009. The result for the Quarter was attributable primarily to non-cash share-based compensation expenses, interest costs, and corporate and administrative expenses.

Operating expenses for the Quarter totaled A\$3.1 million versus A\$2.5 million for the prior corresponding period, with the key items including administrative costs of A\$0.9 million (A\$0.7 million in the prior period), stock based compensation expense of A\$0.8 million (A\$1.0 million), employee costs of A\$0.5 million (A\$0.3 million) and interest expenses of A\$0.5 million (A\$0.3 million). The higher level of operating costs reflects the increased personnel base of the Company and its expanded commitment to development activities associated with the Etango Project, as well as the interest-bearing A\$10 million convertible note facility which was drawn down in mid December 2008.

Interest income for the Quarter was A\$0.2 million compared with A\$0.1 million in the prior corresponding period.

Capitalised exploration and evaluation expenditure decreased by A\$0.2 million in the Quarter reflecting an unfavourable foreign exchange translation adjustment. The foreign exchange translation adjustment offsets the additions of \$2.4 million for the Quarter.

Summary of Quarterly Results

	Mar 2010	Dec 2009	Sep 2009	Jun 2009	Mar 2009	Dec 2008	Sep 2008	Jun 2008
Interest income (A\$'000)	192	280	255	81	79	99	227	388
Net loss (A\$'000)	(2,886)	(3,387)	(3,029)	(5,175)	(2,013)	(1,790)	(904)	(1,565)
Basic/Diluted loss per share (A\$)	(0.01)	(0.02)	(0.01)	(0.03)	(0.02)	(0.01)	(0.01)	(0.01)
Cash and cash equivalents (A\$'000)	20,394	23,242	29,868	37,578	4,620	13,196	9,720	13,640
Total assets (A\$'000)	82,689	87,269	91,108	92,738	54,194	59,824	42,037	37,530
Total liabilities (A\$'000)	10,003	9,849	10,734	10,986	9,334	13,789	1,733	1,133
Net assets (A\$'000)	72,686	77,420	80,374	81,751	44,860	46,035	40,304	36,397

The historical quarterly results, as tabulated above, have been re-stated due to the correction of two accounting treatments adopted in prior periods. The corrections were detailed in the independently reviewed consolidated Australian financial statements for the half-year ended December 31, 2008 and were also set out in the audited financial statements for the year ended June 30, 2009.

The increase in net assets across the last eight quarters reflects various financing transactions of the Company, including the A\$37.5 million capital raising undertaken in the June 2009 quarter and the Company's activities in exploring and evaluating its properties, in particular, the feasibility and drilling activities undertaken on the Etango Project in Namibia. The decreases in net assets reflect expenses incurred by the Company and recognised through the income statement. Total assets also reflect the capitalised costs associated with the litigation settlement with Savanna Marble CC ("**Savanna**") in December 2008.

The loss incurred in each quarter reflects the general and administrative costs of the Company and, in particular, the stock-based compensation expense relating to employee and director stock options.

Cash balances reflect the movements related to expenditure and the various capital raising programs undertaken by the Company, comprising the issue of shares and convertible notes.

Discussion of Quarterly Cash Flows

Cash Flows A\$'000	March Quarter 2010	March Quarter 2009	March YTD 2010	March YTD 2009
Operating activities	(1,667)	(5,512)	(5,584)	(7,801)
Investing activities	(932)	(3,032)	(11,013)	(12,988)
Financing activities	(202)	(33)	(621)	11,226

Cash outflow from operating activities during the Quarter was A\$1.7 million compared with an outflow of A\$5.5 million for the prior corresponding period. The prior period corresponding included the litigation settlement with Savanna amounting to A\$3.0 million.

Cash outflow from investing activities during the Quarter was A\$0.9 million, compared with A\$3.0 million for the prior corresponding period. The prior period included total additions to capitalised exploration expenditure amounting to A\$3.0 million compared to the current Quarter additions of A\$1.1 million.

Cash outflows from financing activities for the Quarter were A\$0.2 million. The outflow for the Quarter primarily reflects interest paid on the A\$10 million convertible note.

