BANNERMAN
RESOURCES LIMITED

ASX RELEASE

31st October 2006

QUARTERLY ACTIVITIES REPORT
FOR PERIOD ENDING
30th September, 2006

HIGHLIGHTS

- **DRILLING COMMENCED**

  3,500m Diamond drilling programme at the Goanikontes A

  9,000m Air Core drilling programme at Swakop River.

- **GEOPHYSICS REPROCESSED**

  Extensive highly U anomalous stratigraphy identified for over 37 km at Welwitschia.

  Radiometric anomaly uncovered at Swakop River within the Elspe channel.

- **EXTENSIVE AREAS OF PROSPECTIVE ALASKITES IDENTIFIED**

  Field reconnaissance locates large areas of outcropping 'hot' alaskites.

- **AERIAL SURVEYS COMPLETED IN BOTSWANA**

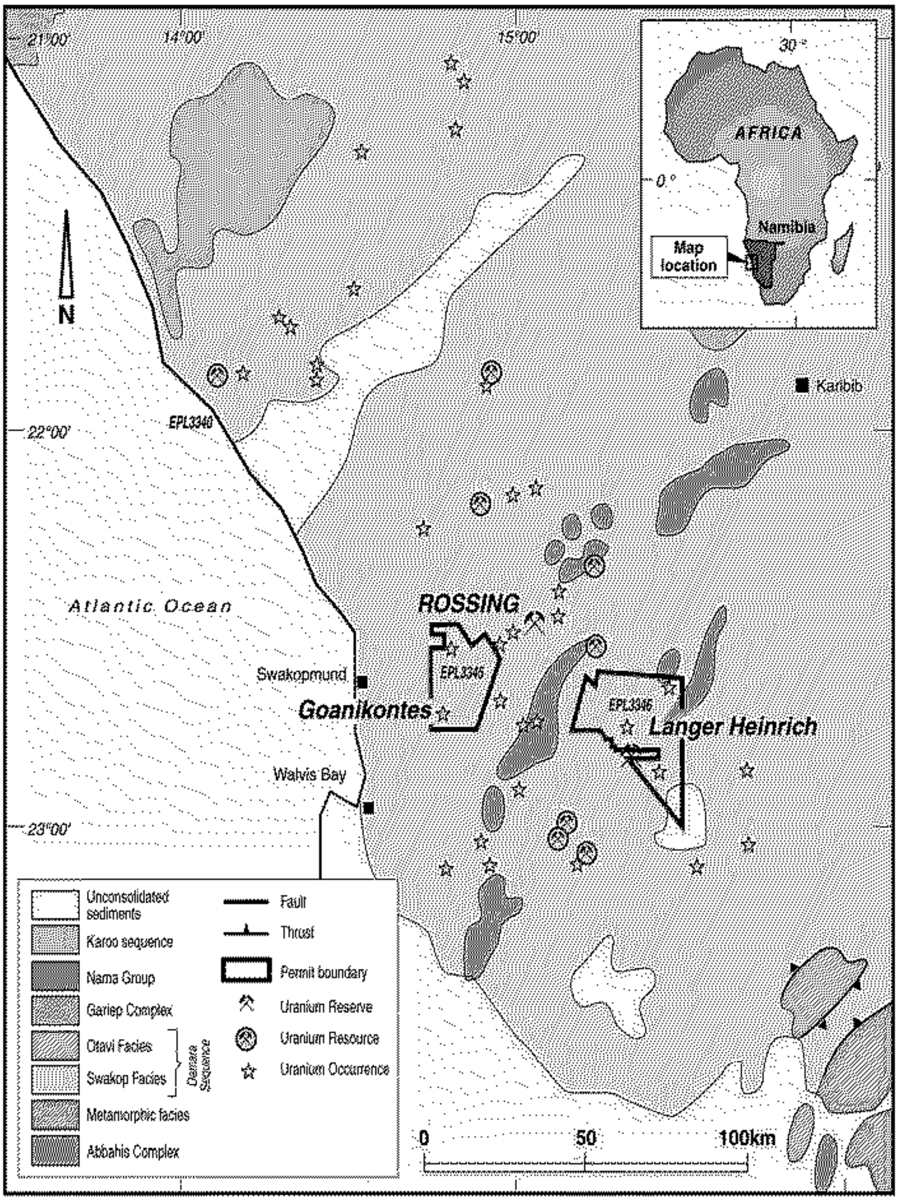
  Radiometric anomalies defined and new targets generated.

