

BANNERMAN

RESOURCES LIMITED

A.B.N 34 113 017 128

13 May 2005

ASX Release

BANNERMAN ACQUIRES RIGHTS TO NAMIBIAN URANIUM EXPLORATION PROJECT NEAR RÖSSING

Bannerman Resources Limited (ASX: BMN) is pleased to announce that it has entered into an agreement to acquire the majority rights to a major uranium exploration portfolio situated in the Southern African nation of Namibia.

The agreement gives the Company the exclusive rights to acquire 80% in a privately held Namibian company, Turgi Investments Pty Ltd ("Turgi"), whose prime assets comprise eight mineral licence applications covering over 570,000 hectares in the central Swakopmund district of Namibia. The region hosts the world's largest open cut uranium mine at *Rössing* (majority owned by Rio Tinto ASX code: RIO) and Paladin Resources Limited's (ASX code: PDN) *Langer Heinrich* uranium deposit.

The applications cover three areas within the Central Zone of the Damara Orogen, a late-Precambrian early-Palaeozoic mobile belt which hosts several uranium deposits and occurrences. The areas are around **Rössing**, **Langer Heinrich** and the **Cape Cross-Uis** trend (figure 1). All applications contain known occurrences of uranium in geological environments and styles of mineralisation similar to both the Rössing and Langer Heinrich deposits.

Of the eight applications six have competing applications over them whilst two, at the time of application, were the only licences covering the ground. In Namibia applications are not necessarily granted solely based upon time of applying. The applications cover the right to explore for uranium whilst the granting process may take up to five months. Due to the uncertainty of grant of the six competing applications only the two priority applications, called **Welwitschia** (EPL3345) and **Onaries** (EPL3347) are discussed in detail below.

Welwitschia: covers the *Goanikontes* and *Rössing Mountain* uranium prospects which lie approximately 20 kilometres to the west-southwest of the Rössing mine. Rössing is a world class mineral deposit that has been mined for nearly 30 years. Mineralisation at Rössing occurs

primarily within a folded migmatic zone comprising uraniferous alaskite (a leucocratic intrusive rock). The alaskite hosts the bulk of the mineralisation which is seen regionally to have a high degree of variability with respect to its uranium content.

At Goanikontes uranium mineralisation also occurs in alaskites that have been folded and intruded into the adjacent metasediments. These alaskites can be up to hundreds of metres in thickness and extend for hundreds of metres in strike. Contiguous uranium mineralisation has been intersected in drilling in excess of 200m deep, the style of which does not appear to be substantially different to that observed at Rössing.

Data currently available is limited, however a report in a journal published by the Geological Society of South Africa (Mouillac, 1986) indicates that a mineralised zone 100 to 300 metres wide with extensive (>60m) drill intercepts of mineralised alaskite occurs at Goanikontes. Three cross sections of the data taken over a 3km strike length indicate that mineralisation is widespread and is still open at depth in some places (figures 2, 3).

Indications from the geology and data available suggest that the exploration target at the Goanikontes prospect is in the range of **10 to 200Mt** at low average grades (200-300g/t U_3O_8) typical of alaskite hosted mineralisation. This is based upon the mapped areal extent of the alaskites (>5km x 0.3 - 0.8km) and the expected widths of mineralisation and grades as represented by the cross sections. This potential quantity and grade of mineralisation is only conceptual in nature as there is insufficient exploration data currently available to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Elsewhere within the licence area several other uranium occurrences are noted including several radiometric anomalies in the Rössing Mountain area such as the *Area 11* prospect which covers an area 4km long by 300m wide.

Onaries: hosts three known uranium occurrences and is situated 10 to 30km east-southeast of Langer Heinrich. Mineralisation observed is similar to that occurring at Langer Heinrich with calcrete cemented sediments hosting carnotite, a secondary uranium-vanadium mineral.

The *Namib Park 3* prospect shows a north-south valley filled with calcrete cemented sediments over an area 5 x 10km. The possible palaeochannel here has some associated airborne radiometric anomalies associated with it which have yet to be fully tested. A second prospect, *Ruimte 125*, occurs as an airborne radiometric anomaly supported by surface sampling covering an areal extent of 3.3 million m². Here a palaeobasin is filled with calcrete cemented sediments which are around 30 to 40 meters thick. Only limited drilling has occurred here to date.

Namibia

Namibia is one of Africa's more recently independent nations gaining its sovereignty in 1990 from South Africa. The country is politically stable with no civil unrest and excellent infrastructure with an established and diverse mining industry. The country is a former German colony governed by Dutch Roman law. Active mining within Namibia has been ongoing for several decades with major mines including Tsumeb (base metals), Rossing (uranium) and Skorpion (zinc); there is also significant offshore diamond production. The Namibian government actively encourages the growth of the mining industry which is one of the key contributors to the country's economy.

