

Bannerman Resources Limited (ASX:BMN, QTCQB:BNNLF, NSX:BMN) (“Bannerman” or “the Company”) is pleased to report on a further disciplined quarter in which Bannerman has cost-efficiently invested into high-impact optimisation opportunities at its Etango Uranium Project in Namibia.

HIGHLIGHTS

- **Etango Project optimisation focused on high-impact outcomes**
 - Heap Leach Demonstration Plant recommissioned to progress Membrane Study Testwork to Definitive Feasibility Study level
 - Evaluation of project scaling and scope opportunities under various development parameters and market conditions
- **Uranium market driven by key uncertainties, whilst inventories tighten**
 - US Nuclear Fuel Working Group recommendations unresolved
 - Iran tensions increase risk that sanctions waivers will not be renewed
 - Utilities continue to underbuy, tightening inventories
 - Sector running an approx. 20 million pound U₃O₈ annual deficit at unsustainable prices
- **Appointment of highly experienced Chief Financial Officer, Mr Rob Orr**
 - Mr Orr brings 30 years’ experience in resources industry
 - Strengthens Bannerman’s team across capital markets, mergers and acquisitions, project development, contract negotiation and mining operations
- **Strong cash balance of A\$5.3m at quarter end**

Bannerman’s Chief Executive Officer, Mr Brandon Munro, said, *“Uranium investors will remember 2019 as a disappointing year, with the sector dogged by continuing uncertainty resulting from the section 232 trade action in the US, topped off by tensions in Iran weighing on utility procurement decisions. Nonetheless, the nuclear power industry had a good year, with its output exceeding 2011 levels and the forward outlook strengthened. Bannerman has continued to identify high-impact value addition opportunities at its Etango Uranium Project in Namibia, whilst maintaining a strong cash position and disciplined fiscal approach. In this way, we believe we are best positioning our business for a sustained recovery in the sector whilst continuing our approach of preserving shareholder value.”*

URANIUM MARKET

Uranium market news

The U₃O₈ spot price experienced limited volatility on low volumes during the December quarter, closing at US\$25.45/lb. The term uranium market continued to be muted during the quarter, based on reported transactions. Significant uncertainties remain, particularly for US fuel buyers, which have hindered new procurement actions despite increasing geopolitical risk and a tightening of inventories across the nuclear fuel cycle.

The Nuclear Fuel Working Group, which was appointed by President Trump following completion of the section 232 trade investigation into uranium imports, was granted an extension during the quarter to complete its review of the US domestic nuclear supply chain (uranium production, conversion, enrichment and fabrication). Despite the revised deadline passing, no official announcements have yet been made as to the content of the report or the decision by the White House on the extent to which recommendations will be implemented. Although leaked information points to a positive outcome for the uranium sector – without impacting US nuclear utilities – US utilities are reluctant to adjust current procurement strategies until the full outcomes are known.

More acute uncertainty persists in relation to the renewal of US sanctions waivers in respect of nuclear suppliers that are co-operating with Iran's civil nuclear power program. In 2017 President Trump withdrew the United States from the 2015 Joint Cooperative Plan of Action (JCPOA), which suspended UN sanctions against Iran in return for its compliance with strict obligations to ensure proliferation controls on Iran's civil program. Although the Trump administration re-imposed various sanctions, for instance on Iran oil sales and access to US financial markets, it provided waivers on sanctions that would otherwise be imposed on companies providing support to Iranian nuclear power or research facilities. Those sanctions waivers operate for 90 days and must next be renewed on 31 January 2020.

Following escalation of tensions in Iran, nuclear utilities in the US and EU are concerned that such waivers may not be fully renewed or that the JCPOA will itself unravel following the initiation of the dispute procedure by Britain, France and Germany on 14 January 2020. Either scenario may lead to critical constraints in uranium, conversion, enrichment and fabrication of nuclear fuel. In particular, given that subsidiaries of Russian nuclear giant Rosatom are working with Iran, sanctions on Rosatom as a whole will affect around a third of the enrichment services provided to both EU and US utilities and have numerous other implications on uranium carry-trade and supply agreements.

On the whole, the consequence of this uncertainty is that US utilities have continued to draw down on nuclear fuel inventories with discretionary end-of-year procurement focused on down-stream products, UF₆ and EUP. Combined with substantial producer-buying during 2019, mobile inventories have tightened significantly, particularly in UF₆ and EUP (enriched uranium product).

