

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

### HIGHLIGHTS

- **Etango's long term tenure secured by Retention Licence**
  - Granted 5 year extendable retention licence
  - Tenure secured over entire future Etango mine site and two satellite deposits
  - Ideal tenure for flexibility and moving to mining licence when uranium price recovers
- **DFS Update progressing well**
  - Targeting substantial capital and operating cost improvements
  - Processing Optimisation Study near completion

Bannerman's Chief Executive Officer, Mr Brandon Munro, said, "The Bannerman team achieved a key tenure milestone at Etango during the September quarter, with the award of a Retention Licence over the Etango Project. We also added meaningful value to the Etango Project through cost-effective progression of the DFS Update. Bannerman continues to conservatively manage its capital and remains exceptionally well positioned for the expected correction in current, depressed uranium prices."

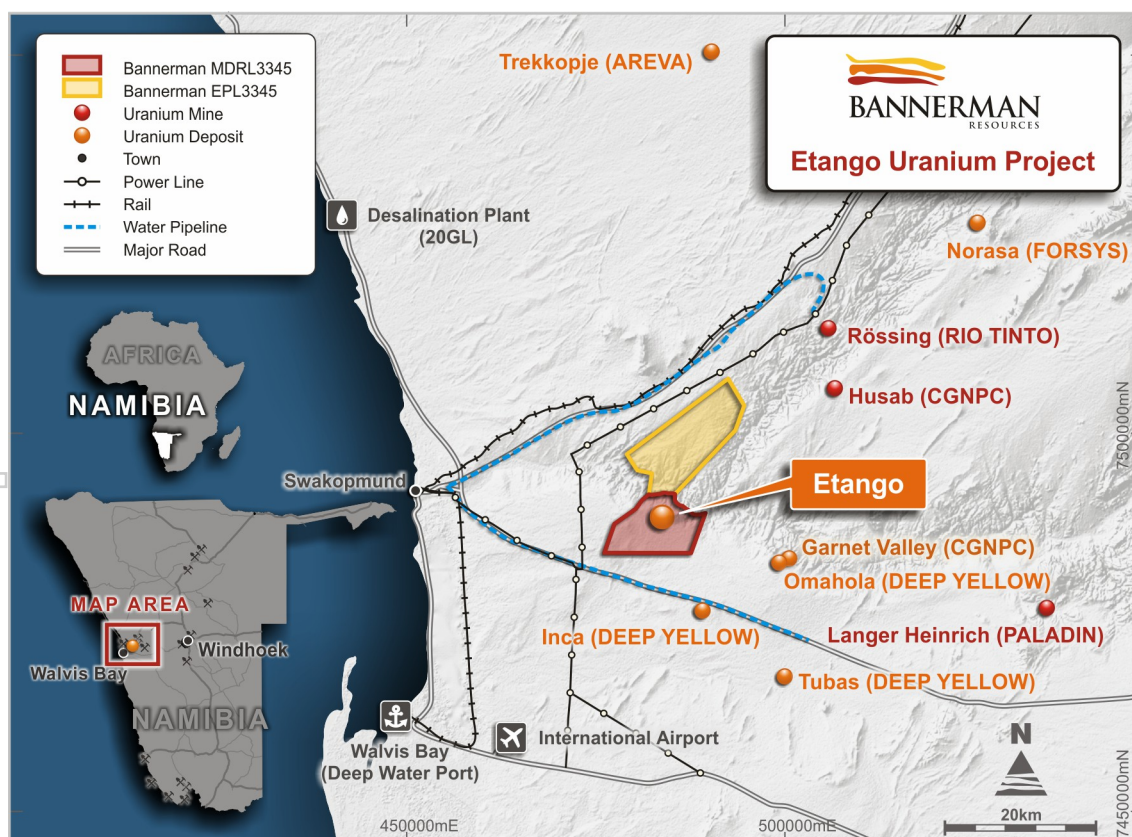


Figure 1 - The Etango Project showing MDRL 3345, the Retention Licence granted during the September quarter.

## ETANGO PROJECT (Bannerman 100%)

### Mineral Deposit Retention Licence

On 2 October 2017, Bannerman announced that the Namibian Ministry of Mines and Energy had granted a Mineral Deposit Retention Licence with a five year extendable term (**Retention Licence**) over Bannerman's 95%-owned Etango Uranium Project.

