BANNERMAN
RESOURCES

2017 ANNUAL REPORT

CORPORATE DIRECTORY

NON-EXECUTIVE CHAIRMAN
Ronnie Beevor

CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR
Brandon Munro

NON-EXECUTIVE DIRECTORS
Ian Burvill
Clive Jones
David Tucker
Mike Leech

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STOCK EXCHANGE LISTINGS
Australian Securities Exchange (ASX Code: BMN)
Namibian Stock Exchange (NSX Code: BMN)

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ABOUT BANNERMAN RESOURCES LIMITED

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 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.

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.

Chairman's Letter to Shareholders

Dear Fellow Shareholder,

The past year has been another progressive period for Bannerman. Your Company has consistently focussed on cost-effectively maintaining the Etango Project's early mover advantage and low technical risk in anticipation of a rising uranium price environment as demand builds and supply contracts.

The uranium sector has had another challenging year, with very little investment globally in potential new production, further production cutbacks and difficult equity market conditions as a result of the low uranium price. 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_3O_8. This pricing is broadly acknowledged by most market commentators as being unsustainable - a majority of global uranium supply is viewed as uneconomic at the current spot price. Further supply side disruption is inevitable over time as the favourable long term contracts written during higher prices begin to finish, exposing many uranium producers to spot prices at or below their cost of production. Demand growth, on the other hand, remains strong with ten new reactors connected to the grid globally this year – the most in 25 years – and 56 new reactors in construction, dominated by China, Russia and India. Nuclear utilities have unusually limited contract cover for their uranium requirements from 2020, creating near term buying demand that will coincide with reducing supply and growing demand. Accordingly, your Board believes that the medium-term outlook for uranium is solid and strong.

The Board is delighted with the success of the Demonstration Plant Program, which was completed during the year. The results have confirmed the robustness of the Definitive Feasibility Study processing assumptions and consolidated Etango's advanced position in the future uranium supply chain. They have also generated substantial opportunities to enhance and further de-risk the project.

The Demonstration Plant Program results enabled Bannerman to commence the Etango Processing Optimisation Study, which focusses on capital cost savings and further potential operating cost reduction opportunities. The Processing Optimisation Study will be completed by end of 2017 and will be incorporated with definitive level engineering and procurement to produce an updated DFS during 2018.

The Board formally welcomed two new director appointments during the year. Mr Mike Leech was appointed as a Non-Executive Director of Bannerman and Chairman of the Company's Namibian subsidiary and Ms Twapewa Kadhikwa was appointed as a Non-Executive Director of the Company's Namibian subsidiary.

Mr Leech is a uranium industry veteran and respected statesman of the Namibian mining industry. Most recently, he was Managing Director of the Rössing Uranium Mine in Namibia for 6 years until retiring in 2011. Prior to that he served as Rössing's Chief Financial Officer and in other executive positions within the Rio Tinto Group. Mr Leech's many other roles in the sector have included President of the Namibian Chamber of Mines, Chairman of the Namibian Uranium Association and Trustee of the Rössing Foundation for 18 years. He was recognised for his singular contribution to Namibia's uranium mining industry by being awarded honorary life membership of the Namibian Uranium Association.

As Chairman of the Company's Namibian subsidiary, Bannerman Mining Resources (Namibia) (Pty) Ltd (Bannerman Namibia), Mr Leech delivers a wealth of experience across the operational, geopolitical and community aspects of the Company's business. Furthermore, Mr Leech will support Bannerman's engineering team as it refines a number of feasibility parameters under the current DFS Update work program.

Ms Kadhikwa is a successful Namibian businesswoman and a role model for young entrepreneurs. In addition to her impressive business track record, Ms Kadhikwa brings to the company a highly respected passion for SME development. Her industry profile and insights will be invaluable in guiding the development of the Etango Project. Ms Kadhikwa's appointment coincided with the resignation of Ms Monica Kalondo, who had served the Company as a director since 2010.

The Board will farewell Mr David Tucker at the conclusion of the Annual General Meeting. Mr Tucker has served the Company as a Non-Executive Director since 2008. He has made an outstanding contribution to Bannerman and its Etango Uranium Project over his journey with the Company. Amongst many things, he can take significant credit for the foundational strength of Bannerman's local stakeholder relationships in Namibia.

I would like to take this opportunity to thank David and Monica for their hard work and diligence on behalf of the Company and to wish them all the very best for their future endeavours.

The Company welcomed the One Economy Foundation as a 5% shareholder in Bannerman Namibia. 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 Namibia, the holder of the Etango Project. 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 Project is situated.

Our Etango project continued to enjoy the support of the Namibian Ministry of Mines and Energy. Exclusive Prospecting Licence 3345 was renewed during the year and in October 2017 we announced the grant of Mineral Deposit Retention Licence 3345 with a five year, extendable term. The Retention Licence provides long term security of tenure and covers the Etango Deposit, all future mine infrastructure and our two satellite deposits at Hyena and Ondjamba.

Our business activities continue to be conducted without significant harm. Bannerman has operated without incurring a lost time injury since 2009. The health and safety of all persons operating at our various places of work continue to be of the highest priority to Bannerman's directors and management.

Bannerman has also continued to build on its enviable reputation for corporate social responsibility and effective community engagement. Highlights of the year included endorsement by the Namibian Chamber of Environment for the highest environmental standards and transparency, and reaching a milestone of 2,000 school children benefitting from the Bannerman Learner Assistance Scheme.

Sound capital management remains a priority for the Board. This focus is further sharpened by the current depressed equity market, and capital-constrained environment, for uranium project developers. The Company remains committed to managing its cost base and balance sheet in order to target the most capital efficient outcomes.

My sincere thanks to all of our management, employees, consultants and contractors who continue to work tirelessly on consolidating Bannerman's early mover advantage.

I look forward to meeting with you at the upcoming Annual General Meeting.

Yours sincerely,

Ronnie Beevor
Chairman

BOARD OF DIRECTORS

Ronald (Ronnie) Beevor

B.A. (Hons)

Non-Executive Chairman

Term of Office

Director since 27 July 2009, Chairman since 21 November 2012

Independent: Yes

Skills, experience and expertise

Ronnie has more than 30 years of experience in investment banking, including being the Head of Investment Banking at NM Rothschild & Sons (Australia) Limited between 1997 and 2002. During his career, Ronnie has had an extensive involvement in the natural resources industry, both in Australia and internationally. He is a former director of Oxiana Limited which successfully developed the Sepon gold-copper project in Laos as well as the Prominent Hill copper-gold project in South Australia.

Ronnie has an Honours Degree in Philosophy, Politics and Economics from Oxford University (UK) and qualified as a chartered accountant in London in 1972.

Special Responsibilities

Member of the Audit Committee
Member of the Remuneration, Nomination and Corporate Governance Committee

Current ASX listed directorships

Wolf Minerals Limited (appointed 20 September 2013)
MZI Resources Limited (appointed 15 April 2016)

Former ASX listed directorships over the past three years

Ampella Mining Limited (5 July 2011 to 31 March 2014)
Bullabulling Gold Limited (2 July 2012 to 1 August 2014)
Unity Mining Limited (1 November 2002 to 18 November 2015)

Brandon Munro

LLB, B.Econ, GAICD, F Fin

Chief Executive Officer (CEO) and Managing Director

Term of Office:

CEO and Managing Director since 9 March 2016

Independent: No

Skills, experience and expertise

Brandon is a quantitative economist and lawyer with 20 years of experience as a corporate lawyer and resources executive, including serving as Bannerman's General Manager between 2009-2011, based in Namibia. Before joining Bannerman as CEO/Managing Director, Brandon was Managing Director of ASX-listed Kunene Resources Ltd, which was focused on base metals exploration in Namibia.

Brandon lived in Namibia between 2009-2015, where he served as Governance Advisor to the Namibian Uranium Association and Strategic Advisor – Mining Charter to the Namibian Chamber of Mines. Brandon's voluntary roles include as Trustee of Save the Rhino Trust Namibia, a high profile Namibian NGO, and Board member of the Murdoch University Art Collection. He is a non-executive director of ASX-listed Novatti Group Ltd.