The U₃O₈ spot price continues to trade at an unsustainable level that does not incentivise new production and risks further production cuts as long-term contracts roll off – which would serve to further widen the current market deficit of approximately 20 million pounds U₃O₈ per annum.

ETANGO PROJECT (Bannerman 95%)

DFS Update

Bannerman continues to productively use its time and resources to drive value improvements at its flagship Etango Project in Namibia. The work is being undertaken primarily utilising in-house resources, supported by consultants where appropriate, and this enables high-impact optimisation studies to be undertaken in a disciplined manner to drive enhancements in the fiscal and strategic attractiveness of the Etango Project.

The Etango Heap Leach Demonstration Plant was re-commissioned during the quarter and has commenced operations to prepare pregnant liquor solution to use in follow up testwork to advance the successful Membrane Study Testwork (see Bannerman ASX release dated 11 April 2018) to a Definitive Feasibility Study level, in conjunction with the Company's specialist technical advisers.

Further, Bannerman has been undertaking an evaluation of project scaling and scope opportunities that might exist under various development parameters and market conditions. Bannerman expects to complete this evaluation work during 1H 2020.

CORPORATE

Exercise of Director Options

The Company advised on 5 November 2019 that 1,000,000 fully paid ordinary shares were issued to Mr Ian Burvill upon his exercise of options granted in 2016 in accordance with the Bannerman Non-Executive Director Share Incentive Plan. The options had an exercise price of \$0.042 and their exercise therefore generated a cash inflow of \$42,000.

Cancellation and issue of securities during the quarter

The Company advised during the quarter that the following securities in Bannerman were cancelled or issued:

- 18,598,200 unlisted options expired unexercised and therefore lapsed and were cancelled
- 1,965,156 unlisted employee performance rights have, pursuant to the terms of the Employee Incentive Plan (“EIP”), been forfeited and cancelled following non-satisfaction of the relevant performance criteria
- 16,194,482 fully paid ordinary shares were issued upon vesting of unlisted employee performance rights in accordance with the terms of the EIP.
- 177,366 unlisted employee performance rights have, pursuant to the terms of the EIP, been forfeited and cancelled following non-satisfaction of the relevant performance criteria.
- 15,595,100 unlisted performance rights and 2,000,000 unlisted options were granted in accordance with the EIP as approved by shareholders on 22 November 2019.
- 2,564,100 Non-Executive Director Share Rights and 2,338,800 Non-Executive Director Options were granted in accordance with the terms of the Bannerman’s Non-Executive Director Share Incentive Plan.

Annual General Meeting

Bannerman held its Annual General Meeting on 22 November 2019. As previously announced, all resolutions put to shareholders at the Annual General Meeting were duly carried on a show of hands.

Appointment of Chief Financial Officer and change in Company Secretary

Subsequent to the end of the quarter, the Company advised that Mr Robert Orr commenced as Chief Financial Officer and Company Secretary with effect from 2 January 2020. Mr Orr is a Chartered Accountant with over 30 years’ experience in public practice and commerce. He has worked extensively in the resources industry and has acted as Chief Financial Officer and Company Secretary for a number of ASX listed resources companies. During his career, Mr Orr has acquired deep experience in corporate compliance and governance, capital markets, mergers and acquisitions, project development, contract

negotiation and mining operations. Mr Orr replaces Rob Dalton, who served as Company Secretary and Financial Controller for more than five years.

Cash Position and Operating Expenditure

Cash reserves at 31 December 2019 totaled A\$5.268 million (30 Sept 2019: A\$5.794 million).

Net operating cash outflow during the quarter totaled A\$0.562 million.

Issued Securities

At the date of this report, the Company has on issue 1,058,781,696 ordinary shares, 41,475,130 performance and share rights and 26,667,400 unlisted share options. The share rights and share options are subject to various performance targets and continuous employment periods.

Brandon Munro
Chief Executive Officer
30 January 2020

*This announcement was authorised to be issued by the Board of Directors
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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 CNNC'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.

Listing Rule 5.3.3 tenement schedule:

BANNERMAN RESOURCES LIMITED CONSOLIDATED BASIS				
SCHEDULE OF INTERESTS IN MINING TENEMENTS				
Project	Mining tenements held	Location of tenements	Beneficial % interest at end of the quarter	Change in the quarter
Etango	Mineral Deposit Retention License (MDRL) 3345	Namibia	95%	-
Etango	Exclusive Prospecting License (EPL) 3345	Namibia	95%	-*

*Note: during the quarter the Company was advised that an amendment was approved to EPL 3345 to include base and rare metals, industrial minerals and precious metals.