The Retention Licence covers an area of 7,295 hectares, which includes the Etango ore body, two satellite deposits at Hyena and Ondjamba and all planned mine infrastructure (see Figure 2 below). Accordingly, 100% of the project's uranium resources are now secured under long term tenure.

The Retention Licence provides strong and exclusive rights to tenure and the right (without obligation) to continue with exploration or development work, enabling the DFS Update work program to continue.

Under the Namibian Minerals (Prospecting and Mining) Act 1992, a Mineral Deposit Retention Licence may be granted to a project where all feasibility and other work has been completed to enable mining, however the commodity price does not currently support the profitable development of the project. The applicant must demonstrate that the relevant commodity price is expected to improve sufficiently to enable profitable mining.

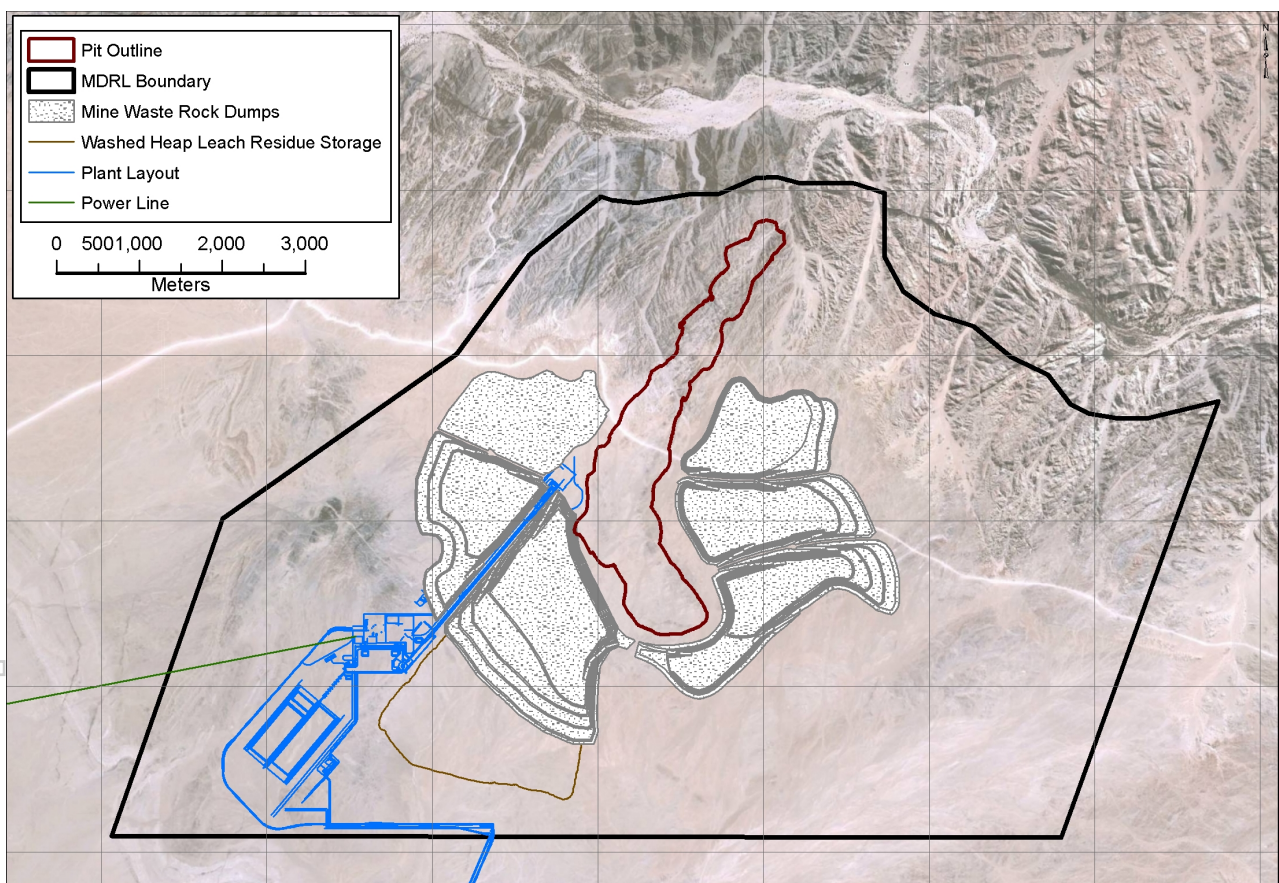


Figure 2 - MDRL 3345 (outline shown in black) covers an area of 7,295 hectares and, as can be seen above, the Licence area includes all planned mine infrastructure.