Special Responsibilities

Managing Director

Current ASX listed directorships

Novatti Group Limited (appointed 12 October 2015)

Former ASX listed directorships over the past three years

Kunene Resources Limited (4 April 2014 to 18 December 2015)
Rewardle Holdings Limited (25 March 2014 to 30 May 2017)

Ian Burvill

BEng (Mech), MBA, MIEAust, CPEng, M.AusIMM, GAICD

Non-Executive Director

Term of Office

Director since 14 June 2012

Independent No

Skills, experience and expertise

Ian has over 30 years of mining industry experience. He started his career as a mechanical engineer, then worked as a merchant banker before becoming a senior executive in private equity. He is a former Partner of Resource Capital Funds and a past Associate Director of Rothschild Australia Limited. Ian has sat on the boards of nine mining companies, two mining services groups, a mining venture capital firm and a leading mining private equity firm.He was nominated to Bannerman's board by RCF.

Special Responsibilities

Member of the Remuneration, Nomination and Corporate Governance Committee
Member of the Audit Committee

Current ASX listed directorships

Nil

Other current listed directorships

Nil

Former ASX listed directorships over the past three years

Nil

Clive Jones

B.App.Sc(Geol), M.AusIMM
Non-Executive Director

Term of Office
Director since 12 January 2007

Independent No

Skills, experience and expertise
Clive has more than 25 years of experience in mineral exploration, across a diverse range of commodities including gold, base metals, mineral sands, uranium and iron ore. Clive is the original vendor of the Company's Etango Project in Namibia.

Special Responsibilities
Chairman of the Remuneration, Nomination and Corporate Governance Committee
Member of the Health, Safety, Environment and Community Committee

Current ASX listed directorships
Cazaly Resources Limited (Joint Managing Director) (appointed 15 September 2003)
Corazon Mining Limited (Chairman) (appointed 10 February 2005)

Former ASX listed directorships over the past three years
Unity Mining Limited (Chairman) (10 January 2013 to 1 June 2016)

David Tucker

BSc.Geol (Hons), MSc(Mining and Exploration Geology), M.AusIMM, FAICD
Non-Executive Director

Term of Office
Director since 18 March 2008

Independent Yes

Skills, experience and expertise
David has more than 40 years of experience in mining and exploration, including 20 years working as an exploration geologist, the first 10 years of which were in the uranium sector with United Uranium NL, Noranda Australia, the Australian Atomic Energy Commission and Esso Australia Limited. David was formerly responsible for business development, public affairs and investor relations at Homestake Gold of Australia, Director of Corporate Affairs at Barrick Australia Pacific and a director of Homestake's Australian subsidiaries, Barrick Mining Company (Australia) and Barrick Gold of Australia.

Special Responsibilities
Chairman of the Health, Safety, Environment and Community Committee
Chairman of the Audit Committee

Current ASX listed directorships
Nil

Former ASX listed directorships over the past three years
Nil

Mike Leech

FCIS (Accountancy)
Non-Executive Director

Term of Office
Director since 12 April 2017

Independent Yes

Skills, experience and expertise
Mike is a respected statesman of the Namibian mining industry. He is a former Managing Director of Rössing Uranium Ltd, past president of the Namibian Chamber of Mines and past Chairman of the Namibian Uranium Association. His career with Rio Tinto started in 1982 when he joined Rössing as an accountant and included a posting as Administration Director of Anglesey Aluminium before returning to Rössing in 1997 as Chief Financial Officer. Mike was Managing Director of Rössing, then the largest open pit uranium mine in the world, for 6 years until he retired in 2011. Since retirement Mike has consulted to the uranium sector and served as a non-executive director of an ASX-listed copper explorer.

Mike's commitment to corporate social responsibility in Namibia is well known, including as Trustee of Save the Rhino Trust Namibia and having served for 18 years as Trustee of the Rössing Foundation.

Mike was named an honorary life member of the Namibian Uranium Association in recognition of his singular service to the uranium industry.

Special Responsibilities
Chairman of Bannerman's 95% owned Namibian subsidiary, Bannerman Mining Resources (Namibia) (Pty) Ltd
Member of the Health, Safety, Environment and Community Committee
Member of the Audit Committee

Current ASX listed directorships
Nil

Former ASX listed directorships over the past three years
Kunene Resources Limited (4 November 2013 to 17 September 2015)

COMPANY SECRETARY

Robert Dalton
BA (Hons), FCCA, AGIA, ACIS

Term of Office
Company Secretary since 17 September 2014

Skills, experience and expertise
Robert has more than 15 years of experience in auditing, accounting and secretarial roles. He commenced his career at an international accounting firm and has had significant exposure to the resources sector. His most recent appointment was that of Chief Financial Officer and Company Secretary at Tangiers Petroleum Ltd.

EXECUTIVE

Werner Ewald
BSc (Elect), MBA (Stellenbosch)
Managing Director, Bannerman Mining Resources (Namibia) (Pty) Ltd

Term of Office
Since 24 June 2010

Skills, experience and expertise
Werner joined Bannerman in June 2010 as the Etango Project Co-ordinator following 22 years with Rio Tinto which included 20 years at the Rössing Uranium Mine in Namibia and 2 years at the Tarong Coal Mine in Queensland, Australia. He held numerous operational roles at Rössing including Engineering Manager, Mine Operations Manager and Business Improvement Manager. Prior to Rio Tinto he worked with the De Beers Group at their underground operations near Kimberly, South Africa and the Namdeb alluvial operations in Namibia.

The directors present their report on the consolidated entity comprising Bannerman Resources Limited ("**Bannerman**" or the "**Company**") and its controlled entities (the "**Group**") for the year ended 30 June 2017 ("**the financial year**"). Bannerman is a company limited by shares that is incorporated and domiciled in Australia.

BOARD OF DIRECTORS

The directors of Bannerman in office during the financial year and up to the date of this report were:

Name	Position	Independent	Appointed / Resigned
Ronnie Beevor	Non-Executive Chairman	Yes	27 July 2009
Brandon Munro	Chief Executive Officer	No	9 March 2016
Ian Burvill	Non-Executive Director	No	14 June 2012
Clive Jones	Non-Executive Director	No	12 January 2007
David Tucker	Non-Executive Director	Yes	18 March 2008
Mike Leech	Non-Executive Director	Yes	12 April 2017

COMPANY SECRETARY

The company secretary of Bannerman in office during the financial year and up to the date of this report was:

Name	Appointed
Robert Dalton	17 September 2014

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

Particulars on the skills, experience, expertise and responsibilities of each director and the company secretary at the date of this report, including all directorships of other companies listed on the Australian Securities Exchange, held or previously held by a director at any time in the past three years, are set out on pages 2 to 5 of this report.

BOARD MEETING ATTENDANCE

Particulars of the number of meetings of the Board of directors of Bannerman and each Board committee of directors held and attended by each director during the 12 months ended 30 June 2017 are set out in Table 1 below.

Table 1. Directors in Office and attendance at Board and Board Committee Meetings during 2016/2017

	Board meetings		Board committee meetings					
			Audit Committee		Remuneration, Nomination & Corp. Governance Committee		HSEC Committee	
	A	B	A	B	A	B	A	B
Ronnie Beevor	10	10	2	2	3	3	2*	-
Brandon Munro	10	10	2*	-	3*	-	2*	-
Ian Burvill	10	10	1	1	3	3	-	-
Clive Jones	10	10	1	1	3	3	2	2
David Tucker	10	10	2	2	-	-	2	2
Mike Leech	2	2	-	-	-	-	1*	0

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the relevant committee during the year.
***** Indicates that a Director attended some or all meetings by invitation whilst not being a member of a specific committee.