Level 2, 22 Oxford Close, West Leederville, Western Australia, 6007. PO Box 1681, West Perth, WA, 6872

Phone: 08 9381 1436 Fax: 08 9381 1068 email: admin@bannermanresources.com.au

NAMIBIAN URANIUM PROJECTS (BMN 80%)

Following the granting of the Exclusive Prospecting Licences in May Bannerman gained approval from the Ministry of Environment and Tourism to commence exploration over both of its licences in Namibia.



NAMIBIA

REGIONAL GEOLOGY & PERMITS

The issuing of the clearances signalled the commencement of serious exploration for Bannerman in Namibia. Diamond core drilling of the Goanikontes prospect (EPL3345) and air core drilling in the Elspe Channel (EPL3346) commenced in September.

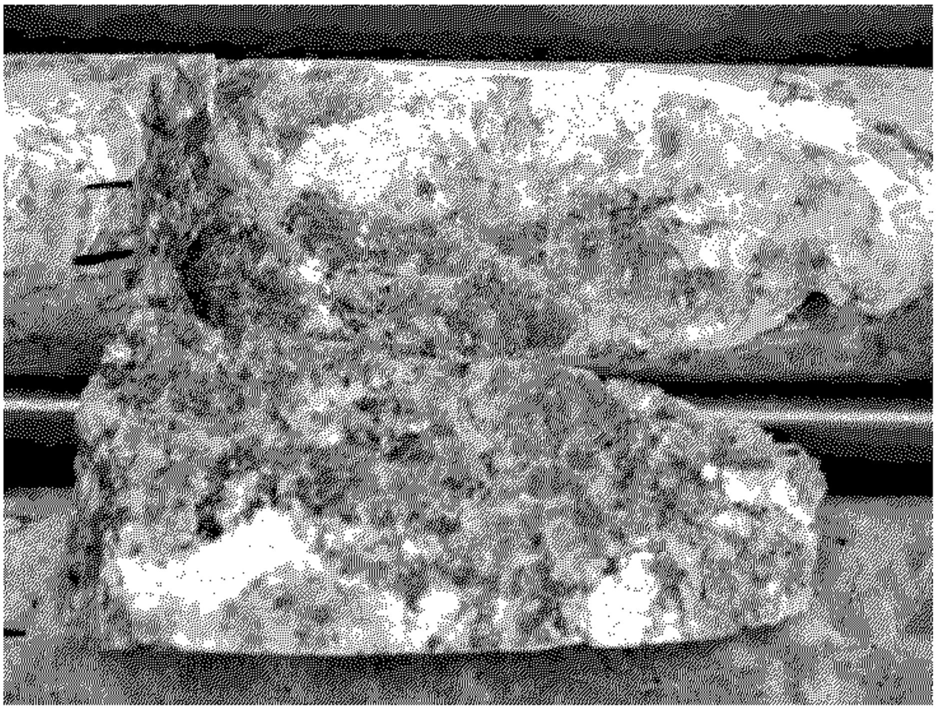
The Company has since purchased the government geophysical database relating to the two licence areas and has had the raw data reprocessed using location specific filters for geology and topography. The results produced exceeding the company's expectations and has delineated several new highly prospective areas.

EPL3345 – WELWITSCHIA

This licence has twelve uranium anomalies, the Rossingberg Anomalies including the Goanikontes Anomaly A which has been outlined in over 250 historic drillholes. Anomaly A contains alaskite hosted mineralisation similar to the world class *Rössing* open cut uranium mine located 20 kilometres to the north east. The *Rössing* mine, majority owned by Rio Tinto, has been producing for thirty years commencing in 1976 with an initial reserve of 374 Mt at a grade between 300 and 500 ppm U_3O_8

The environmental clearance to commence exploration was granted by the Ministry of Environment and Tourism Namibia for this licence in August following the submission by the company of an Environmental Management Plan for proposed exploration.

A diamond core drilling programme has commenced over the Goanikontes Anomaly A prospect. The programme is aimed at verifying the existing drill data from historic drilling programmes and to bring the level of confidence of the drill data produced from these previous programmes to a level that can be reported and utilised in future resource estimations.

