

Bannerman Resources Limited (ASX:BMN, NSX:BMN) (“Bannerman” or “the Company”) is pleased to report on a productive June quarter.

HIGHLIGHTS

- **Namibian Partner Transaction Completed**
 - One Economy Foundation has become a 5% loan-carried shareholder in Subsidiary
- **DFS Update Progressed**
 - Targeting substantial capital and operating cost improvements
 - Incorporating results from Demonstration Plant Program
- **Uranium price remains challenging, although forward demand continues to strengthen**
 - Two more Japanese reactors restarted
 - India announced 10 new reactors to be built
 - Nuclear construction reaches 25-year high

Bannerman’s Chief Executive Officer, Mr Brandon Munro, said, “The June quarter has involved a period of consolidation after the successful completion of the Demonstration Plant testwork last quarter. We have progressed the DFS Update whilst utilising funds conservatively to ensure our cash balance gives us longevity in the context of continuing low uranium prices.”

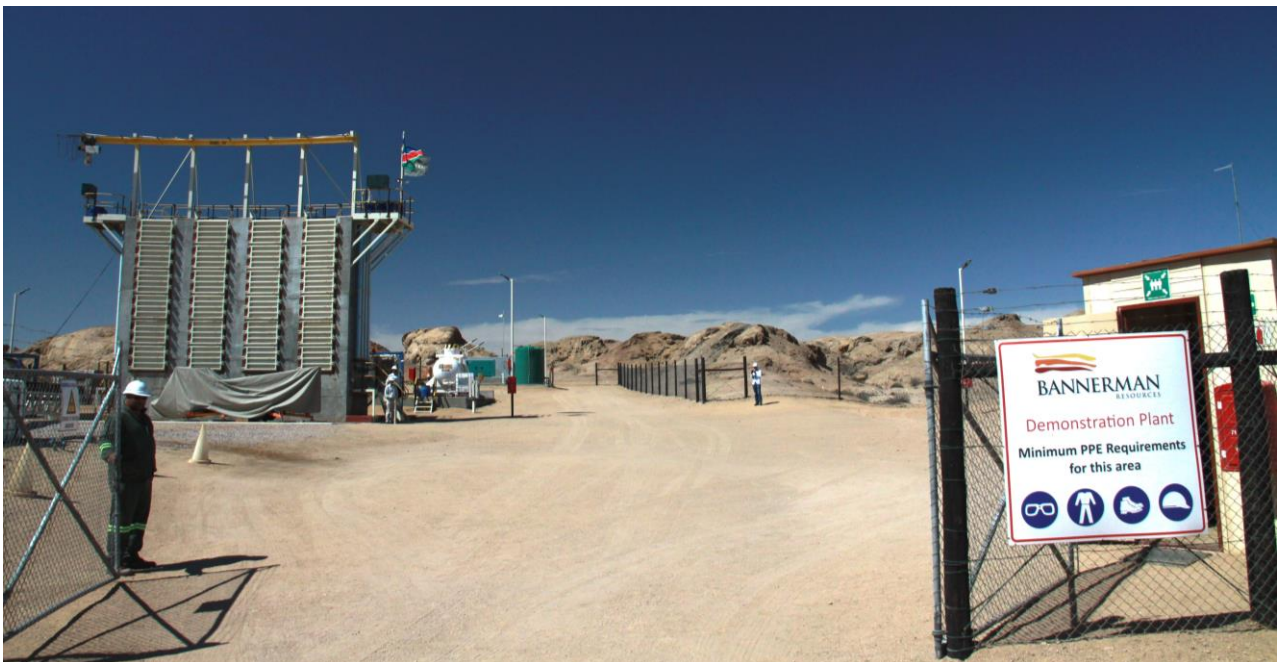


Figure 1 - The Etango Heap Leach Demonstration Plant, above, is operating to provide data for trade-off studies as part of Bannerman’s Definitive Feasibility Study Update.

CORPORATE

Namibian Partner Transaction Completed

During the quarter, Bannerman completed all conditions precedent for the Namibian Partner Transaction, and in July the One Economy Foundation became a 5% loan-carried shareholder in the Etango Project.

The One Economy Foundation will be loan carried for all future project expenditure including pre-construction and development expenditure, with the loan capital and accrued interest repayable from future dividends. Bannerman Resources Limited owns the remaining 95% of Bannerman Mining Resources (Namibia) (Pty) Ltd.

The transaction fulfils an emerging industry-wide requirement for a minimum of 5% Namibian ownership. The satisfaction of this requirement was also a specific condition to the July 2016 renewal of Exclusive Prospecting Licence 3345 on which the Etango Uranium Project is situated.