DIRECTORS' INTERESTS IN SECURITIES IN BANNERMAN

As at the date of this report, the relevant interests of each director in the ordinary shares and share options in Bannerman, as notified to the Australian Securities Exchange in accordance with s205G(1) of the Corporations Act 2001, are as follows:

	Fully Paid Ordinary Shares		Share Options		Performance Rights	
	Beneficial, private company or trust	Own name	Beneficial, private company or trust	Own name	Beneficial, private company or trust	Own name
Ronnie Beevor	1,601,543	719,100	-	13,864,800	-	-
Brandon Munro	2,000,000	-	20,000,000	-	-	7,857,100
Ian Burvill (1)	-	-	2,877,600	2,973,500	-	-
Clive Jones	77,207,668	-	6,932,400	-	-	-
David Tucker	3,175,375	-	4,460,300	-	-	-
Mike Leech	-	-	-	-	-	-

(1) 2,877,600 of these share options are held by Resource Capital Funds Management Pty Ltd, and are noted against the relevant RCF representative director.

PRINCIPAL ACTIVITIES

Bannerman Resources Limited is an 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 southwest of Rio Tinto's Rössing uranium mine and CGNPC's Husab Mine and to the north west of Paladin Energy's Langer-Heinrich mine. Etango is one of the world's largest undeveloped uranium deposits. Bannerman is focused on the development of a large open pit uranium operation at Etango.

OPERATING AND FINANCIAL REVIEW

CORPORATE

Successful A$4 million Capital Raising

In October 2016, Bannerman raised A$4 million via a private placement to institutional and sophisticated investors, including A$0.5 million from Resource Capital Fund VI L.P. (RCFVI), through the issue of 133,333,333 new Bannerman shares at A$0.03 per share. Shareholders subsequently approved the placement, including RCFVI's participation, at an Extraordinary General Meeting on 10 January 2017.

Sale of Swakopmund Office Premises

In December 2016, Bannerman completed the sale of its office premises in Swakopmund Namibia, for which it received net proceeds of approximately A$675,000 (N$6.98 million), net of sale costs. The transaction involved the sale and leaseback of the Premises on an initial two year term. This enabled Bannerman to realise the substantial value increase on the property, whilst securing business continuity and operating cost definition.

Unmarketable Parcel Share Sale Facility

Bannerman undertook an unmarketable parcel share sale facility during October and November 2016, which reduced the number of the Company's shareholders by 1,951 holders. This has enabled Bannerman to further reduce administration costs, whilst introducing new institutional and sophisticated investors onto its register.

Appointment of Ms Twapewa Kadhikwa to Subsidiary Board

In December 2016, Ms Kadhikwa was appointed as a Non-Executive Director of Bannerman's 95%-owned Namibian subsidiary, Bannerman Mining Resources (Namibia) (Pty) Ltd. Ms Kadhikwa's appointment coincided with the resignation of Ms Monica Kalondo after serving the company as a director since 2010.

Ms Kadhikwa is a successful Namibian businesswoman and a role model for young entrepreneurs. In addition to her impressive business track record, Ms Kadhikwa brings to the company a highly respected passion for SME development. Her industry profile and insights will be invaluable in guiding the development of the Etango uranium project.

Appointment of Mr Mike Leech to the Board

In April 2017, Mr Mike Leech was appointed as a Non-Executive Director of Bannerman and Chairman of Bannerman's 95%-owned Namibian subsidiary, Bannerman Mining Resources (Namibia) (Pty) Ltd.

Mr Leech is a uranium industry veteran and respected statesman of the Namibian mining industry. Most recently, he was Managing Director of the Rössing Uranium Mine in Namibia for 6 years until retiring in 2011. Prior to that he served as Rössing's Chief Financial Officer and in other executive positions within the Rio Tinto Group. Mr Leech's many other roles in the sector have included President of the Namibian Chamber of Mines, Chairman of the Namibian Uranium Association and Trustee of the Rössing Foundation for 18 years. He was recognised for his singular contribution to Namibia's uranium mining industry by being awarded honorary life membership of the Namibian Uranium Association.

As Chairman of the Company's subsidiary, Bannerman Mining Resources (Namibia) (Pty) Ltd, Mr Leech delivers a wealth of experience across the operational, geo-political and community aspects of the Company's business. Furthermore, Mr Leech will support Bannerman's engineering team as it refines a number of feasibility parameters under the current DFS Update work program.

Namibian Partner Transaction

In August 2016, the Company engaged investment bank RMB Namibia to undertake a process to identify Namibian investors and broad-based beneficiaries to meet an emerging, industry-wide requirement for licence holders to have a minimum 5% Namibian ownership. 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.

During the June 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.

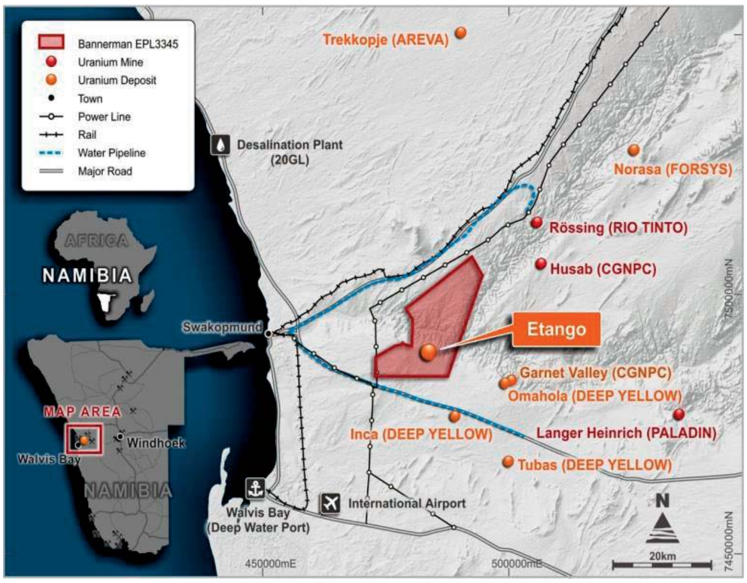
The One Economy Foundation will be loan carried for all future project expenditure including pre-construction and development expenditure, with the loan capital and accrued interest repayable from future dividends. Bannerman Resources Limited owns the remaining 95% of Bannerman Mining Resources (Namibia) (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 and in July 2017 renewals of Exclusive Prospecting Licence 3345 on which the Etango Uranium Project is situated. 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.

ETANGO URANIUM PROJECT (BANNERMAN 95%)

Overview

The Etango Project is one of the world's largest undeveloped uranium deposits, located in the Erongo uranium mining region of Namibia which hosts the Rössing, Husab and Langer-Heinrich mines. Etango is 73km by road from Walvis Bay, one of southern Africa's busiest deep-water ports through which uranium has been exported for over 35 years. Road, rail, electricity and water networks are all located nearby.



DFS (completed in 2012)

Bannerman completed the DFS and Environmental and Social Impact Assessment ("**ESIA**") on the Etango project in 2012. The respective studies, as announced to the market on 10 April 2012, confirmed the technical, economic and environmental viability of the project at historical term uranium prices.

DFS Optimisation Study ("OS") (completed in 2015)

The OS focused on the geology and mine planning aspects of the DFS and updated the Capital and Operating cost estimates to 2015 financial terms. The study was announced to the market on the 11 November 2015 and strongly enhanced the financial viability of the Etango project. The key outcomes of the study are in the table below:

Item	Units	DFS Optimisation Study
Base Case Uranium Price	US$/lb U_3O_8	**75**
Mine Life	Years	**15.7**
Total Mined Ore	Mt	**303**
Life-of-mine stripping ratio	Waste : Ore	**2.78 : 1**
Annual Processing Throughput	Mt of ore	**20**
Processed grade	ppm U_3O_8	**195**
Processed grade (First 5 years of full production)	ppm U_3O_8	**241**
Processing recovery	%	**86.9**
Ave. Annual Production for first 5 full production years	Mlbs U_3O_8 pa	**9.18**
Average Annual Production (U_3O_8)	Mlbs U_3O_8 pa	**7.20**
Life-of-mine Production (U_3O_8)	Mlbs U_3O_8	**113**
Pre-production Capital Expenditure	US$ million	**793**
Sustaining Capital Expenditure	US$ million	**282**
Average Cash Operating Cost for first 5 years	US$/lb U_3O_8	**33**
Average Cash Operating Cost for life-of-mine	US$/lb U_3O_8	**38**
Net cash flow breakeven uranium price	US$/lb U_3O_8	**52**
Payback (from first production)	Years	**4.4**

Note: The information in the table above has not been audited or reviewed.

