

Bannerman Resources Limited (ASX:BMN, NSX:BMN) had a successful June quarter, including completion of the de-risking of the Etango heap leach process, renewal of its Exclusive Prospecting Licence and delisting from TSX.

HIGHLIGHTS

- **Successful Heap Leach Demonstration Plant Program**
 - Results of Phase 4 of the Heap Leach Demonstration Plant further highlight the robustness of the Etango DFS and Optimisation Study;
 - No deleterious elements;
 - Fast and efficient solvent extraction;
 - Confirms DFS solvent extraction design parameters.
 - Heap Leach de-risking now complete with outstanding results and scope for cost reductions.
 - Phase 5 (optimisation and value engineering) commenced.
- **Renewal of Exclusive Prospecting Licence 3345**
- **De-Listing from TSX**
- **Cash balance as at 30 June 2016 was A\$1.6 million.**

Details on the above milestones follow below.



Figure 1 - Etango Heap Leach Demonstration Plant

ETANGO PROJECT (Bannerman 100%)

Successful Heap Leach Demonstration Plant Program

Phase 4 Objectives

- To investigate the possible build-up of impurities in the leach solution from the closed circuit Phase 3 testwork.
- Assess the impact of impurities on the efficiency of the solvent extraction process.
- Establish the loading kinetics/conduct and equilibrium loading isotherm testwork on each of the three leach solutions from Phase 3.

Phase 4 Findings

- Elemental scan of the three leach solutions generated in Phase 3 indicated no observable build-up of deleterious elements.
- Fast extraction of uranium from the pregnant leach solution (PLS) onto the organic solution. Maximum extraction of uranium onto the organic phase was achieved within 30 seconds.
- Uranium extraction efficiency for all three pregnant leach solutions had a similar profile indicating no observable impact of impurities (See Figure 2).

Phase 4 tested the solvent extraction (SX) loading kinetics and efficiency from leach solution generated from the closed circuit heap leach operation of Phase 3. The strong results from the Phase 4 testwork confirm that the SX design parameters in the Etango Definitive Feasibility Study (DFS) are not only robust but also have considerable potential for further improvement.

The completion of Phase 4 testwork has delivered final validation across all aspects of the planned process route for the Etango Project. All four Phases of the Demonstration Plant Program have confirmed the robustness of the DFS heap leaching parameters for Etango. By delivering genuine proof of concept via this program Bannerman has maintained its market leading profile in this critical area. It has also succeeded in significantly de-risking the planned Etango process route for prospective financial partners. The Demonstration Plant Program has, by any measure, been a resounding success.

Phase 4 of the Demonstration Plant testwork program entailed bench scale SX testwork as per the DFS design criteria. The primary objective of Phase 4 was to confirm the findings of previous SX testwork that was conducted with leach solution modified with anticipated impurities. In the Phase 4 testwork, actual leach solution generated from a larger three cycle closed circuit heap leach operation (Phase 3) was used.