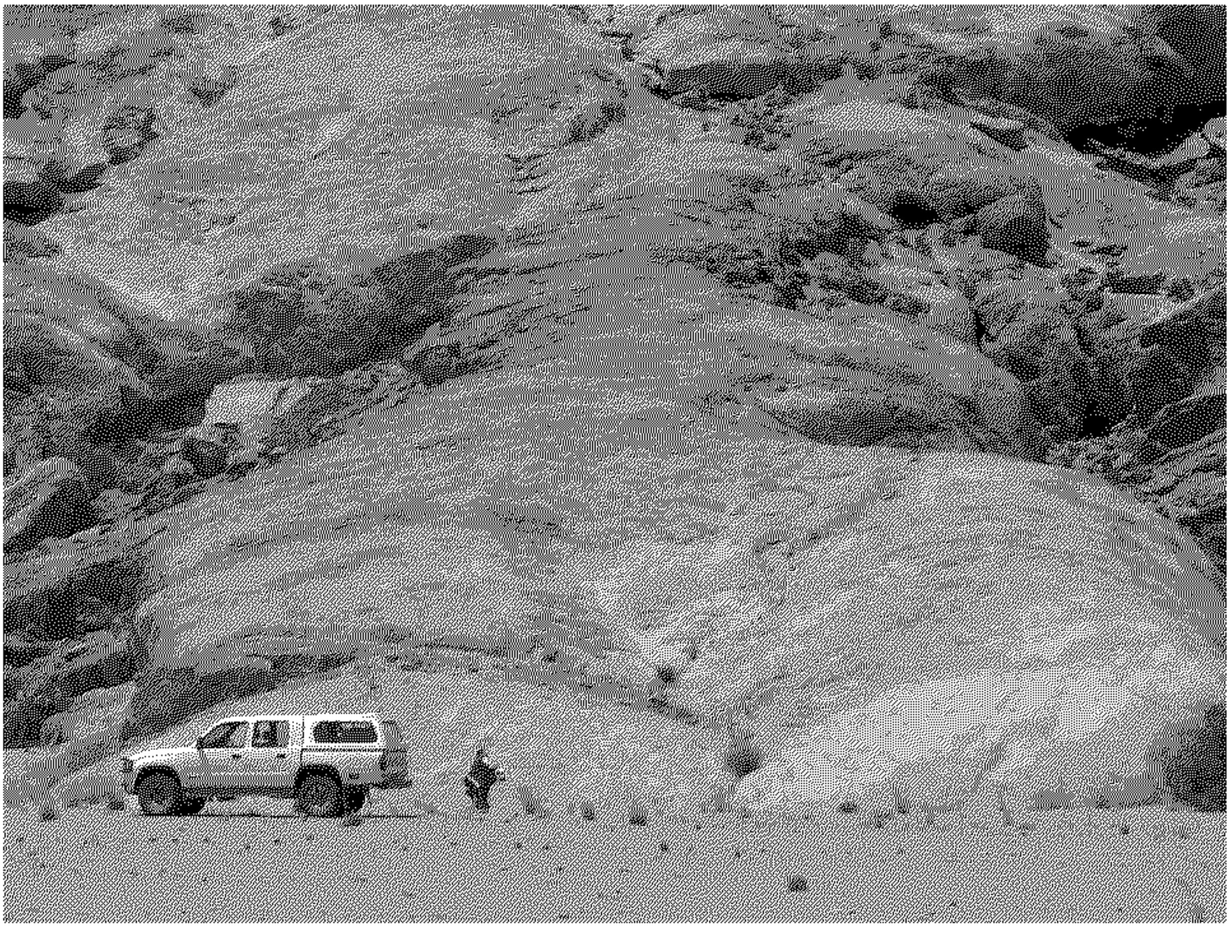


Uranium oxides on fracture plane within GOADH0010, 134m depth.

In addition, the programme is designed to extend the level of information contained in previous drilling in relation to the geometry of the mineralisation, physical attributes of the mineralisation and depth potential for the prospect.

RA Longstaff, an established drilling company in Southern Africa has been awarded the 10 hole, 3500m drill programme and drilling commenced in September. To date the first of these holes has been completed and drilling has commenced on the second hole. Extensive widths of 'D-Type" alaskite was encountered in the first hole and is due to be sent for assaying in South Africa by the end of this week.