Mineral Resource Estimates

The DFS Optimisation Study considered the relevant operational aspects associated with open pit uranium mining, most notably the established practice of radiometric haul truck scanning as a means of discriminating between ore and waste material at the haul truck payload level. Uniform Conditioning (UC) was employed to model the selectivity associated with this mining method. Inclusion of radiometric truck scanning carries a number of benefits, including the lower cut-off grade for resource definition.

Uranium mineralization has been defined inside grade envelopes by categorical indicator kriging using a lower cut-off grade of 50 ppm U_3O_8 and lithological constraints.

The Etango Mineral Resource (which includes Ore Reserves) is tabulated below:

Mineral Resource Nov 2015		Measured			Indicated			Inferred		
Deposit	Cut Off Grade (U_3O_8 ppm)	Tonnes (Mt)	Grade (U_3O_8 ppm)	In-situ U_3O_8 (Mlbs)	Tonnes (Mt)	Grade (U_3O_8 ppm)	In-situ U_3O_8 (Mlbs)	Tonnes (Mt)	Grade (U_3O_8 ppm)	In-situ U_3O_8 (Mlbs)
Etango[1]	55	33.7	194	14.4	362	188	150.2	144.5	196	62.5
Ondjamba[2]	100							85.1	166	31.3
Hyena[3]	100							33.6	166	12.3
Total		**33.7**	**194**	**14.4**	**362**	**188**	**150.2**	**263.2**	**182**	**106.1**

Note 1: Refer to the Competent Persons Statement on page 31 for further information on the Etango Mineral Resource Estimate. The Etango estimate has been reported in accordance with JORC 2012. The figures may not add due to rounding.

Note 2 & 3: Refer to the Competent Persons Statement on page 31 for further information on the Ondjamba and Hyena Mineral Resource Estimates. The Ondjamba and Hyena estimates remain unchanged from the previous declaration and therefore have been reported in accordance with JORC 2004. The figures may not add due to rounding.

Ore Reserve Estimates

The Etango Ore Reserve Estimate is tabulated below.

Ore Reserve Nov 2015		Proved			Probable			Total		
Deposit	Cut Off Grade (U_3O_8 ppm)	Tonnes (Mt)	Grade (U_3O_8 ppm)	In-situ U_3O_8 (Mlbs)	Tonnes (Mt)	Grade (U_3O_8 ppm)	In-situ U_3O_8 (Mlbs)	Tonnes (Mt)	Grade (U_3O_8 ppm)	In-situ U_3O_8 (Mlbs)
Etango	55	32.3	196	14	271	194	116.1	303.3	195	130.1

Heap Leach Demonstration Plant Program

Bannerman announced on 8 April 2014 the progression to the Demonstration Plant as an integral step towards the Etango project's detailed engineering and financing phases. On 15 July 2015 Bannerman announced the successful commissioning of the Demonstration Plant and the favourable results from Phase 1 of the program. Phase 6 of the program, designed to test the upper economic limit of particle size, was completed in January 2017 and enabled the conclusion of Demonstration Plant testwork.

In aggregate, the Etango Demonstration Plant delivered a number of highly positive outcomes. Key results included:

- **Consistently fast leach kinetics** were observed from the Etango ore achieving over 90% uranium extraction within 20 and 22 days of open and closed circuit leach irrigation respectively.
- **Final extraction of approximately 93%** has been observed from both cribs and columns post the drain, rinse and post-rinse drain steps of the heap leach process (compared to the DFS projection for a scaled-up heap of 86.9%).
- **Sulphuric acid consumption** maintained a linear relationship with time, averaging 14.4 kg/tonne (DFS projection for a scaled up heap of ~17.6kg/tonne).
- **Uniform percolation** through the material with good integrity of the agglomerate.
- **Confirmation of the simple chemistry** and efficient leaching nature of the granite host rock and uranium mineralisation.
- **No observed impurities** and potential for further reagent optimisation.
- **Fast solvent extraction kinetics** of uranium from aqueous to organic (maximum extraction achieved within 30 seconds of contact time).
- **A metallurgical database** with 280 tonnes of ore tested, further enhancing project knowledge.

The objectives of the Demonstration Plant were secured through a phased test program. Six phases were completed between March 2015 and January 2017 and favourable findings from these phases have been previously reported.

Phase 1 and **Phase 2** entailed an open circuit heap leach operation under conditions specified in the DFS design criteria for the planned full scale heap leach operation. A total of four cribs stacked to 5 metres were operated during Phase 1 and two cribs for Phase 2, with two columns running parallel to each respective crib. Phase 1 was regarded as the commissioning phase while Phase 2 was regarded as the reproducibility phase, taking into account all operational and Health, Safety and Environmental improvements identified during Phase 1 and implemented to optimise operations.

Phase 3 entailed a closed circuit heap leach operation of three cribs each with two columns running in parallel.

Phase 4 was separate from the heap leach operations and focused on investigating the effect of possible deleterious elements in the pregnant leach solution on solvent extraction efficiency.

Phase 5 entailed an open circuit acid heap leach operation of 8 columns stacked to 5 metres. This phase was regarded as the value engineering phase and was directed at optimising the Etango process parameters by drawing on the extensive learnings delivered by the preceding phases of the Demonstration Plant. Results obtained from Phase 5 showed potential for adoption of a coarser grind size for the heap leach and therefore possible capital and operating cost savings for the Etango Project.

Phase 6 tested the upper size limits of conventional crushed ore. Twelve 5 metre columns with significantly coarser conventional crushed ore were commissioned. Good extractions were observed from the coarser conventional crushed ore in twelve different columns ranging in head grade from 148ppm U_3O_8 to 230ppm U_3O_8, although the results were lower relative to the finer crush size extractions from the preceding phases, thereby defining the optimal particle size. The overall results of Phase 6 are comparable to the DFS parameters, including for grades significantly lower than expected average Etango head grade. The Demonstration Plant Phase 6 testwork findings have defined an upper economic limit with regard to the impact of crush size and crushing circuit options on leach performance.

Table 1 provides an overall summary of the Demonstration Plant.

Table 1: Leach Performance of the Demonstration Plant Program

	DFS	PHASE 1	PHASE 2	PHASE 3	PHASE 5				PHASE 6
Crushing Circuit	*HPGR*	HPGR crushed ore			HPGR crushed ore	Coarser HPGR crushed ore	Conventional Cone Crushed Ore		Conventional Cone Crushed Ore
PSD	*P_{80} = 5.3 mm*	P_{80} = 3.5 mm			P_{80} = 3.5 mm	P_{80} = 6.0 mm	P_{80} = 5.5 mm		P_{80} = 9.04 - 10.63 mm
Head Grade (ppm)	*~200*	197.50	172.28	193.26	202.03	210.05	198.27		148.1 - 230.1
Uranium Extracted (%)	*86.90%*	93.46%	91.75%	92.96%	94.33%	93.85%	92.70%		86.38%*
Acid Consumption (kg/t)	*17.6*	16.76	15.43	13.96	14.33	15.35	13.83		15.33*
Leach Duration (days)	*32*	20	20	22	20	20	20		22*

* Average results from 12 columns

DFS Update

Bannerman announced on 2 February 2017 that it had commenced a 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 is focussing on the key results obtained from the Demonstration Plant and other processing optimisation opportunities.

Regulatory Approvals

Bannerman currently holds Exclusive Prospecting Licence 3345 (EPL 3345) in Namibia, which is valid unti 25 April 2019 and thereafter subject to renew by the Namibian Ministry of Mines and Energy.