Discussion of Financial Position

Cash and cash equivalents

Cash and cash equivalents were A\$20.4 million as at March 31, 2010 versus A\$37.6 million as at June 30, 2009. The decrease reflects the expenditure incurred on exploration, feasibility and corporate activities.

Trade and other receivables

Trade and other receivables were A\$0.4 million as at March 31, 2010 (June 30, 2009: A\$0.9 million) with the balance primarily reflecting VAT receivables in Namibia.

Property, plant and equipment

Property, plant and equipment was A\$1.6 million as at March 31, 2010 (June 30, 2009: A\$1.6 million) reflecting the purchase of vehicles, net of depreciation charges.

Exploration and evaluation expenditure

Capitalised exploration and evaluation expenditure increased to A\$60.1 million as at March 31, 2010 (June 30, 2009: A\$52.6 million) reflecting the capitalisation of costs relating to the Etango Project feasibility study, resource definition drilling and assaying, and other exploration costs, net of foreign currency translation movements. Key items of capitalised expenditure in the nine month period ended March 31, 2010 relate to drilling and consumables (A\$5.7 million), assays and freight (A\$0.8 million), personnel costs (A\$1.1 million) and feasibility study contractors and other consultants (A\$2.9 million). A foreign exchange credit of A\$3.5 million was also recorded in the nine month period.

Trade and other payables

Trade and other payables were A\$1.1 million as at March 31, 2010 (June 30, 2009: A\$2.9 million).

Interest-bearing liabilities

Interest-bearing liabilities as at March 31, 2010 totaled A\$8.7 million (June 30, 2009: A\$8.0 million) primarily attributable to the A\$10 million convertible note.

The convertible note was accounted for at the date of issue in December 2008 by allocating the assessed equity component to equity reserves, and the present value of the debt component to non-current liabilities. Interest is accreted to the carrying value of the convertible note over its life such that the carrying value of the convertible note will be equal to its face value of A\$10 million as at the date of maturity, being December 15, 2011.

Equity

Issued capital remained at A\$86.1 million as at March 31, 2010 (June 30, 2009: A\$86.1 million). A minor movement occurred during the nine month period reflecting the recognition of share issue costs.

Liquidity and Capital Resources

The Company's cash reserves as at March 31, 2010 totaled A\$20.4 million.

The Company's principal requirement for cash over the next 12 months will be for the feasibility study for the Etango Project, including metallurgical testwork, project drilling and detailed engineering, and other regional exploration activities. The Company presently expects its cash reserves to fund the planned activities into the second half of 2010, however the level of expenditure over this period will be dependent on the results of DFS and new exploration activities, and the Company anticipates that it will need to consider raising capital in the second half of 2010.

Assuming the Etango Project DFS supports the development of the Etango Project, further funding will be required for development and construction of the operation via a combination of equity and debt. The Company will seek the financial support of a development/off-take partner for certain debt and equity requirements. Key matters which will require funding include construction of plant and other infrastructure, mining pre-stripping and working capital. The success and pricing of any such capital raising and debt financing will be dependent upon the prevailing market conditions and the outcome of the DFS.

To date, Bannerman has not generated revenues from operations nor recorded any cost of sales and, as a result, is considered to be in the development stage. The underlying value of the mineral properties and related deferred costs are entirely dependent on the existence of economically recoverable reserves and the ability of the Company to obtain the necessary financing to complete the development and construction of the operation, and upon future profitable production.

Substantially all of Bannerman's efforts are devoted to financing and developing the Etango Project. The Company intends to raise the balance of the funds required to develop the Etango Project and, until the Etango Project begins to produce income, for working capital needs.

The Company will ultimately have capital requirements in excess of its currently available capital resources. To date, the Company has been successful in raising its required funds through the exercise of outstanding share options and equity and debt offerings. However, there can be no assurance that the Company will have sufficient funds to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

There are significant uncertainties regarding the trends in U₃O₈ prices and the availability of equity for project financing. Although the Company, like many market commentators and industry participants, has a positive view regarding the medium and longer term fundamentals of the uranium price, the current world economic situation has created a difficult environment for companies to access project financing. This poses a risk for Bannerman in the pursuit to maintain the current timeline required to develop the Etango Project. The Company is, however, continually evaluating its possible financing sources.