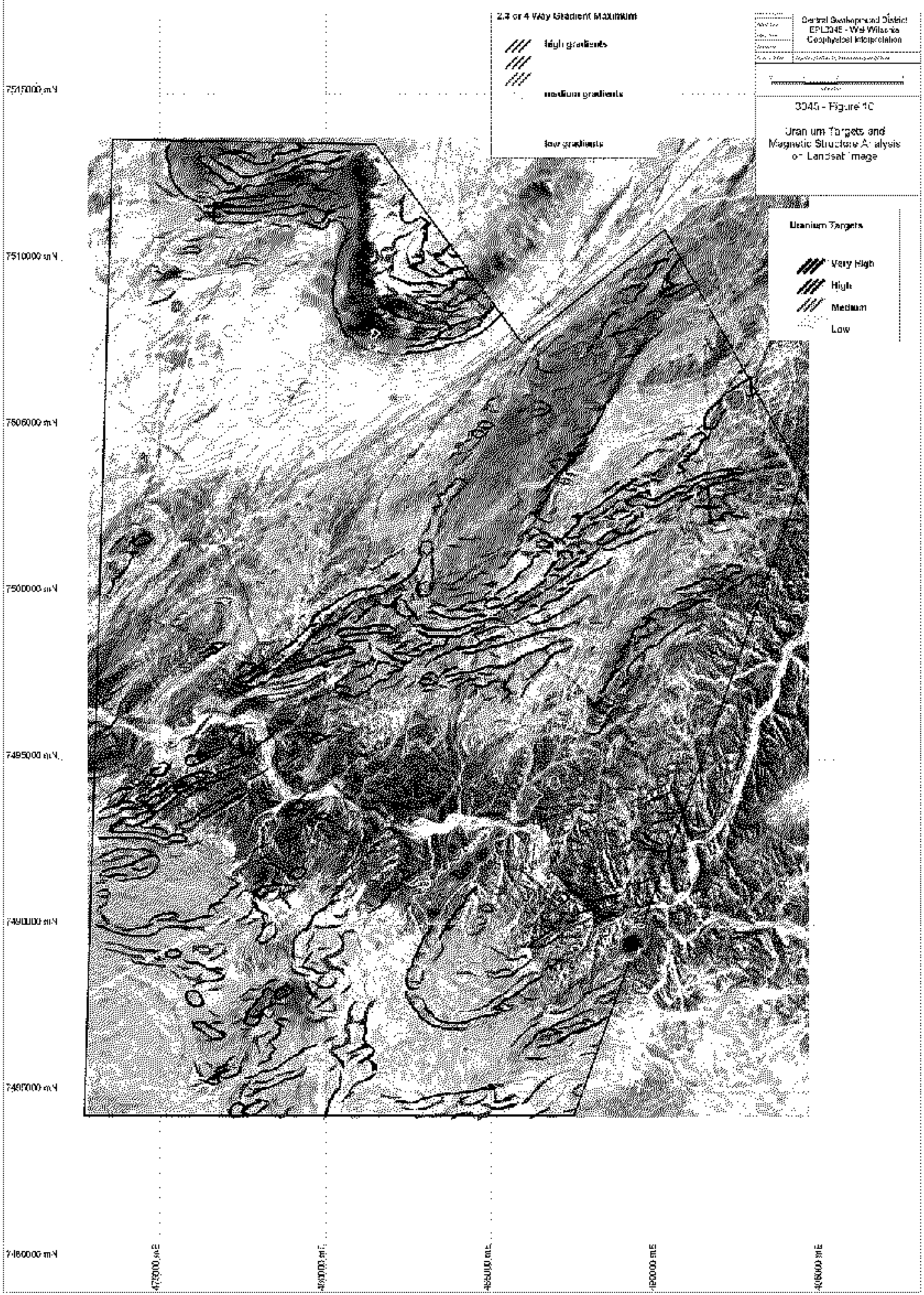
There are a variety of alaskite types identifiable in the region in the high strain zones associated with granitic domal features. The alaskites are classed as 'A' to 'F' types with classes 'D' and 'E' recognised as being the host to significant uranium mineralisation in the district. These are easily recognisable in the field and in the core. Accordingly regional geological mapping and reconnaissance of the prospective horizons identified from the geophysics will commence during the forthcoming quarter to identify future drill targets.



Exposed 'E-type" Alaskite about 3km north of Goanikontes Anomaly A (car for scale)

The Company has purchased a downhole gamma ray spectrometer which will be used to log the drillholes, including those historic drillholes still accessible. This will enable the immediate determination of U_3O_8 equivalence which will be validated by traditional assaying.

Highlighted Uranium Anomalies - EPL3345



The Company purchased the government geophysical data for the licence area and had the raw data reprocessed. The purpose was to apply licence specific filters to the data to better highlight uranium anomalies within the licence area.

The raw data was normalised for the geology within the licence and also for the topographic height differences. Uranium mineralisation in alaskites in the Damara region has an unique Uranium/Thorium ratio and this information was used to filter the data and highlight radioactive anomalies caused by uranium mineralisation in alaskites.

The results of this reprocessing exceeded the expectations of the company, **highlighting mineralisation over 37 kilometres of strike** with an additional five specific areas of anomalism outlined.