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.

The Ministry of Environment and Tourism granted Bannerman initial 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. A renewal for the Etango Project Environmental Clearance was granted in November 2015 for a further 3 years while the renewal for the project's Linear Infrastructure Environmental Clearance was granted in May 2016 also for a further 3 years.

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 was not unexpected and Bannerman retains the right to re-apply for a mining licence when the uranium market recovers.

Project Financing

The continued support of RCF as a strategic cornerstone investor in Bannerman, from the existing investment of RCF IV in 2008 to the continuing investment by RCF VI in January 2017 is a beneficial and positive progression of RCF's investment in Bannerman.

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.

CONSOLIDATED RESULTS

The consolidated net loss after tax for the 12 months ending 30 June 2017 was $2,696,000 (2016: $152,000) was attributable primarily to corporate and administrative expenses, and non-cash share-based compensation expenses.

Corporate, administration, personnel and other expenses for the reporting period were $3,092,000 (2016: $4,753,000), including employee and director share-based payment expense of $785,000 (2016 expense: $540,000). Refer to the Remuneration Report and Note 21 of the financial report for further details on share-based payments.

Income for the reporting period included interest income of $41,000 (2016: $30,000). During the year, the Company received research and development incentive funds of $259,000 (2016: $145,000).

Capitalised exploration and evaluation expenditure was $54,883,000 as at 30 June 2017 (2016: $48,759,000) reflecting the capitalisation of costs relating to the Etango Project heap leach demonstration plan construction and operation, feasibility study, resource definition drilling and assaying, and other exploration and evaluation costs, net of foreign currency translation movements and sale of a royalty. Total additions for the year amounted to $1,215,000 (2016: $1,516,000). A foreign exchange translation increase of $4,909,000 (2016: reduction of $8,502,000), resulting in an increase in carrying value, was also recorded for the year. This adjustment reflects the strengthening of the Namibian $ against the Australian $ over the year.

Cash Position

Cash and cash equivalents were $3,420,000 as at 30 June 2017 (2016: $1,600,000).

Cash outflow from operating activities during the year amounted to $1,371,000 (2016: $3,145,000).

Cash outflow from investing activities during the year amounted to $651,000 (2016: $568,000), related primarily to the operation heap leach demonstration plant and DFS update expenditure, offset by the receipt from the sale of land and buildings in Namibia.

Cash inflow from financing activities during the year amounted to $3,841,000 (2016: $3,000,000), related to the $4,060,000 share placements undertaken during the year.

Issued Capital

Issued capital at the end of the financial year amounted to $133,475,000 (2016: $129,634,000). The increase of $3,841,000 (2016: $10,666,000) related to the issue of 135,333,000 shares in relation to the $4,060,000 share placements (2016: $3,000,000).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than items already noted elsewhere in this report, there were no additional significant changes in the state of affairs of the Group during the financial year.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Group are set out in the "Etango Uranium Project" on page 9 - 13 of this report.

Disclosure of any further information has not been included in this report, because, in the reasonable opinion of the Directors, to do so would be likely to prejudice the business activities of the Group.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 15 August 2017, the Company announced that its Exclusive Prospecting Licence 3345 has been renewed by the Namibian Ministry of Mines and Energy. The licence has been renewed until 25 April 2019.

Bannerman Mining Resources (Namibia) (Pty) Ltd paid approximately $92,000 on behalf of Mr Werner Ewald in respect of income tax due in relation to shares issued as part of the Employee Incentive Plan. The amount has been provided as a loan to Mr Werner Ewald on arm's length commercial terms, to be repaid within one year.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

SHARE OPTIONS / PERFORMANCE RIGHTS

Share Options / Performance Rights on Issue

Details of share options and performance rights in Bannerman as at the date of this report are set out below:

Security Type	Number	Exercise price	Expiry date
Share Options	3,664,400	$0.089	15 November 2017
Share Options	7,846,000	$0.044	15 November 2018
Share Options	7,500,000	$0.045	25 July 2019
Share Options	9,000,000	$0.057	25 July 2019
Share Options	9,000,000	$0.07	25 July 2019
Share Options	19,598,200	$0.042	15 November 2019
Security Type	**Number**	**Exercise price**	**Vesting date**
Performance Rights	250,000	n/a	1 June 2017
Performance Rights	750,000	n/a	1 July 2017
Performance Rights	5,871,414	n/a	15 November 2017
Performance Rights	9,753,108	n/a	15 November 2018
Performance Rights	14,313,200	n/a	15 November 2019

Share Options and Performance Rights issued

During the financial year 25,098,200 share options (2016: 27,846,000) and 25,000,700 performance rights (2016: 27,751,400) were issued.

No share option or performance rights holder has any right under the share options or rights to participate in any other share issue of the Company or any other entity.

Share options exercised

During or since the end of the financial year, no share options (2016: nil) were exercised.

Performance Rights vested

During or since the end of the financial year, 5,319,896 performance rights (2016: 12,759,714) vested.

Share Options and Performance Rights forfeited or cancelled

During or since the end of the financial year, no share options (2016: nil) and 9,328,740 performance rights (2016: 15,481,239) were forfeited or cancelled.

Share Options expired or lapsed

During or since the end of the financial year, 4,504,000 share options (2016: 1,795,200) have expired or lapsed.

ENVIRONMENTAL DISCLOSURE

The Group is subject to various laws governing the protection of the environment in matters such as air and water quality, waste emission and disposal, environmental impact assessments, mine rehabilitation and access to, and the use of, ground water. In particular, some activities are required to be licensed under environmental protection legislation of the jurisdiction in which they are located and such licenses include requirements specific to the subject site.

So far as the directors are aware, there have been no material breaches of the Company's licence conditions, and all exploration activities have been undertaken in compliance with the relevant environmental regulations.

INDEMNITIES AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid a premium to insure the directors and officers of the Group against liabilities incurred in the performance of their duties. Under the terms and conditions of the insurance contract, the nature of liabilities insured against and the premium paid cannot be disclosed.

The officers of the Group covered by the insurance policy include any person acting in the course of duties for the Group who is, or was, a director, executive officer, company secretary or a senior manager within the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers, in their capacity as officers, of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

PROCEEDINGS ON BEHALF OF THE GROUP

At the date of this report, there are no leave applications or proceedings brought on behalf of the Group under s237 of the *Corporations Act 2001*.

DIVIDENDS

No dividend has been declared or paid during the year (2016: nil).

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable and where noted ($'000)) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the Class Order applies.

NON-AUDIT SERVICES

In accordance with the Company's External Auditor Policy, the Company may decide to engage the external audit firm on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the auditor, Ernst & Young, for audit and non-audit services provided during the financial year are set out in Note 5 of the financial report.

The Board of directors, in accordance with advice received from the Audit Committee, is satisfied that the provision of the non-audit services detailed in Note 5 of the financial report is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are also satisfied that the provision of these non-audit services did not compromise the auditor independence requirements of the *Corporations Act 2001* because:

- they have no reason to question the veracity of the auditor's independence declaration referred to in the section immediately following this section of the report; and
- the nature of the non-audit services provided is consistent with those requirements.

AUDITOR'S INDEPENDENCE DECLARATION

Ernst & Young continues as external auditor in accordance with s327 of the *Corporations Act 2001*. The auditor's independence declaration as required under s307C of the *Corporations Act 2001* is set out below and forms part of this report.

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

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Auditor's Independence Declaration to the Directors of Bannerman Resources Limited

As lead auditor for the audit of Bannerman Resources Limited for the year ended 30 June 2017, I declare to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Bannerman Resources Limited and the entities it controlled during the financial period.

Ernst & Young

Robert A Kirkby
Partner
22 September 2017

REMUNERATION REPORT (AUDITED)

INTRODUCTION AND REMUNERATION STRATEGY

The Board of Bannerman is committed to providing a remuneration framework that is designed to attract, motivate and maintain appropriately qualified and experienced individuals whilst balancing the expectations of shareholders. The Company's remuneration policies are structured to ensure a link between Company performance and appropriate rewards, and remuneration for executives involves a combination of both fixed and variable ("at risk") remuneration, including long term incentives to drive the Company's desired results.