Financial Instruments and Related Risks

The Company is exposed to commodity price, foreign exchange and interest rate risks in the normal course of its business operations. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and approach.

(a) Fair Value

The fair value of financial instruments represents the amounts that would have been received from or paid to counterparties to settle these instruments. The carrying amount of all financial instruments classified as current approximates their fair value because of the short term maturities and normal trade term of these instruments.

(b) Liquidity Risk

The Company has in place a planning process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short term business requirements, taking into account the anticipated cash inflows and its holding of cash and cash equivalents.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table provides a summary of the type and maturities of the Company's contractual liabilities as at March 31, 2010:

Contractual Obligations	Total A\$'000	Less than 1 Year A\$'000	1-3 Years A\$'000	4-5 Years A\$'000	After 5 Years A\$'000
Long term debt (convertible note)	10,000	-	10,000	-	-
Long term debt interest*	1,400	800	600	-	-
Litigation settlement**	2,500	2,500	-	-	-
Tenement expenditure	6,800	6,800	-	-	-
Administrative and operating leases	823	580	243	-	-
Total Contractual Obligations	21,523	10,680	10,843	-	-

* May be satisfied through the issue of shares, at the Company's election.

** Upon receipt of the Etango mining licence, the Company is obligated to pay A\$0.5 million cash and 4.0 million shares (calculated at a notional price of A\$0.50 per share for the purposes of the above table).

Long term debt comprises the convertible note which, unless converted into shares, will be repayable by the Company to the holder on December 15, 2011. The convertible note accrues interest at a coupon rate of 8.0%pa and is payable quarterly in arrears, in either cash or shares at the Company's election.

The litigation settlement relates to the settlement with Savanna in December 2008. The Company has already paid the first tranche of the settlement payment and is due to pay the second tranche upon receipt of the mining licence for the Etango Project. The Company applied for the Etango Project mining licence in December 2009 and grant of the licence is expected in 2010. The second tranche payment comprises A\$0.5 million in cash and 4.0 million Bannerman shares.

Tenement expenditure represents the minimum stated expenditure covenants on the Company's exploration licences in Namibia. Other contractual obligations represent operating and office leases.

(c) Foreign Exchange Risk

The Company undertakes transactions in foreign currencies and reports the results of its operations in Australian dollars, its functional currency. It is therefore exposed to foreign exchange risk arising from transactions denominated in foreign currency and the translation of foreign currency balances to Australian dollars. The Company conducts its exploration and development activities in Namibia and thereby a substantial portion of the Company's assets, liabilities and expenses are denominated in Namibian dollars which is currently pegged on a 1:1 basis to the South African Rand.

The Company does not currently engage in foreign currency hedging, and the exposure of the Company's financial assets and liabilities to foreign exchange risk is minimal. As at March 31, 2010, approximately 4.5% of cash reserves were held in Namibian dollars.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash equivalents are highly liquid and earn interest at market rates in short term fixed and variable term deposits. Due to the short term nature of these financial instruments, fluctuations in market interest rates do not have a significant impact on the fair values of the financial instruments as at March 31, 2010.

(e) Credit Risk

The Company is exposed to credit risk primarily associated with GST/VAT receivables from governments and with cash and cash equivalents. The carrying amount of assets included on the balance sheet represents the maximum credit exposure.

Off-Balance Sheet Arrangements

There were no off-balance sheet arrangements as at March 31, 2010.

Related Party Transactions

Remuneration (including fees and the issue of share options) was paid or is payable to the directors of the Company in the normal course of business. The Company pays its non-executive personnel consulting fees for extra services, if any, performed outside of normally expected non-executive duties. These transactions are made on commercial terms and conditions and at market rates.