The reprocessed data outlined the Goanikontes dome contact as anomalous for a continuous strike length **in excess of 22 kilometres**. Significantly, the East Anomaly has the highest radiometric reading of all the anomalies in the licence and remains untested. Also, the dome nose displays continuous anomalism despite the area being under surficial cover, a condition that tends to mask uranium mineralisation. Mineralisation extends north of the Swakop River with all current exploration concentrating south of the river.

Significantly in the northern portion of the licence, the Rossingberg 11 Anomaly (R11), has been shown to extend for a total of 15 kilometres, a substantially greater extent than previously thought. The anomaly is associated with the domal contact of the Rossingberg dome and appears to extend into a faulted structure along a stratigraphic contact, a style of mineralisation not previously considered.

EPL3346 – SWAKOP RIVER

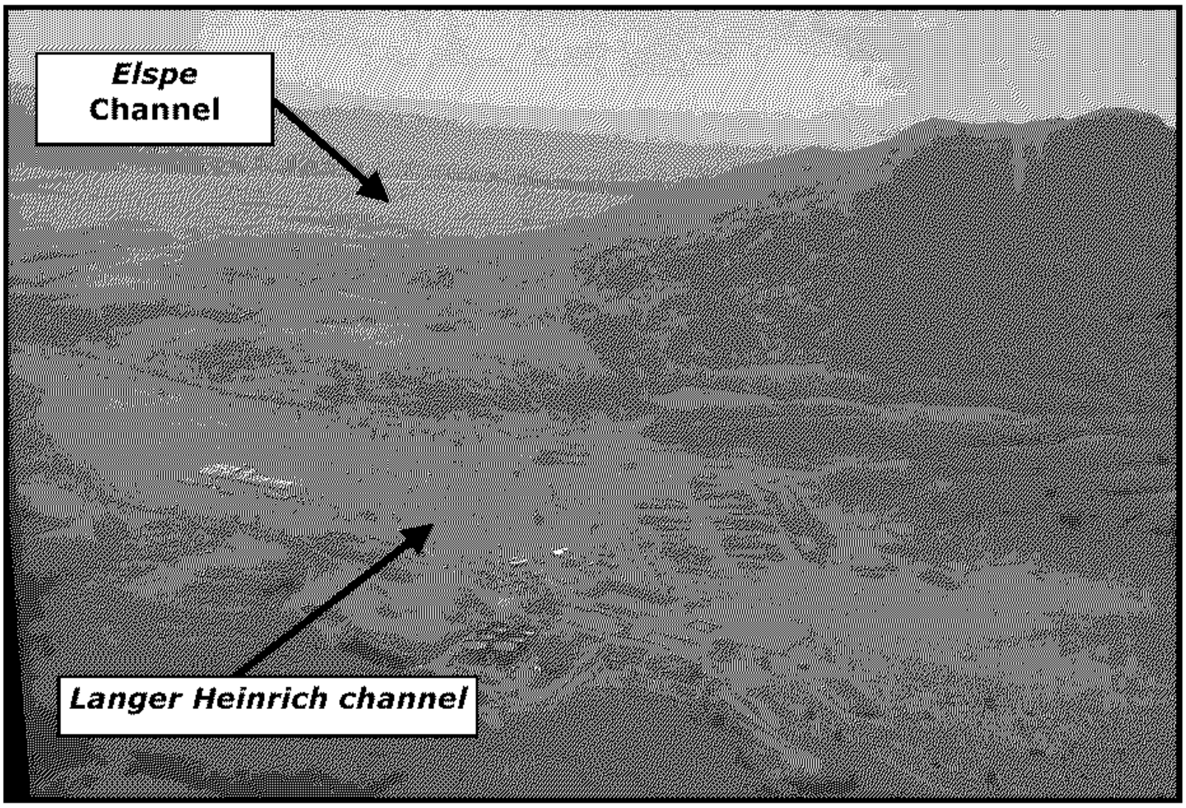
The Swakop River licence surrounds Paladin Resources Ltd's *Langer Heinrich* Uranium mine. The project area contains an extensive palaeochannel target with uranium documented in calcretised sediments at *Elspe*. Field reconnaissance in the area has confirmed the presence of these sediments which are similar in tenor to those hosting uranium mineralisation in the adjacent Langer Heinrich palaeo-channel. This represents a well defined, immediate exploration target.