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.

## **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. 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 projected economics of the Etango project, as announced to the market on 11 November 2015.

Bannerman commissioned the Heap Leach Demonstration Plant in 2015 and conducted large scale metallurgical test work in 2015 and 2016. This proved the robustness of the metallurgical parameters used in the DFS and also resulted in improvements in key metallurgical parameters, such as uranium recovery and acid consumption.

Following completion of the Demonstration Plant program, the Company identified further value potential that could be unlocked by re-visiting the non-mining aspects of the project, in particular the metallurgical plant design. It was decided to investigate this further by conducting an update of the DFS with the purpose of:

- Incorporating the results from the Demonstration Plant trials into the DFS.
- Capturing deflation that has occurred in the mining industry since the peak of the mining boom.
- Incorporating the latest technology developments.
- Evaluating new ideas and alternative approaches to project development and operation.
- Revising external costs such as power, water, labour, exchange rates.

The initial focus of the work has been to conduct a Processing Optimisation Study, 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 comminution and processing, developed through internal engineering undertaken by the Bannerman team.

The Processing Optimisation Study is nearing completion and the results are expected in the December quarter.

## **CORPORATE**

### **Director Resignation**

Mr David Tucker has advised of his intention to step down as a Non-Executive Director at the Company's Annual General Meeting in November 2017.

Mr Tucker has served Bannerman in this role since March 2008. Over this time his combined 40 years of experience as an exploration geologist and in senior corporate affairs roles has provided critical insights for the Company to the benefit of all stakeholders. Mr Tucker was also instrumental in laying a strong foundation for the Company in Namibia by providing hands-on assistance with community relations and instilling the open and transparent approach to community engagement for which Bannerman remains well regarded.

Mr Tucker expects to continue dedicating a substantial amount of his time to Bicycles for Humanity, of which he is the Western Australian (WA) Chapter Chairman. This is set to maintain his connection with Namibia where the WA Chapter has sponsored several Bicycles for Humanity community centres.

Bannerman remains committed to strong corporate governance principles and an enduring process of board renewal. Mr Tucker's resignation, and the fairly recent appointment of Mr Mike Leech as a Non-Executive Director of Bannerman and Chairman of the Company's Namibian subsidiary, are in-line with this commitment.

## Cash Position and Operating Expenditure

Cash reserves at 30 September 2017 totalled A\$2.5 million (30 June 2017: A\$3.4 million).

Net operating cash outflow during the quarter totalled A\$0.9 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.

## 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 U<sub>3</sub>O<sub>8</sub>. 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:

- China has dominated the news with the first pair of Russian VVEY-1000 reactors with Phase 2 at Tianwan in Jiangsu Province having started up and Fuqing #4 in Fujian Province having now commenced commercial operation, delivering 1020 MWe net. Fuqing #4 is China's 37<sup>th</sup> operating nuclear reactor, taking total nuclear capacity to 33.7 GWe net.
- The US Nuclear Regulatory Commission has renewed two operating licenses of South Texas 1 & 2 for an additional 20 years, to 2047 & 2048, after nearly seven years consideration. This brings the total number of 60-year life extensions to 89 reactors. Three of these have since shut down for various reasons, and applications are under review for five more life extensions beyond the initial 40 years.

Brandon Munro  
Chief Executive Officer  
17 October 2017

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For further information please contact:

**Brandon Munro**  
Chief Executive Officer  
Perth, Western Australia  
Tel: +61 (8) 9381 1436  
[info@bannermanresources.com.au](mailto:info@bannermanresources.com.au)

**Robert Dalton**  
Company Secretary  
Perth, Western Australia  
Tel: +61 (8) 9381 1436  
[michael.vaughan@fivemark.com.au](mailto:michael.vaughan@fivemark.com.au)

**Michael Vaughan (Media)**  
Fivemark Partners  
Perth, Western Australia  
Tel: +61 422 602 720  
[michael.vaughan@fivemark.com.au](mailto: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 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](http://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.