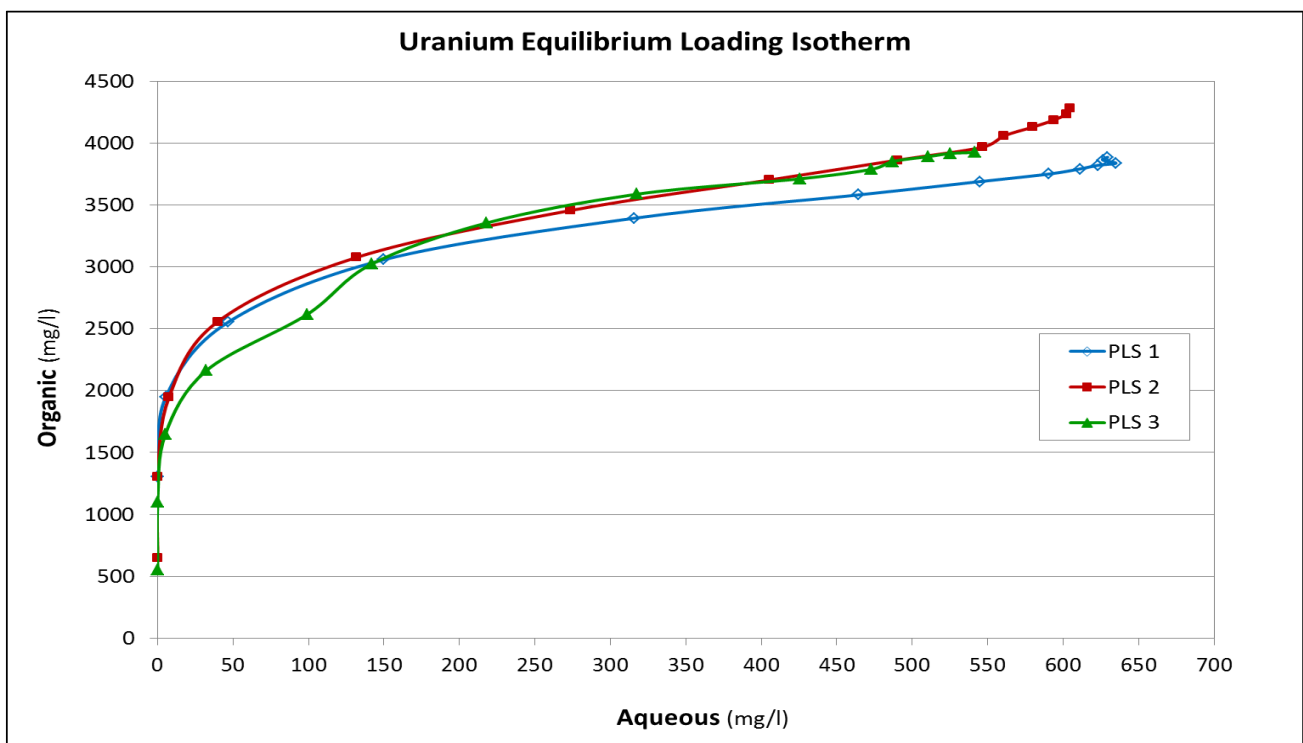


Figure 2 - Uranium Equilibrium Loading Isotherm: the similar profile of each solution shows no observable impact of impurities

Phase 5

The Phase 5 work plan is now directed at optimising the Etango process parameters by drawing on the extensive learnings delivered by the Demonstration Plant Program to date. Initial outcomes from this value engineering have been highly encouraging with the clear potential for adoption of coarser grind sizes and lower reagent usage.

CORPORATE

TSX De-Listing

The application to de-list from the Toronto Stock Exchange (TSX) was accepted and the Company's securities de-listed and therefore no longer traded on the TSX after close of trading on Wednesday 11 May 2016.

No change has occurred to the quotation and trading of the Company's securities on the Australian Securities Exchange (ASX) or the Namibian Stock Exchange (NSX) and the Company's securities remain available for trading on the ASX and NSX under the code BMN.

Project Financing

The results from the successful Demonstration Plant Program strongly support the heap leach assumptions and projections incorporated in the DFS, and are expected, therefore, to enhance the bankability of the project. The program scheduled for the coming quarters will focus on further value engineering work.

Cash Position and Operating Expenditure

Cash reserves as at 30 June 2016 totalled A\$1.6 million (31 March 2016: A\$2.5 million). Net operating cash outflow during the quarter totalled A\$0.87 million. Anticipated expenditure for the September quarter is A\$0.8 million, which includes further optimisation work associated with the positive results from the Heap Leach Demonstration Plant Program. The Company's cash position will be enhanced by an R&D tax rebate that is expected to be received in the September quarter.

Issued Securities

At the date of this report, the Company has 709,974,393 ordinary shares on issue.

At the date of this report, the Company has on issue 19,585,658 performance and share rights and 16,014,400 unlisted share options. The share rights and share options are subject to various performance targets and continuous employment periods.

Schedule of Mining Tenements

Bannerman currently holds Exclusive Prospecting Licence 3345 (EPL 3345) in Namibia. An application to renew EPL3345, which expired on 26 April 2015, was lodged on 26 January 2015.

A notice of preparedness to grant the renewal was subsequently received in early 2016 from the Namibian Ministry of Mines and Energy (MME) outlining the terms and conditions under which the EPL would be renewed. In addition to standard renewal terms and conditions, the MME required the Company to submit a proposal for local Namibian ownership, employment of historically disadvantaged Namibians and a broader corporate social responsibility plan. The Company understands that this proposal was required of all EPL renewal applicants.

On 4 July 2016, the Company announced that the MME has endorsed the renewal of EPL 3345. The licence has been renewed until 25 April 2017 in accordance with its original term.

The Company also announced on 4 July 2016 that correspondence had been received from the MME stating that the Honourable Minister intends to refuse the application for the Etango project Mining Licence, which was applied for in December 2009, citing the current low uranium price. The Honourable Minister's decision is not unexpected and Bannerman retains the right to re-apply for a mining licence when the uranium market recovers.