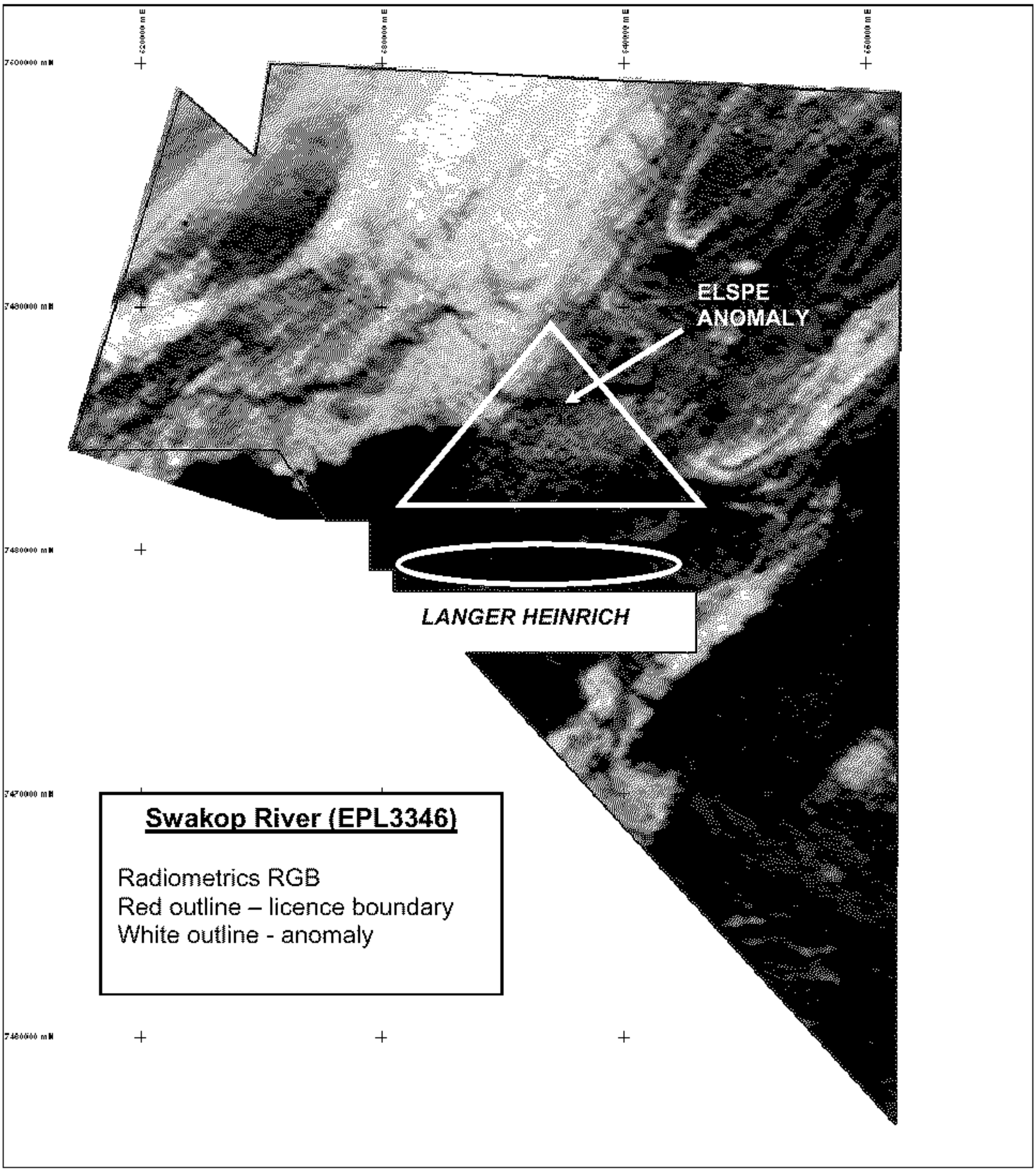
A 9,000m aircore drilling programme has commenced within the Elspe Channel. This programme is designed to test the current channel for the presence of palaeodrainage channels similar to the host for the Langer Heinrich deposit in the adjacent channel to the south. The exploration in the Swakop River licence is targeting uranium mineralisation within in gravel beds within palaeodrainage systems.

The Company also purchased the government geophysical data for the Swakop River licence area and had the raw data reprocessed. As for Welwitschia the purpose was to apply licence specific filters to the data to better highlight uranium anomalies within the licence area.

The raw data was normalised for the geology within the licence and also for the topographic height differences within the licence.

The results of the reprocessing showed that the size of the Elspe anomaly to be larger than previously indicated and that the anomaly extended to the north of the Swakop River into areas of valley fill sedimentation, considered a secondary target by the Company.





The Elspe anomaly sits over an erosional area where boulders from a gravel bed horizon are exposed, consistent with other surface anomalies in the area.