Critical Accounting Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect reported amounts in the financial statements. Management continually evaluates its estimates and assumptions in relation to the Company's assets, liabilities, contingent liabilities, revenue and expenses. Management bases its estimates and assumptions on historical experience and on other various factors it believes to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions, and may materially affect the Company's financial results or financial position in future periods.

Management has identified the following matters for discussion in this MD&A. Further details of the nature of these estimates and assumptions can be found in the relevant notes to the financial statements.

Valuation and impairment of exploration and evaluation expenditure

When funds are expended for exploration on the Company's mineral properties, the Company makes a determination as to the likelihood that the activities conducted will result in the eventual discovery of a mineable deposit. Where the determination is made that the potential for a future mineable deposit exists, from which the future cash flows will exceed the amount expended, the Company capitalises the expenditures to the value of the property. Once in production, the capitalised costs will be amortised on a units of production basis over the property's expected economic life.

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related project itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors which could impact the future recoverability include the level of mineral resources and reserves, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations), changes to commodity prices and the issue of a mining licence. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

The Company reviews the carrying value of each property that is in the exploration/development stage by reference to the work programs and the exploration results experienced by the Company and others, and to estimated project economics arising from any feasibility assessment activities. The review of the carrying value of each property will be made by reference to the estimated future realisable cash flows from its operation or sale. As at March 31, 2010, the Group had consolidated exploration and evaluation assets of A\$60.2 million (June 30, 2009: A\$52.6 million).

Share-based payment transactions

The Company measures the cost of equity-settled transactions with directors, employees and contractors by reference to the fair value of the equity instruments at the date at which they are granted and taking into consideration the likelihood on non-market-based conditions occurring. The Company measures the cost of option-based payments at fair value at the grant date using the market price and/or the Black-Scholes option pricing model, and taking into account the terms and conditions upon which the instruments were granted. Differences in estimated future stock price volatility, interest rates and other factors can have a material effect on the calculation of stock-based compensation expense and derivative values. As such, the values derived may change significantly from period to period and are subject to significant uncertainty. The Company recorded a total stock based compensation expense of A\$0.8 million for the Quarter (March 2009 quarter: A\$1.0 million).

Income taxes

The determination of the ability of the Company to utilise tax loss carry-forwards to offset future income tax payable requires management to exercise judgment and make certain assumptions about the future performance of the Company. Management is required to assess whether it is probable that the Company would benefit from these prior losses and other future tax assets. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realised or the timing of utilising the losses. Currently the Company has recorded a valuation allowance against its carry-forward tax losses. When amounts that are considered not likely to be utilised to reduce future tax payable are determined to be likely to be utilised in the future, the valuation allowances against these losses would be removed by recording a future income tax recovery in the income statement.

New Accounting Standards

Australian Accounting Standards and interpretations which have recently been issued or amended but are not yet effective have not been early-adopted by the Company. Note 1 to the financial statements for the Quarter contains disclosures regarding those standards and interpretations. The Company will monitor the effect of the new standards and has concluded that these standards, if early-adopted, would not have a significant effect on the March 31, 2010 financial statements.

Key Economic Trends and the Uranium Industry

Worldwide developments continue to strongly favour nuclear power as a sustainable energy source. New reactor build programs have been announced for many countries, in particular in the Asian region where nuclear energy growth plans are particularly strong in China and India.

Recent industry surveys point towards the long term growth trend of the nuclear power sector and, as a result, the expected increase in uranium demand to fuel the growing nuclear power plant fleet. This is expected to have a long term upward influence on the uranium price, in particular on the long term contract prices at which most producers sell the vast majority of their uranium production.