In developing the Company's remuneration policy, the Board remains focussed on competitive remuneration packages and long term equity plans, which reward executives for delivering satisfactory performance to shareholders. In this regard, Bannerman has developed equity rewards based on performance hurdles that deliver returns for shareholders.

SUMMARY

The remuneration report summarises the remuneration arrangements for the reporting period 1 July 2016 to 30 June 2017 for the directors and executives of Bannerman and the Group in office during the financial year.

The information provided in this remuneration report has been audited as required by s308(3C) of the *Corporations Act 2001*.

KEY MANAGEMENT PERSONNEL

For the purpose of this report, key management personnel of the Group (as defined in AASB 124 *Related Party Disclosures*) are those persons identified in this section who have authority and responsibility for planning, directing and controlling the activities of the Group, whether directly or indirectly, including any director (whether executive or otherwise) of the parent entity.

The directors and executives considered to be key management personnel of the Group up to the date of this report are the directors and executives set out in Table 1 below.

Table 1 - Key management personnel

Name	Position	Period
Non-Executive Directors		
Ronnie Beevor	Non-Executive Chairman	Full
Ian Burvill	Non-Executive Director	Full
Clive Jones	Non-Executive Director	Full
David Tucker	Non-Executive Director	Full
Mike Leech	Non-Executive Director	Since 12 April 2017
Executive Director		
Brandon Munro	Chief Executive Officer and Managing Director	Full
Other Executive Personnel		
Werner Ewald	Managing Director - Namibia	Full

1. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Board Remuneration, Nomination and Corporate Governance Committee

The Remuneration Committee assists the Board to fulfil its responsibilities to shareholders by ensuring the Group has remuneration policies that fairly and competitively reward executives and the broader Bannerman workforce. The Remuneration Committee's decisions on reward structures are based on the current competitive environment, remuneration packages for executives and employees in the resources industry and the size and complexity of the Group.

The Remuneration Committee's responsibilities include reviewing the Company's remuneration framework and evaluating the performance of the CEO and monitoring the performance of the executive team.

Independent remuneration consultants are engaged by the Remuneration Committee from time to time to ensure the Company's remuneration system and reward practices are consistent with market practices. No remuneration consultants were used in the current year.

Directors' remuneration policy and structure

Bannerman's non-executive director remuneration policy aims to reward non-executive directors fairly and responsibly having regard to the:

- level of fees paid to directors relative to other comparatively sized exploration and mining companies;
- size and complexity of Bannerman's operations; and
- responsibilities and work requirements of individual Board members.

Fees paid to the non-executive directors of Bannerman are usually reviewed annually by the Remuneration Committee, and based on periodic advice from external remuneration consultants. The Board decided that in light of the operating environment it was appropriate that non-executive director remuneration remained unchanged for the current year.

Directors' remuneration limits

Non-executive directors' fees are determined within an aggregated directors' annual fee limit of $750,000, which was last approved by shareholders on 17 September 2008.

Directors' remuneration framework

Non-executive directors' remuneration consists of base fees (inclusive of superannuation); annual grants of share rights or share options; and audit committee chairman fees, details of which are set out in Table 2 below. Non-executive directors may also receive an initial grant of share rights or share options at the time of joining the Board. Board fees are not paid to the executive director as the time spent on Board work and the responsibilities of Board membership are considered in determining the remuneration package provided as part of his normal employment conditions.

Table 2 – Annual Board and committee fees payable to non-executive directors

Position	Year ended 30 June 2016		Year ended 30 June 2017		Year ending 30 June 2018	
	Cash $	Share Options / Share Rights $	Cash $	Share Options / Share Rights $	Cash $	Share Options / Share Rights $
Chairman of the Board	90,000	60,000	60,000	90,000	60,000	90,000
Non-Executive Director	45,000	30,000	30,000	45,000	30,000	45,000
Additional fees for:						
Chairman of the Audit Committee	9,000	1,000	6,000	4,000	6,000	4,000

Note:
- Share options and rights issued to non-executive directors vest after a 12 month period.
- On 1 April 2016, the Board elected to decrease the cash component of their remuneration by 40%, and replaced it with Share Options or Share Rights of equivalent value.
- No fees are payable for being a member of a committee or for being the Chairman of a committee other than the Chairman of the Audit Committee.

No retirement benefits are paid other than the statutory superannuation contributions of 9.5% required under Australian superannuation guarantee legislation.

The Non-Executive Director Share Incentive Plan ("**NEDSIP**"), as approved by shareholders on 25 July 2016, allows for the provision of either share rights or share options to directors. Under the NEDSIP, the Company's non-executive directors will receive 60% of their director's fees in the form of either share rights or share options. The directors consider that the issue of share rights or share options to non-executive directors as part of their remuneration package is reasonable and appropriate given:

(a) it is a cost effective and efficient reward for service. The issue of share rights or share options in lieu of cash payments preserves the Company's cash resources and reduces on-going costs which is a significant aspect while the Company remains in a development phase; and
(b) in part, it aligns remuneration with the future growth and prospects of the Company and the interests of shareholders by encouraging non-executive director share ownership.

Refer to Table 7 in Section 4 for details of the number and value of share options and share rights issued to non-executive directors during the year.

As part of the Company's Securities Trading Policy, the Company prohibits directors from entering into arrangements to protect the value of unvested incentive awards. This includes entering into contracts to hedge exposure to share options, share rights or shares granted as part of their remuneration packages.

The Board assesses the appropriateness, nature and amount of remuneration paid to non-executive directors on a periodic basis, including the granting of equity based payments, and considers it appropriate to grant share options or share rights to non-executive directors with the overall objective of retaining a high quality Board whilst preserving cash reserves.

Executive remuneration policy and structure

Bannerman's executive remuneration policy is designed to reward the CEO and other senior executives. The main principles underlying Bannerman's executive remuneration policy are to:

- provide competitive rewards to attract, retain and motivate executives;
- set levels of performance which are clearly linked to an executive's remuneration;
- structure remuneration at a level which reflects the executive's duties and accountabilities;
- set a competitive level of remuneration that is sufficient and reasonable;
- align executive incentive rewards with the creation of value for shareholders; and
- comply with applicable legal requirements and appropriate standards of governance.

Executive remuneration structure

Bannerman's remuneration structure for the CEO and senior executives for the year ended 30 June 2017 was divided into two principal components:

- base pay and benefits, including superannuation; and
- variable annual reward, or "at risk" component, by way of the issue of long term share-based incentives.

Performance reviews for all senior executives are conducted on an annual basis. The performance of each senior executive is measured against pre-determined key performance indicators. The most recent performance reviews were completed in May and June 2017.

Base pay

The base pay component of executive remuneration comprises base salary, statutory superannuation contributions and other allowances where applicable. It is determined by the scope of each executive's role, working location, level of knowledge, skill and experience along with the executive's individual performance. There is no guarantee of base pay increases included in any executive's contract.

Bannerman benchmarks this component of executive remuneration against appropriate market comparisons using information from similar companies and, where applicable, advice from external consultants.

Short-term incentive component (STI)

During the year there were no STI awards granted.

Long-term incentive component (LTI)

The LTI awards are aimed specifically at creating long term shareholder value and the retention of employees. The Company has implemented an Employee Incentive Plan ("**EIP**") which enables the provision of share options or performance rights to executives and employees.

During the 2017 financial year, performance rights which will vest subject to pre-defined performance hurdles were allocated to all executives. The grant of performance rights aims to reward executives in a manner that aligns remuneration with the creation of shareholder wealth. Refer to Table 7 in Section 4 for the number and value of performance rights issued to executives during the year.