Uranium Market

There continues to be a bullish outlook for uranium with pricing for U_3O_8 moving significantly in recent times to US\$26.25/lb U_3O_8 (May 2005). Demand is being driven by end users in the power generation market which is urgently trying to secure supply into the future. Demand is forecast to outstrip supply for at least the next ten years.

The deal with Turgi is contingent upon the successful granting of EPL3345 and EPL3347 with any other applications granted considered as bonuses. The Company has paid a non-refundable fee upon signing of \$40,000 to secure the exclusive right to the interest in Turgi. Upon granting of the tenements the Company will issue the following securities to Turgi: 3.5M Fully paid shares plus various tranches of unlisted Options as follows; 2.0M 30c Options, 2.0M 40c Options, 2.0M 60c Options, 2.0M 80c Options & 2.0M \$1.00 Options.

If only one of the two tenements are granted then only half the consideration is payable. The structure of the deal enables the Company to enter the project for a minimal cash consideration whilst ensuring that all parties are suitably incentivised to successfully progress the projects and the Company.

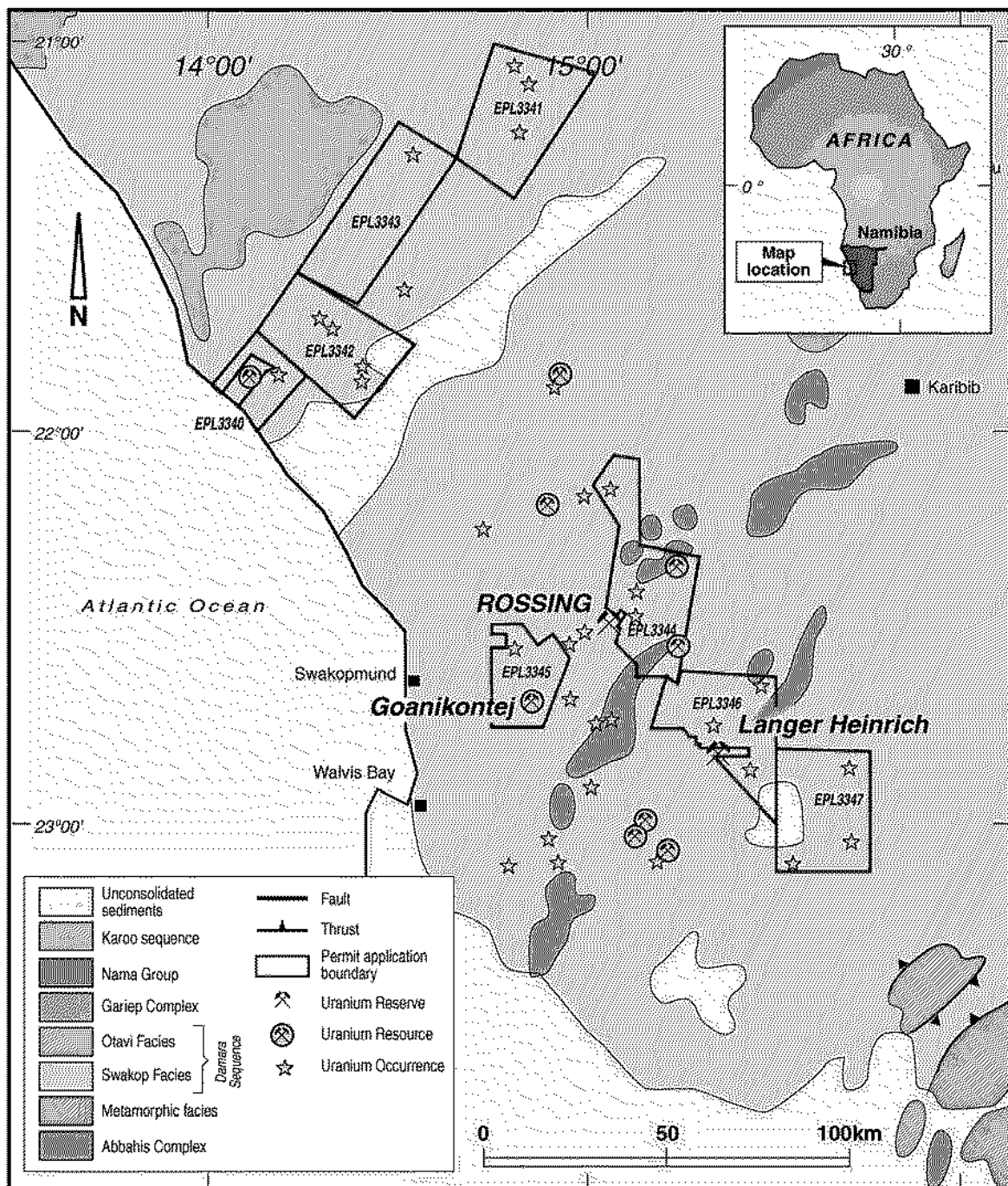
The agreement reached by the Company has given it a unique opportunity to explore for uranium mineralisation in what could be regarded as one of the world's premiere uranium provinces, the Central Damaraland region of Namibia. The licenses all contain known uranium mineralisation and prospects at various stages of exploration and have the potential for the discovery of significant uranium mineralisation.