The Ministry of Environment and Tourism granted Bannerman Environmental Clearances for the Etango Project in 2010 and for the project's Linear Infrastructure in 2012, both of which are important pre-requisites for a Mining Licence. Bannerman's Environmental Clearances remain valid.

There were no interests in other mining tenements or any beneficial interests in farm-in or farm-out agreements which were acquired or disposed of during the quarter.

URANIUM MARKET

The unsustainably low uranium price environment has started to have an effect on primary supply. Cameco, the world's largest uranium producer, announced suspension of operations at its Rabbit Lake mine in northern Saskatchewan due to the prevailing uranium market conditions. In addition, Cameco has signaled a reduction for 2016 production at McArthur River and has deferred wellfield development at its ISR operations in the US. Most of the favourably priced long term sales contracts entered into prior to 2012 will shortly come to an end, with the effect of reducing the average selling price achieved by many uranium producers. Accordingly, Bannerman believes that primary supply will continue to be interrupted unless uranium prices increase in the short term.

Uranium demand projections indicate strong growth in the medium to long term, particularly in light of the vital role nuclear power must play in containing climate change. In the USA, Tennessee Valley's Watts Bar Unit 2 reached criticality and was connected to the grid in early June. The 1,165 MWe reactor is the first new nuclear reactor to start up in the USA in 20 years. The Swedish parliament has agreed to abolish tax on nuclear power as it recognizes nuclear power's role in helping it to eventually achieve a goal of 100% carbon neutral generation.

China's nuclear construction program continues to gain momentum with two more reactors completed in the June quarter. Hongyanhe #4 and Changjiang #2 commenced operation in April and June respectively. With the commencement in July of commercial operations at Unit 4 of the Ningde Nuclear Power station, this increases the number of Chinese reactors commissioned to date in 2016 to five units

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About Bannerman - Bannerman Resources Limited is an ASX and NSX listed exploration and development company with uranium interests in Namibia, a southern African country which is a premier uranium mining jurisdiction. Bannerman's principal asset is its 100%-owned Etango Project situated near Rio Tinto's Rössing uranium mine, Paladin's Langer Heinrich uranium mine and CGNPC's Husab uranium mine currently under construction. A definitive feasibility study and an optimisation study has confirmed the technical, environmental and financial (at consensus long term uranium prices) viability of a large open pit and heap leach operation at one of the world's largest undeveloped uranium deposits. In 2016, Bannerman is continuing a large scale heap leach demonstration program to provide further assurance to financing parties, generate process information for the detailed engineering design phase and build and enhance internal capability. More information is available on Bannerman's website at www.bannermanresources.com.

TECHNICAL DISCLOSURES

Certain disclosures in this report, including management's assessment of Bannerman's plans and projects, constitute forward looking statements that are subject to numerous risks, uncertainties and other factors relating to Bannerman's operation as a mineral development company that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Full descriptions of these risks can be found in Bannerman's various statutory reports. Readers are cautioned not to place undue reliance on forward-looking statements. Bannerman expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Mineral Resources that are not Ore Reserves do not have demonstrated economic viability.

Bannerman Resources Limited (Bannerman or the Company) manages its drilling and assaying activities in accordance with industry standard quality assurance/quality control (QA/QC) procedures. Samples are collected by Bannerman personnel and prepared in accordance with specified procedures at the relevant assay laboratories. Drill samples were analysed for uranium by the Bureau Veritas Laboratory in Swakopmund, Namibia. Bureau Veritas is an International Laboratory Group with operations in 140 countries, including Ultratrace and Amdel in Australia. Assay QA/QC involves the use of assay standards (sourced from African Mineral Standards (AMIS) in Johannesburg, made from Bannerman pulp rejects and cross-checked through umpire laboratories for which the round robin reports are available), field duplicates, blanks and barren quartz flushes. A third party "umpire" laboratory (Genalysis in Perth) is used to cross-check and validate approximately 5% of the assay results in accordance with standard procedures. Sample coarse rejects are retained and approximately 5% of samples are re-submitted for further assay verification. All sample pulps, half-core and rock-chip samples are retained at Bannerman's Goanikontes Warehouse Facility (GWS) on site.

The information in this report relating to the Ore Reserves of the Etango Project is based on information compiled or reviewed by Mr Leon Fouché. Mr Fouché is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Fouché is employed by Bannerman Resources. Mr Fouché 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", and a Qualified Person as defined by Canadian National Instrument 43-101.