Drilling to date has located a possible new deeply incised palaeochannel trending westwards towards the licence boundary. A reverse circulation (RC) drill rig is being mobilised to confirm the delineation of the channel and to better ascertain the greater Elspe channel profile.

Drilling within the Elspe Channel. The Langer Heinrich (mountain) in background.

NAMIBIAN OPERATIONS

The Company has established a offices and working facilities in the nearby township of Swakopmund. The Company has employed local staff to commence and maintain exploration activities on the company's licences.

The Company has met all commitments and obligations prior to the commencement of exploration and is poised to enter the next phase of operations. The recent results have emphasised the great potential of the ground held by the company to host uranium mineralisation and the Company looks forward to the results from this phase of the operation.

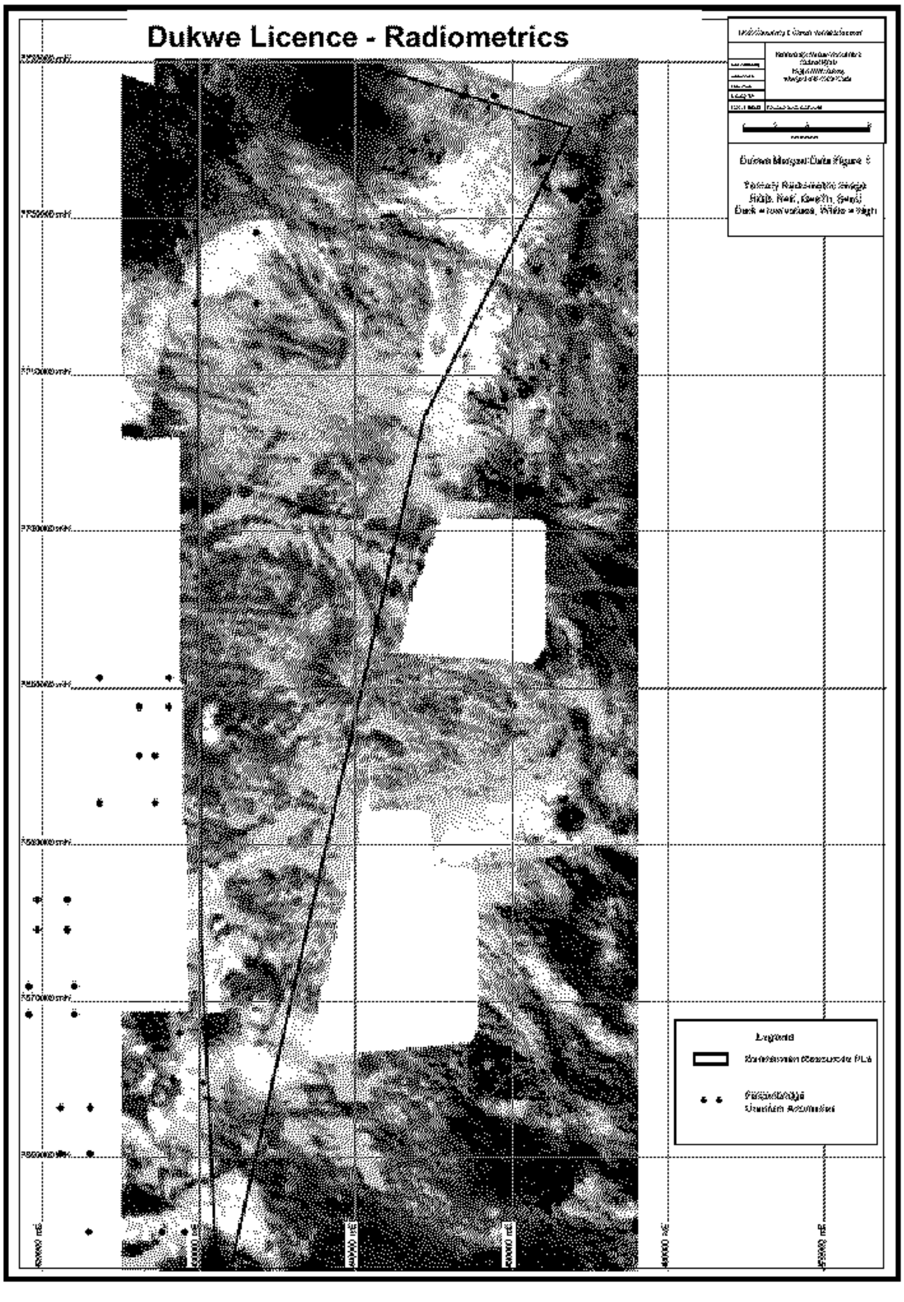
Namibia is one of Africa's more recently independent nations gaining its sovereignty in 1990 from South Africa. The country is politically stable with no civil unrest and excellent infrastructure with an established and diverse mining industry. The country is a former German colony governed by Dutch Roman law.