Yours sincerely,

Shane Sadleir

Managing Director

Information in this report pertaining to mineral resources and exploration results was compiled by Mr Shane Sadleir who is a Fellow of the Aus.I.M.M with not less than 5 years experience in the relevant fields, and who consents to the report appearing in the form and context in which it appears.



ORD STREET DIGITAL (+61 8) 9321 8598

NAMIBIA REGIONAL GEOLOGY & PERMIT APPLICATION AREAS

Figure 1

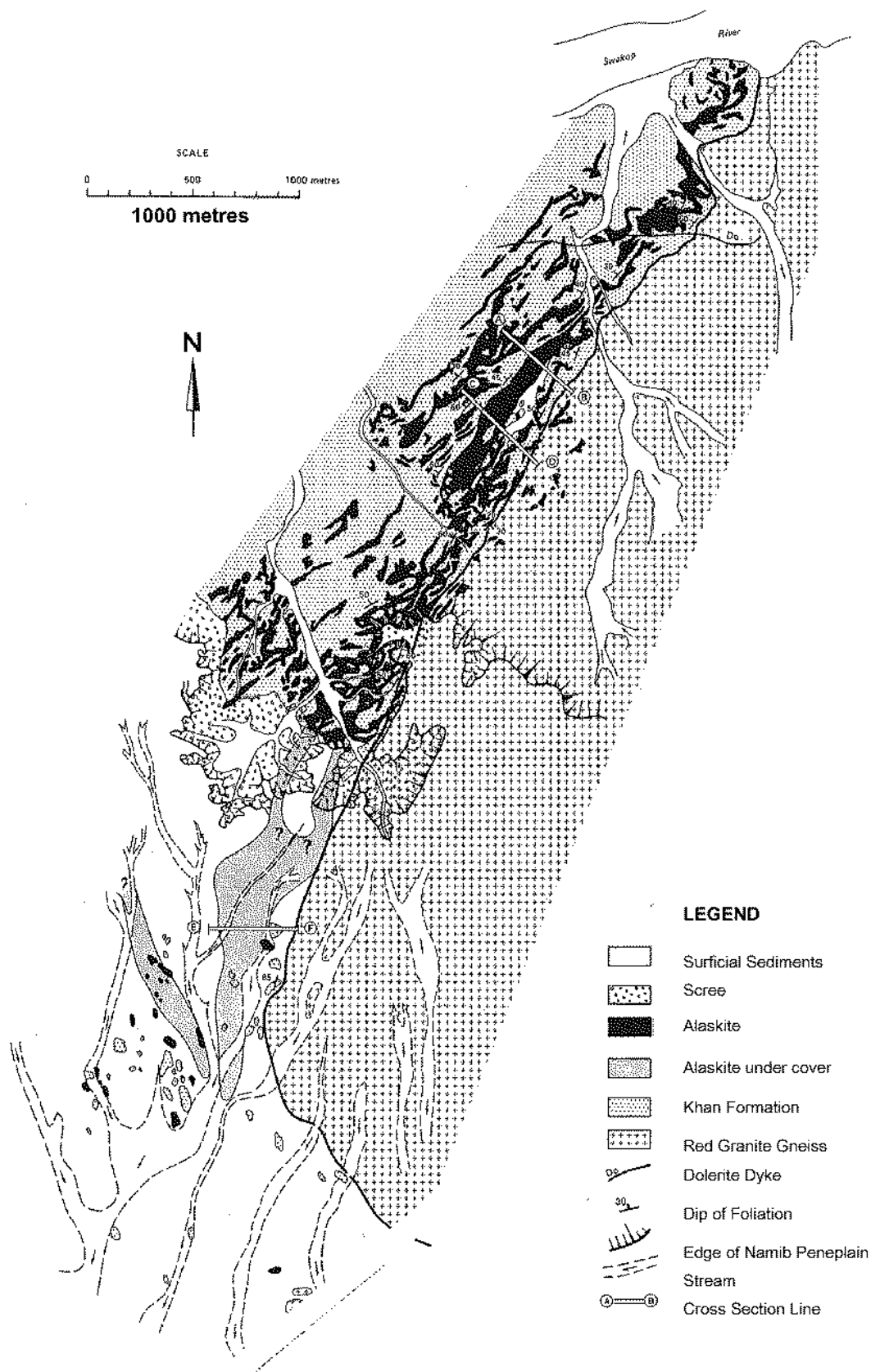


Figure 2: Geology of the Goanikontes Uranium Deposit (Mouillac et al, 1986)

