

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Bannerman Resources Limited

ABN

34 113 017 128

Quarter ended ("current quarter")

31 December 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration & evaluation	(181)	(401)
(b) development		
(c) production		
(d) administration & corporate	(775)	(1,315)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	23	46
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other – R&D Refund	416	416
Net Operating Cash Flows	(517)	(1,254)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	(3)	(3)
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	5	37
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	2	34
1.13 Total operating and investing cash flows (carried forward)	(515)	(1,220)

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1.13	Total operating and investing cash flows (brought forward)	(515)	(1,220)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
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		
	Net financing cash flows	-	-
	Net (decrease) increase in cash held	(515)	(1,220)
1.20	Cash at beginning of quarter/year to date	3,106	3,816
1.21	Exchange rate adjustments to item 1.20	(1)	(6)
1.22	Cash at end of quarter	2,590	2,590

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	152
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes salaries and fees 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

Interest on the RCF Convertible Note for the September Quarter of \$161,315 was satisfied through the issue of 3,226,301 fully paid ordinary shares.

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

Nil

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 / Convertible Notes	8,000	8,000
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	200
4.2	Development	-
4.3	Production	-
4.4	Administration, corporate and finance costs	550
Total		750

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	495	761
5.2 Cash deposits at call	2,095	2,345
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	2,590	3,106

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	Nil		
6.2	Interests in mining tenements acquired or increased	Nil		

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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 <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	319,658,997	319,658,997		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	7,076,888	7,076,888		
7.5 *Convertible debt securities <i>(description)</i>	1 Convertible Note	Nil	A\$8,000,000	
<p><u>Amount</u> - A\$8,000,000. <u>Conversion price</u> - A\$0.28125 per Share (up to 31 March 2014) A\$0.095 per Share (subsequent to 31 March 2014) <u>Date for Conversion:</u> - If conversion option is exercised by holder (Resource Capital Fund IV L.P.), then at any time prior to 30 September 2016. - If conversion option is exercised by issuer (Bannerman Resources Limited), then within 90 days from the date the rolling 20 day volume weighted average price of shares in the issuer is equal to or more than 3 times the conversion price. <u>Coupon</u> – 8% per annum payable quarterly in arrears on 31 March, 30 June, 30 September and 31 December of each year. Interest is to be satisfied by the issue of new Bannerman shares at the 5 day VWAP prior to the date of issue, or by cash in certain circumstances. <u>Repayment</u> – If not converted, repayment of the note will be required by a single bullet repayment on 30 September 2016. <u>Security</u> – Fixed and floating charge over the assets of Bannerman including a share mortgage over Bannerman's 80% shareholding in Bannerman Mining Resources (Namibia) (Pty) Ltd.</p>				

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7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	<i>Number</i> 1,500,000 ⁽¹⁾ 788,000 114,500 427,600 1,367,600 4,504,000 <hr/> <u>8,701,700</u>	Weighted Average Option Exercise Price	<i>Exercise price</i> A\$0.678 A\$0.36 A\$0.36 A\$0.12 A\$0.12 A\$0.072 <hr/> <u>A\$0.22</u>	<i>Expiry date</i> 17 November 2014 17 November 2014 17 November 2014 21 November 2015 21 November 2015 22 November 2016
7.8	Issued during quarter	4,504,000		A\$0.072	22 November 2016
7.9	Exercised during quarter				
7.10	Expired during quarter	1,500,000 641,250 43,000		A\$0.543 A\$0.77 A\$0.77	17 November 2013 22 November 2013 22 November 2013
7.11	Cancelled during quarter				

⁽¹⁾ Vesting conditions include performance hurdles related to the development and progression of the Etango Project.

7.12	Performance Rights	<i>Number</i> 500,000 750,000 1,631,722 961,859 682,000 1,000,000 3,502,674 1,476,500 5,637,300 <hr/> <u>16,142,055</u>			<i>Vesting date</i> 31 January 2014 31 July 2014 17 November 2014 21 November 2014 22 November 2014 31 January 2015 21 November 2015 22 November 2015 22 November 2016
7.13	Issued during quarter	682,000 1,476,500 5,637,300			22 November 2014 22 November 2015 22 November 2016
7.14	Vested during quarter	214,212 824,100 272,592			17 November 2013 21 November 2013 23 November 2013
7.15	Cancelled during quarter	260,700 577,650 158,741 358,026			17 November 2013 23 November 2013 21 November 2014 21 November 2015


⁽¹⁾ Performance Rights vested following redundancy, in accordance with the Employee Incentive Plan rules.

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7.16	Debentures <i>(totals only)</i>		
7.17	Unsecured notes <i>(totals only)</i>		

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: 29 January 2014
Company Secretary

Print name: Leigh-Ayn Absolom

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.