In August 2016, the Company engaged investment bank RMB Namibia to undertake a process to identify Namibian investors and broad-based beneficiaries to meet the 5% Namibian ownership requirement. The One Economy Foundation emerged as the preferred broad-based beneficiary for its outstanding governance credentials, strong financial sophistication and long term funding outlook reflective of Etango's financing dynamics.

The One Economy Foundation is a prominent Namibian not-for-profit organisation with programs that directly support government's flagship Harambee Prosperity Plan for poverty alleviation.

Cash Position and Operating Expenditure

Cash reserves at 30 June 2017 totalled A\$3.4 million (31 March 2017: A\$4.2 million).

Net operating cash outflow during the quarter totalled A\$0.7 million.

Issued Securities

At the date of this report, the Company has on issue 849,627,622 ordinary shares, 37,906,093 performance and share rights and 56,608,600 unlisted share options. The share rights and share options are subject to various performance targets and continuous employment periods.

ETANGO PROJECT (Bannerman 100%)

DFS Update Progressed

Bannerman completed a Definitive Feasibility Study (DFS) on the Etango Project in 2012, in conjunction with an Environmental and Social Impact Assessment. The respective studies (and grant of environmental approval from the Namibian Ministry of Environment and Tourism), confirmed the technical, economic and environmental viability of the project at historical term uranium prices. During 2015 Bannerman undertook a DFS Optimisation Study, which predominantly focussed on project enhancements generated by optimised mining methods and design, but did not consider changes to the processing flowsheet. These results substantially improved the economics of the Etango project, as announced to the market on 11 November 2015.

Bannerman has progressed its DFS Update in conjunction with our key consultants, AMEC Foster Wheeler. This process is targeting substantial capital and operating cost improvements through incorporating the results from the Etango Demonstration Plant and evaluating other value accretive opportunities in processing, mining and infrastructure that have been developed through internal engineering undertaken by the Bannerman team.

The DFS update incorporates the key results obtained from the Demonstration Plant and other work including potential improvements on comminution, heap leaching, processing, infrastructure and mining.

Schedule of Mining Tenements

Bannerman currently holds Exclusive Prospecting Licence 3345 (EPL 3345) in Namibia. An application to renew EPL 3345, which has a two year term ending on 26 April 2017, was lodged in January 2017. On 25 July 2017 the Company received from the Namibian Ministry of Mines and Energy a Notice of Preparedness to Grant the renewal of EPL 3345. Until the renewal process is completed, the Namibian Minerals (Prospecting and Mining) Act provides for continued tenure of the EPL.

In September 2016 the Company also applied for a Mineral Deposit Retention Licence (MDRL) to secure the portion of EPL 3345 that would be required for the proposed Etango mine. An outcome is expected shortly.

Apart from One Economy Foundation becoming a 5% loan-carried shareholder in the Etango Project, there were no other 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

Continuing lack of liquidity in the uranium spot market has maintained downward pressure on the spot uranium price, currently at approximately US\$20/lb U₃O₈. This pricing is broadly acknowledged by most market commentators as being unsustainable - a majority of global uranium supply is uneconomic at the current spot price.

Forward demand for nuclear power, and therefore uranium, continues to strengthen. For example:

- Kansai Electric Power (Kepeco) restarted Takahama #3 and #4 reactors, following the decision of the Osaka High Court to lift a March 2016 injunction stopping the reactors on safety grounds. Five reactors have now re-started in Japan. Another 19 Japanese reactors are going through a review process by Japan's Nuclear Regulation Authority, with Genkai #3 and #4 cleared to restart in the coming months.
- India has approved the construction of ten new pressurised heavy water reactors with a combined output of 7GWe. Prime Minister Modi described the move as a "significant decision to fast-track India's domestic nuclear power program" - India currently has 6.78GWe of nuclear power with a further 6.7GWe expected to come on-stream in the next five years.
- The nuclear industry brought more than 9 GWe of new plant on line last year, the largest annual increase in 25 years, according to a new World Nuclear Association report, putting it on track to achieve the Association's goal of providing 25% of electricity in 2050 using 1000 GWe of new nuclear capacity.

Brandon Munro
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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 95%-owned Etango Project situated near Rio Tinto's Rössing uranium mine, Paladin's Langer Heinrich uranium mine and CGNPC's Husab uranium mine. A definitive feasibility 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. From 2015 to 2017, Bannerman conducted 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 was employed by Bannerman Resources until 14 July 2017. 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.