Performance measures to determine vesting

The vesting of half of the performance rights is subject to the Company's relative Total Shareholder Return ("**TSR**") as measured by share price performance (allowing for the reinvestment of dividends) over the life of the performance rights, versus a comparator group of uranium development companies. The vesting of the other half is subject to the attainment of defined individual and group performance criteria, chosen to align the interests of employees with shareholders, representing key drivers for delivering long term value. Group and individual performance measures are weighted and specify performance required to meet or exceed expectations. The performance measures for the 2017 performance rights related to:

- Safety - total recordable incidents and significant environmental incidents.
- Operational – execution of company development and operational plans.
- Capital - maintaining adequate working capital and achieving operating budgets.
- Regulatory - obtaining timely renewal of licences.
- Corporate - execution of transactions mandated by the Board.

Relative TSR was selected as a LTI performance measure given it ensures an alignment between comparative shareholder return and reward for executives, and minimises the effects of market cycles and commodity price changes.

The comparator group includes the following uranium development companies:

A-Cap Resources	Deep Yellow Limited	Mega Uranium Limited	U3O8 Corp.
Aura Energy Limited	Energy Fuels Inc.	Plateau Uranium Inc.	Uranium Resources Inc
Azarga Uranium Corp.	Forsys Metals Corp.	Peninsula Energy Limited	Ur-Energy Inc.
Berkeley Resources Limited	Kivalliq Energy Corporation	Toro Energy Limited	Vimy Resources Limited
Boss Resources Limited	Laramide Resources Limited		

The Board has updated, in 2017, the members of the comparator group to ensure it is reflective of the Company's peers. The limitation to uranium-focused development companies seeks to ensure that the TSR calculation is not materially impacted by price movements of other commodities.

The comparator group is composed of Australian and foreign uranium development companies chosen to reflect the Group's competitors for capital and talent. The Group's performance against the measure is determined according to Bannerman's ranking against the companies in the TSR group over the performance period. The vesting schedule is as follows:

Table 3 – TSR Vesting Schedule

Relative TSR performance outcome	Percentage of award that will vest
Below or at the 25th percentile	0%
Between the 25th and 75th percentile	Scale applicable whereby every 1 percentile equates to 2% vesting
At or above the 75th percentile	100%

Termination and change of control provisions

Where an executive ceases employment prior to the vesting of an award, the incentives are forfeited unless the Board applies its discretion to allow vesting at or post cessation of employment in appropriate circumstances.

In the event of a change of control of the Group, the performance period end date will generally be brought forward to the date of the change of control and the share options and rights will vest in full, subject to ultimate Board discretion.

No hedging of LTIs

As part of the Company's Securities Trading Policy, the Company prohibits executives from entering into arrangements to protect the value of unvested LTI awards. This includes entering into contracts to hedge exposure to share options, performance rights or shares granted as part of their remuneration package.

2. DETAILS OF REMUNERATION

Non-Executive Directors' Remuneration

Details of the nature and amount of remuneration of Bannerman's non-executive directors for the year ended 30 June 2017 are as follows:

Table 4 – Non-executive director remuneration

	Year	Short-term		Post Employment	Sub-total	Share Based Payments	Total	Performance Related
		Base Fees $	Other $	Superannuation $	$	Options / Rights $	$	%
Non-Executive Directors								
Ronnie Beevor	2017	60,000	-	-	60,000	83,218	143,218	-
	2016	90,000	-	-	90,000	45,723	135,723	-
Ian Burvill (i)	2017	2,800	-	14,700	17,500	33,835	51,335	-
	2016	-	-	-	-	22,861	22,861	-
Clive Jones	2017	27,397	-	2,603	30,000	41,619	71,619	-
	2016	41,095	-	3,905	45,000	22,861	67,861	-
David Tucker	2017	22,800	6,000	7,200	36,000	33,835	69,835	-
	2016	21,357	9,000	23,643	54,000	20,095	74,095	-
Mike Leech (ii)	2017	14,489	-	-	14,489	-	14,489	-
	2016	-	-	-	-	-	-	-
Total	**2017**	**127,486**	**6,000**	**24,503**	**157,989**	**192,507**	**350,496**	-
	2016	152,452	9,000	27,548	189,000	111,540	300,540	-

(i) Mr Ian Burvill elected to receive the cash component of his fee effective 1 December 2016.
(ii) Mike Leech receives remuneration for his role as a Non-Executive Director of Bannerman and for his role as Chairman of Bannerman's 95% owned Namibian subsidiary, Bannerman Mining Resources (Namibia) (Pty) Ltd and therefore his remuneration is split between Australian (A$6,625) and Namibian dollars (N$77,997).

The category of "Other" includes payments for Chairman of the Audit Committee as well as extra services and consultancy fees for specific duties, as approved by the Board.

Executive Remuneration

Details on the nature and amount of remuneration of Bannerman's executives for the year ended 30 June 2017 are as follows.

Table 5 – Executive remuneration

	Year	Short–term			Post Employment	Sub-total	Share Based Payments	Total	Performance Related
		Salary & Fees $	Accrued Annual Leave (iv) $	Other $	Superannuation $	$	Options / Performance Rights $	$	%
Executive Director									
Brandon Munro (i)	2017	223,683	694	-	21,250	245,627	173,975	419,602	41.5
	2016	62,617	4,805	-	5,949	73,371	88,085	161,456	54.6
Len Jubber (ii)	2017	-	-	-	-	-	-	-	-
	2016	251,450	-	100,000	41,239	392,689	112,976	505,665	22.3
Other Executive Personnel									
Werner Ewald (iii)	2017	163,317	(30,861)	52,864	41,498	226,818	125,236	352,054	35.6
	2016	142,458	22,806	49,878	39,852	254,994	96,658	349,652	27.6
Total	**2017**	**387,000**	**(30,167)**	**52,684**	**62,747**	**472,445**	**299,211**	**771,656**	**-**
	2016	456,525	27,611	149,878	87,040	721,054	297,719	1,016,773	-

(i) Mr Munro commenced employment on 9 March 2016.
(ii) Mr Jubber resigned effective 8 March 2016. The category of "Other" includes payments for notice in lieu.
(iii) Mr Ewald's contract is denominated in Namibian dollars.
(iv) Annual leave has been separately categorised and is measured on an accrual basis and reflects the movement in the accrual over the twelve-month period. Any reduction in accrued leave reflects more leave taken or cashed out than that which accrued in the period.

3. SERVICE AGREEMENTS

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation.

Remuneration and other terms of employment for the CEO and the other executives are also formalised in service agreements. Major provisions of the agreements relating to remuneration are summarised below.

Remuneration of the Chief Executive Officer(s)

Mr Munro was appointed on 9 March 2016 as CEO and Managing Director. Under the employment contract with Mr Munro, he is entitled to receive an annual salary, superannuation, and LTI awards (grant of share options or performance rights, which are subject to performance hurdles). Details of Mr Munro's contract and remuneration are follows:

Annual Salary

Mr Munro's annual salary is $300,000 per annum inclusive of 9.5% superannuation. Prior to 9 March 2017, Mr Munro's annual salary was $220,000 per annum inclusive of 9.5% superannuation.

Short term incentives

No short term incentive is payable.

Long term incentives

Mr Munro's employment contract provided for the grant of 20,000,000 share options, subject to shareholder approval, which was duly obtained on 25 July 2016. Mr Munro also participated in a share placement of 2,000,000 ordinary shares at $0.03.

Termination Benefits

Mr Munro is entitled to 6 months' annual salary if his employment is terminated other than for cause, plus statutory entitlements for annual leave. The contract also provides that Mr Munro's employment may be terminated with three months' notice by either party.

Contracts for executives – employed in the Group as at 30 June 2017

A summary of the key contractual provisions for each of the current key management personnel is set out in Table 6 below.

Table 6 - Contractual provisions for executives engaged as at 30 June 2017

Name and job title	Employing company	Contract duration	Notice period company	Notice period employee	Termination provision
Brandon Munro – CEO & Managing Director	Bannerman Resources Limited	No fixed term	3 months	3 months	6 months base salary and accrued leave entitlements if terminated by the Company.
Werner Ewald – Managing Director Namibia	Bannerman Mining Resources (Namibia) (Pty) Ltd	No fixed term	3 months	3 months	6 months base salary and accrued leave entitlements if terminated by the Company.