Active mining within Namibia has been ongoing for several decades with major mines including Tsumeb (base metals), Rössing (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.

BOTSWANAN URANIUM PROJECTS (BMN 100%)

During the quarter, Fugro Airborne Services completed aerial surveys recording radiometric and magnetic information for the company's three Botswanan licences. The survyeys were designed to infill areas of nil data within the licence boundaries to allow the company to assess the licences for areas of potential mineralisation.

The results of the surveys are being assessed with early indications of two additional anomalies within the Dukwe block and better definition of the Poleitti cluster and the Basement North cluster extensions into the licences at Serule.Structures identified in the magnetic data within the Dukwe block are being assessed fro mineralisation potential



SUMMARY

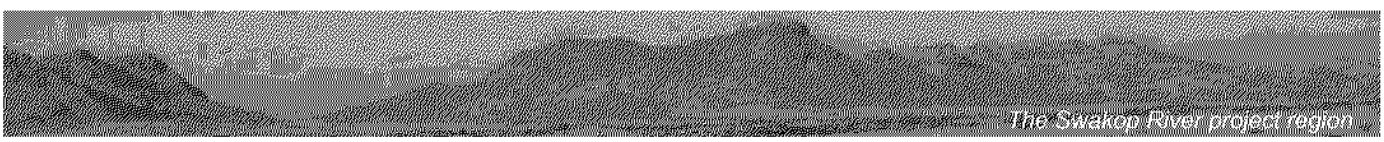
The granting of the licences in Namibia has given the Company a unique opportunity to explore for uranium in one of the world's premier uranium provinces, the Central Damaraland region of Namibia. The licenses all contain known uranium mineralisation and prospects at various stages of exploration and have the potential for the discovery of significant uranium mineralisation.

The Company has established an office in Namibia, has commenced employing local professionals and has begun all the necessary work to expedite exploration over what the Company believe to some of the most prospective uranium ground in one of the key uranium provinces in the world.

Peter Batten

Managing Director

Information in this report pertaining to mineral resources and exploration results is based on information compiled by Mr Peter Batten who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Batten is a full time employee of the Company. Mr Batten has sufficient experience with respect to mineral exploration and to the activities being undertaken and qualifies as a competent person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves'. Mr Batten consents to the inclusion in the report of the matters on his information in the form and context in which it appears.



The Swakop River project region

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

BANNERMAN RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
34 113 017 128	30 September 2006

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (3 months) $A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(538)	(538)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(118)	(118)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	16	16
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – (provide details if material)	-	-
	Net Operating Cash Flows	(640)	(640)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a)prospects	-	-
	(b)equity investments	(39)	(39)
	(c)other fixed assets	(69)	(69)
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	(108)	(108)
1.13	Total operating and investing cash flows (carried forward)	(748)	(748)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(748)	(748)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	568	568
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - costs of share issues	-	-
	Net financing cash flows	568	568
	Net increase (decrease) in cash held	(180)	(180)
1.20	Cash at beginning of quarter/year to date	2,478	2,478
1.21	Exchange rate adjustments to item 1.20	(12)	(12)
1.22	**Cash at end of quarter**	2,286	2,286

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	53
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

1.23 includes directors fees and salaries for executive and non-executive directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	600
4.2	Development	-
	Total	**600**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	546	289
5.2	Deposits at call	1,740	2,189
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	**2,286**	**2,478**

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	**Post reorganisation** 73,104,238	**Post reorganisation** 63,654,229		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	4,185,872	4,185,872		
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	41,008,259 1,300,000 10,387,500 3,000,000 7,500,000 112,500	41,008,259	*Exercise price* 6.67 cents 10.67 cents 10 cents 11.67 cents 40 cents 20 cents	*Expiry date* 31 May 2007 25 July 2008 9 February 2009 12 August 2007 18 August 2008 9 February 2009
7.8	Issued during quarter	7,500,000 112,500		40 cents 20 cents	18 August 2008 9 February 2009
7.9	Exercised during quarter	4,073,372 112,500	4,073,372 112,500	6.67 cents 10 cents	31 May 2007 9 February 2009
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .... Date: 31 October 2006
(Director/Company secretary)

Print name: Stephen Brockhurst

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.