Reference: Mouillac, J.L., Valois, J-P., and Walgenwitz, F. 1986. *The Goanikontes uranium occurrence in South West Africa/Namibia*. In: Anhaeusser, C.R. and Maske, S. (Eds), *Mineral Deposits of southern Africa, II*, Spec. publ. Geol. Soc. Sth. Afr., pp1833-1843.

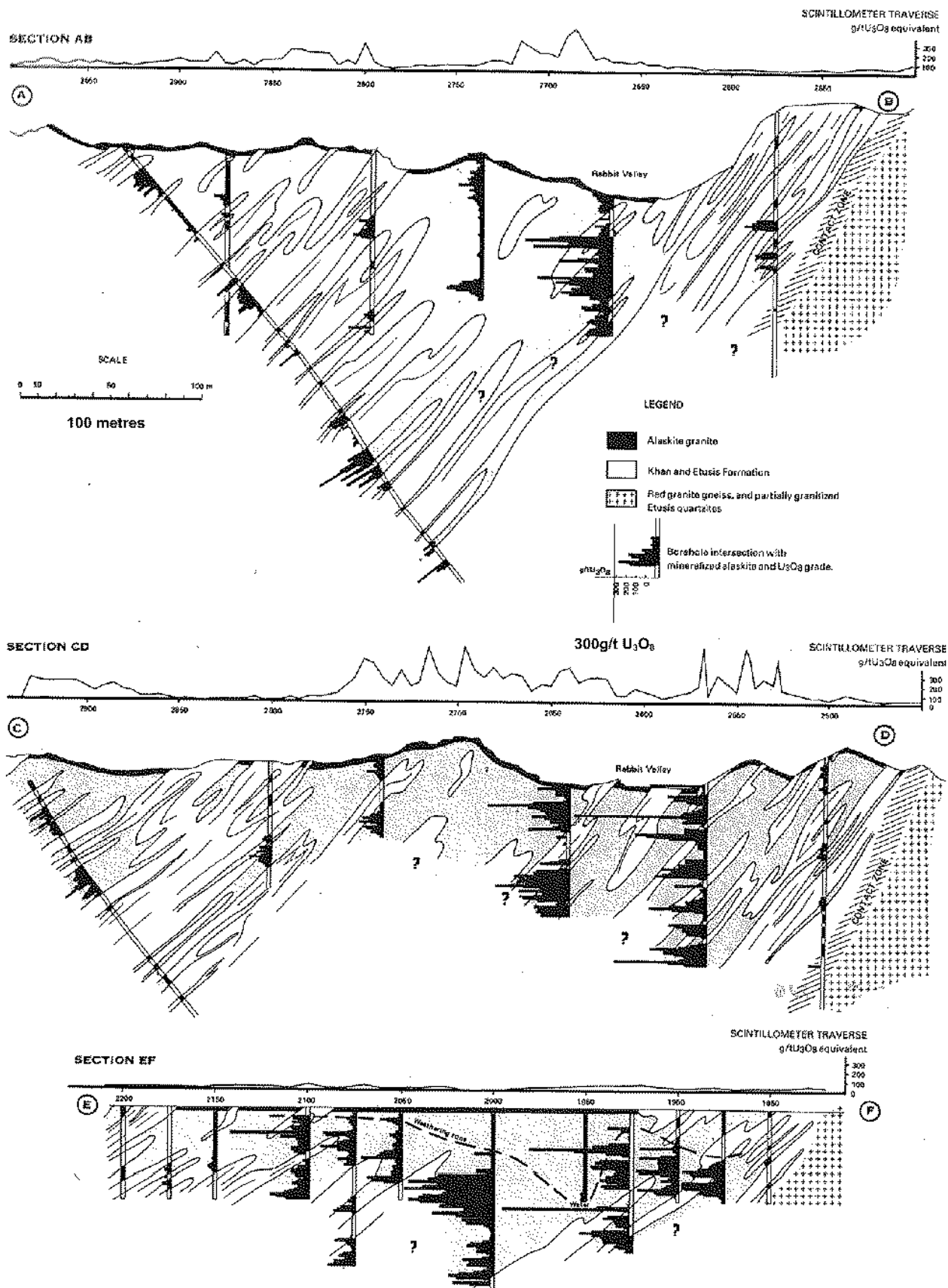


Figure 3: Goanikontes Deposit Cross Sections (Mouillac et al, 1986)