

Bannerman Resources Limited (ASX:BMN, NSX:BMN) (“Bannerman” or “the Company”) is pleased to report on a strong June quarter during which the Company completed a A\$8m heavily oversubscribed capital raising, strengthening the Company’s finances and enabling further optimisation work at Etango.

HIGHLIGHTS

- **Successful capital raising results in A\$8.3m cash balance at quarter end**
 - Heavily oversubscribed A\$8m placement to institutional and sophisticated investors
 - To fund optimisation at Etango, product marketing and strong working capital position

- **Uranium sector poised for recovery as Cameco shuts McArthur River indefinitely**
 - World’s largest uranium mine: 18Mlbs per annum U₃O₈ production (10% world supply)
 - Decision announced 26 July 2018 to place in care and maintenance for indeterminate period until prices recover
 - Cameco confirms intention to buy uranium on spot market to meet delivery obligations

- **Further 8.1Mlbs U₃O₈ (5% annual global mine supply) bought by Yellow Cake plc**

Bannerman’s Chief Executive Officer, Mr Brandon Munro, said, “The success of our A\$8M capital raising demonstrates institutional investors’ confidence in our Etango Project. Bannerman is now well funded and exceptionally well positioned in front of a uranium price recovery being driven by supply side discipline from Cameco Corporation and demand from physical uranium investment funds such as Yellow Cake plc.”

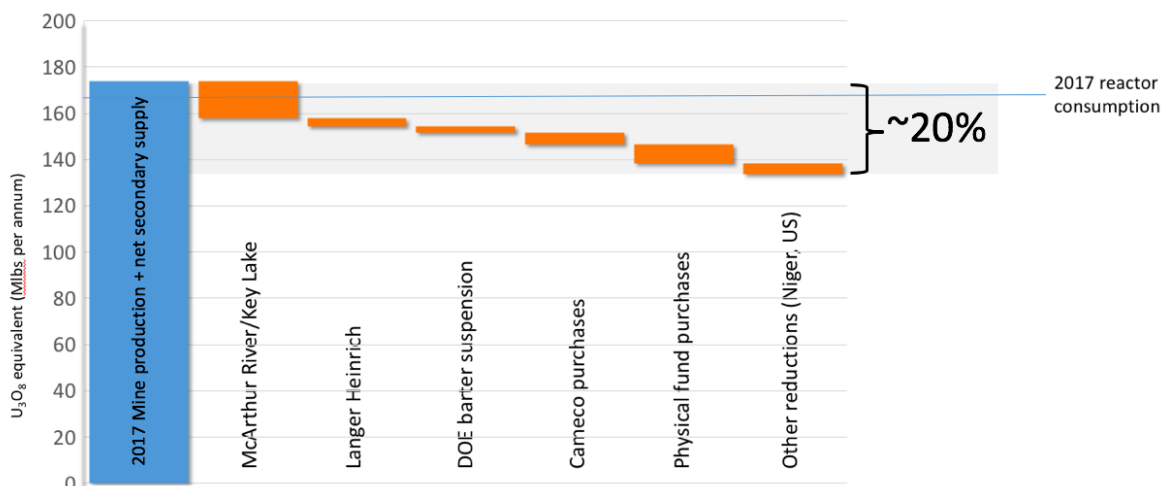


Figure 1: Supply disruption in 2018 now exceeds 35 million lbs (20% of supply) on an annualised basis. Source: World Nuclear Association, Bannerman Resources Ltd estimates

ETANGO PROJECT (Bannerman 95%)

DFS Update to continue with funding for optimisation opportunities

With a strong cash balance (A\$8.3 million at quarter-end), the Company is well funded to continue the Etango Project Definitive Feasibility Study (DFS) Update. A number of optimisation opportunities are being prioritised and the Company will progressively undertake optimisation studies that have the potential to be NPV accretive through reducing anticipated capital expenditure and/or operating costs. Once the optimisation phase is completed, the Company will conclude the DFS Update by undertaking definitive level engineering to incorporate identified project enhancements and update the procurement process.

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

During the quarter uranium investor sentiment steadily improved as the potential for uranium supply disruption became more widely understood. This potential was highlighted by:

- Paladin Energy announcing on 25 May 2018 that the Langer Heinrich mine would be placed into care and maintenance (2017 production of 3.4 million pounds U₃O₈); and
- Yellow Cake plc listing on London's Alternative Investment Market and using the raising proceeds to acquire 8.1 million pounds of U₃O₈ from KazAtomProm, the world's largest uranium producer.

Further, on 26 July 2018 Cameco Corporation announced that it would put McArthur River/Key Lake into care and maintenance for an indefinite period, resulting in the loss of 700 jobs. With an annual production rate of 18 million pounds U₃O₈, McArthur River is the largest uranium mine in the world and accounts for more than 10% of global supply. Cameco has further confirmed its intention to purchase 11-15 million pounds U₃O₈ on the spot market during 2018-2019.

As shown in Figure 1 above, the combined effect of supply disruptions over the last year is to reduce 2018 world uranium supply by more than 20% (35 million pounds) in comparison with 2017. As a result, the global uranium sector is expected to experience deficits in 2018/2019 after almost a decade of surpluses have suppressed the uranium price.

CORPORATE

Successful A\$8 million Capital Raising

In June 2018, Bannerman successfully completed a heavily oversubscribed A\$8 million private placement to institutional and sophisticated investors, through the issue of 173,913,043 new Bannerman shares at an issue price of A\$0.046 per share.

Funds raised from the Placement will be used to progress the current Definitive Feasibility Study (DFS) Update by furthering optimisation opportunities at the Etango Project, continue product marketing and for general working capital and corporate purposes (including financing and offtake initiatives).

Cash Position and Operating Expenditure

Cash reserves at 30 June 2018 totaled A\$8.3 million (31 March 2018: A\$1.35 million).

Net operating cash outflow during the quarter totaled A\$0.547 million.

Issued Securities

At the date of this report, the Company has on issue 1,029,871,347 ordinary shares, 37,309,033 performance and share rights and 69,875,400 unlisted share options. The share rights and share options are subject to various performance targets and continuous employment periods.

Brandon Munro
Chief Executive Officer
27 July 2018

For further information please contact:

Brandon Munro

Chief Executive Officer
Perth, Western Australia
Tel: +61 (8) 9381 1436
info@bannermanresources.com.au

Robert Dalton

Company Secretary
Perth, Western Australia
Tel: +61 (8) 9381 1436
info@bannermanresources.com.au

Michael Vaughan (Media)

Fivemark Partners
Perth, Western Australia
Tel: +61 422 602 720
michael.vaughan@fivemark.com.au

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 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.