Risk Factors

The Company's operations and results are subject to a number of different risks at any given time, including the following:

- Mineral price and exchange rate volatility may affect the profitability and the financial position of Bannerman;
- Bannerman will require additional capital in the future and no assurance can be given that such capital will be available at all or available on terms acceptable to Bannerman;
- Exploration and production may not prove successful, involve risks and have no guaranteed outcome;
- Development of the Etango Project will require granting of additional licences;
- Licenses are subject to renewal;
- The Namibian Government is pursuing a "Broad Based Economic Empowerment" regime and at this time the particulars of any such regime are unlegislated;
- Bannerman has to compete for access to land, resources and personnel;
- Bannerman's insurance coverage does not cover all of its potential losses, liabilities and damage related to its business and certain risks are uninsured or uninsurable;
- Mineral resource estimates are estimates only and Bannerman has no formal reserve estimate;
- Bannerman's activities are subject to environmental risks and regulations;
- Bannerman's operations are subject to other forms of government regulation and permitting;
- Shares of Bannerman are subject to share price volatility;
- Bannerman operates in foreign jurisdictions;
- Bannerman's Namibian operations are conducted through a non-wholly-owned subsidiary;
- Currency fluctuations may affect Bannerman's revenue from its operations;
- Bannerman relies on its key personnel and the loss of one or more of these persons may adversely affect the Company;

- The effectiveness of Bannerman's hedging practices, if any, depend on external factors beyond the Company's control;
- Bannerman does not have any production revenues;
- Mining is inherently dangerous and subject to conditions or events beyond the control of Bannerman, and any operating hazards could have a material adverse effect on its business; and
- The mining industry is an intensely competitive industry, and Bannerman may have difficulty effectively competing with other mining companies in the future.

The Company's risk factors are discussed in detail in the Company's AIF.

Outstanding Securities Data

The Company has on issue ordinary shares, stock options and the convertible note. The following is a summary of the Company's capital structure as at the date of this MD&A:

	Number of Securities
Ordinary Shares	201,710,934
Options over Unissued Shares	22,977,100
Convertible Note (if converted)	16,339,869
Contingent – Shares and Options	4,184,600
Total Fully Diluted	245,212,503

The contingent amount comprises 4.0 million shares issuable to Savanna upon receipt of the Etango Project mining licence (refer earlier discussion under "Corporate" above), and 184,600 options issuable to a Non-Executive Director upon shareholder approval (refer further comments below).

The details of the stock options on issue as at the date of this MD&A are tabulated below:

Expiry Dates	Exercise Price	Balance	Vested
November 30, 2010	A\$6.50	2,250,000	2,250,000
December 13, 2010	A\$0.20	2,725,000	2,725,000
September 1, 2011	A\$2.51	1,000,000	1,000,000
September 1, 2011	A\$2.44	250,000	250,000
December 27, 2011	A\$2.40	200,000	200,000
November 30, 2011	A\$7.50	2,250,000	2,250,000
July 27, 2012	A\$1.40	200,000	200,000
September 1, 2012	A\$3.00	1,000,000	1,000,000
September 1, 2012	A\$4.00	250,000	250,000
November 1, 2012	C\$4.12	100,000	-
November 17, 2012	A\$0.434	2,500,000	2,500,000
November 25, 2012	A\$1.45	602,100	602,100
January 28, 2013	A\$3.64	200,000	-
February 2, 2013	A\$0.91	600,000	-
February 16, 2013	A\$0.83	600,000	-
June 3, 2013	A\$2.80	250,000	-
August 31, 2013	A\$1.46	600,000	-
August 31, 2013	A\$1.82	600,000	-
November 17, 2013	A\$0.543	1,500,000	-
November 25, 2013	A\$1.45	500,000	-
February 2, 2014	A\$1.140	600,000	-
August 20, 2014	A\$1.510	250,000	-
November 17, 2014	A\$0.678	1,500,000	-

November 25, 2014	A\$1.81	500,000	-
February 2, 2015	A\$1.43	600,000	-
August 20, 2015	A\$1.89	250,000	-
August 31, 2015	A\$2.28	600,000	-
November 25, 2015	A\$2.26	500,000	-
		22,977,100	13,227,100
Weighted average exercise price (A\$)		2.40	3.17
Average life to expiry (years)		2.6	1.5

As at the date of this MD&A, the Directors hold 9,802,100 options with an average exercise price of A\$1.86 per share and an average life to expiry of approximately 2.7 years.

Subject to shareholder approval, Bannerman has agreed to issue to Dr. David Smith, as a Non-Executive Director, 184,600 options exercisable at A\$1.45 per share with a period to expiry of three years.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

The Company maintains appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete and reliable. The Company is continuing to review and develop appropriate disclosure controls and procedures and internal controls over financial reporting for the nature and size of the Company's business.

Disclosure Controls and Procedures

The Company's disclosure controls and procedures ("**DCP**") are designed to provide reasonable assurance that all relevant information is communicated to the Company's senior management to allow timely decisions regarding disclosure. Access to material information regarding the Company is facilitated by the small size of the Company's senior management team and workforce. The Company is continuing to develop appropriate DCP for the nature and size of the Company's business.

Internal Controls over Financial Reporting

Internal controls over financial reporting ("**ICFR**") are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements in compliance with IFRS. The Board is responsible for ensuring that management fulfills its responsibilities in this regard. The Audit Committee fulfills its role of ensuring the integrity of the reported information through its review of the interim and annual financial statements. As at March 31, 2010, the Chief Executive Officer and Chief Financial Officer, with participation of the Company's management, concluded that there were no material weaknesses at the end of the Quarter or changes to the Company's internal controls during the Quarter which have materially affected, or are considered to be reasonably likely to materially affect, the Company's ICFR.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any DCP or ICFR, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorised override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated

goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Cautionary Note Regarding Forward Looking Statements

Certain information contained in this MD&A constitutes “forward-looking information”, which may include, but is not limited to, statements or information regarding possible events, conditions or results of operations that is based upon assumptions about future economic conditions and courses of action. All information other than matters of historical fact may be forward-looking information. In some cases, forward-looking information can be identified by the use of words such as “seeks”, “expects”, “is expected”, “anticipates”, “budget”, “plans”, “estimates”, “continues”, “forecast”, “projects”, “intends”, “believes”, “predicts”, “scheduled”, “potential”, “targets”, “may”, “could”, “would”, “might”, “will” and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information in this MD&A includes, but is not limited to, statements about drill results, commodity prices and core intersection lengths, in that they constitute estimates, based on certain assumptions of mineralization that may be encountered if a deposit were to be mined.

By its nature, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to differ materially from those expressed or implied by such forward-looking information. Some of the risks and other factors that could cause actual results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to:

- risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations;
- results of initial feasibility, pre-feasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company’s expectations;
- risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined;
- mining and development risks, including risks related to accidents, equipment breakdowns, labour disputes (including work stoppages and strikes) or other unanticipated difficulties with or interruptions in exploration and development;
- the potential for delays in exploration or development activities or the completion of feasibility studies;
- risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses;
- risks related to commodity price and foreign exchange rate fluctuations;
- the uncertainty of profitability based upon the cyclical nature of the industry in which the Company operates;
- risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities;
- risks related to environmental regulation and liability;
- political and regulatory risks associated with mining and exploration; and
- other risks and uncertainties related to the Company’s prospects, properties and business strategy.

A discussion of these and other factors that may affect our actual results, performance, achievements or financial position is contained in “*Risk Factors*” and elsewhere in this MD&A and in the Company’s AIF. Although the Company has attempted to identify important factors that could cause actual results or events to differ materially from those described in the forward-looking information, readers are cautioned that this list is not exhaustive and there may be other factors that we have not identified. Readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Forward-looking information is based upon management’s beliefs, estimates and opinions as at the date of this MD&A, and no assurance can be given that these will prove to be correct. Furthermore, the Company undertakes no obligation to update or revise forward-looking information if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.

Technical Disclosures

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 release relating to the geology and exploration results of the projects owned by Bannerman Resources Ltd is based on information compiled by Mr Kieron Munro, Head of Geology of Bannerman and a full time 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 the release of the matters based on his information in the form and context in which it appears.

The information in this release relating to the Mineral Resources of the Etango Project is based on a resource estimate completed by Mr Neil Inwood and Mr Brian Wolfe who are full time employees of Coffey Mining Pty Ltd. Each of Messrs. Inwood and Wolfe 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 Wolfe consent to the inclusion in this release of the matters based on their information in the form and context in which it appears.