4. SHARE-BASED COMPENSATION

Key management personnel are eligible to participate in the company's NEDSIP or EIP.

Long Term Incentives

The details of share options and performance rights over Bannerman shares issued and/or vested pursuant to the NEDSIP and EIP during the year which affects the remuneration of the key management personnel in office at the end of the reporting period are set out in Table 7 below. The performance hurdles for the performance rights issued to executives relate to the Company's relative TSR and defined individual and group performance targets, including operational targets and safety performance.

Share options and performance rights do not carry any voting or dividend rights and can be exercised once the vesting conditions have been met until their expiry date.

Table 7 – Key terms over share options and share rights issued, vested and lapsed to key management personnel during the year ended 30 June 2017

Name	Year	Grant date (i)	Type of Award	No. Granted	Exercise price	Accounting fair value per right / share option at grant date	Performance Hurdles	Vesting date	Expiry date	No. vested during the year	No. lapsed during the year
Non-Executive Directors											
Ronnie Beevor	2017	21-Dec-16	Share Options	8,109,600	$0.042	$0.0123	-	15-Nov-17	15-Nov-19	-	-
	2016	12-Feb-16	Share Options	-	$0.044	$0.0127	-	15-Nov-16	-	3,923,000	-
	2014	11-Dec-13	Share Options	-	$0.07	$0.0222	-	22-Nov-14	-	-	2,252,000
Ian Burvill	2017	21-Dec-16	Share Options	2,973,500	$0.042	$0.0123	-	15-Nov-17	15-Nov-19	-	-
	2016	12-Feb-16	Share Options	-	$0.044	$0.0127	-	15-Nov-16	-	1,961,500	-
	2014	11-Dec-13	Share Options	-	$0.07	$0.0222	-	22-Nov-14	-	-	1,126,000
Clive Jones	2017	21-Dec-16	Share Options	4,054,800	$0.042	$0.0123	-	15-Nov-17	15-Nov-19	-	-
	2016	12-Feb-16	Share Options	-	$0.044	$0.0127	-	15-Nov-16	-	1,961,500	-
	2014	11-Dec-13	Share Options	-	$0.07	$0.0222	-	22-Nov-14	-	-	1,126,000
David Tucker	2017	21-Dec-16	Share Options	4,460,300	$0.042	$0.0123	-	15-Nov-17	15-Nov-19	-	-
	2016	12-Feb-16	Share Rights	-	N/A	$0.028	-	15-Nov-16	-	862,100	-

Share options and share rights granted to non-executive directors are not subject to performance hurdles but are subject to continuous service. They have been issued as a cost effective and efficient reward for service and in part aligns remuneration with the future growth of the Company.

Table 7 (continued) – Key terms over share options and performance rights issued, vested and lapsed to key management personnel during the year ended 30 June 2017

Name	Year	Grant date (i)	Type of Award	No. Granted	Exercise price	Accounting fair value per right / share option at grant date	Performance Hurdles	Vesting date	Expiry date	No. vested during the year	No. lapsed during the year
Executive Director											
Brandon Munro (iii)	2017	19-Dec-16	Performance Rights	7,857,100	N/A	3,928,550 @ A$0.023	Relative TSR	15-Nov-19	15-Nov-19	-	-
				-	N/A	3,928,550 @A$0.026	Operational targets	15-Nov-19	15-Nov-19	-	-
	2016	25-Jul-16	Share Options	-	A$0.057	A$0.009	Continuous employment	8-Mar-17	25-Jul-19	7,500,000	-
Executive											
Werner Ewald	2017	19-Dec-16	Performance Rights	5,528,200	N/A	2,764,100 @ A$0.026	Relative TSR	15-Nov-19	15-Nov-19	-	-
				-	N/A	2,764,100 @A$0.031	Operational targets	15-Nov-19	15-Nov-19	-	-
	2016	12-Dec-16	Performance Rights	-	N/A	A$0.028	Operational targets	15-Nov-18	-	-	337,092
	2014	11-Dec-13	Performance Rights	-	N/A	A$0.05	Relative TSR	22-Nov-16	-	490,219	245,106
				-	N/A	A$0.054	Operational targets	22-Nov-16	-	610,320	-

(i) The grant date in the table above refers to the actual issue date of the share options or rights; however for accounting purposes the grant date is recognised as the date that the Company's obligation for the share options or rights arose.

(ii) Operational targets refer to the performance measures discussed on page 21 of this report.

All unvested share options and rights lapse on cessation of employment, unless otherwise approved by the Board or under special circumstances such as retirement or redundancy. All share options and rights issued to key management personnel vest immediately in the event of a change of control in Bannerman.

Other remuneration information

Further details relating to share options and rights and the proportion of key management personnel remuneration related to equity compensation during the year are tabulated below.

Table 8 – Value of share options and performance rights issued and exercised during the year ended 30 June 2017

	Type	Proportion of remuneration consisting of options / rights for the year(1) %	Value of options / rights granted during the year(2) $	Value of options exercised / rights vested during the year(3) $
Directors				
Ronnie Beevor	Share Options	58%	100,000	-
Brandon Munro	Share Options	42%	192,499	-
Ian Burvill	Share Options	66%	36,667	-
Clive Jones	Share Options	58%	50,000	-
David Tucker	Share Rights	48%	55,000	23,277
Mike Leech	-	-	-	-
Executives				
Werner Ewald	Performance Rights	33%	159,212	27,513

(1) Calculated based on Tables 4 and 5 as the share-based expense for the year as a percentage of total remuneration. The percentage of total remuneration varies among each director given the impact of consulting or other fees paid during the financial year.
(2) Based on fair value at time of grant per AASB 2. For details on the valuation of the options and rights, including models and assumptions used, refer to Note 20.
(3) Calculated based on the fair value of the Company's shares on date of vesting.

Other than detailed above in Table 7 there were no other alterations to the terms and conditions of the share options / rights awarded as remuneration since their award date.

Table 9 – Share options and performance rights holdings of key management personnel [i]

30 June 2017	Type	Opening Balance 1 July 2016	Granted as Remuneration	Exercised / converted / lapsed	Net Change Other	Closing Balance 30 June 2017	Vested at 30 June 2017		
							Total	Exercisable	Not exercisable
Directors									
Ronnie Beevor	Options	8,007,200	8,109,600	(2,252,000)	-	13,864,800	5,755,200	5,755,200	-
Brandon Munro	Options/ Rights	20,000,000	7,857,100	-	-	27,857,100	12,500,000	12,500,000	-
Ian Burvill (ii)	Options	4,003,600	2,973,500	(1,126,000)	-	5,851,100	2,877,600	2,877,600	-
Clive Jones	Options	4,003,600	4,054,800	(1,126,000)	-	6,932,400	2,877,600	2,877,600	-
David Tucker	Options/ Rights	862,100	4,460,300	(862,100)	-	4,460,300	-	-	-
Mike Leech	-	-	-	-	-	-	-	-	-
		36,876,500	27,455,300	(5,366,100)	-	58,965,700	24,010,400	24,010,400	-
Executives									
Werner Ewald	Rights	7,939,608	5,528,200	(1,100,539)	(582,198)	11,785,071	-	-	-
		7,939,608	5,528,200	(1,100,539)	(582,198)	11,785,071	-	-	-

(i) Includes share options and performance rights held directly, indirectly and beneficially by key management personnel.
(ii) 2,877,600 of these share options are held by Resource Capital Funds Management Pty Ltd, and are noted above against the relevant RCF representative director.

Table 10 – Shareholdings of key management personnel (i)

30 June 2017	Opening Balance 1 July 2017	Granted as Remuneration	Received on Exercise of Share options / conversion of rights	(Sales) Purchases	Net Change Other	Closing Balance 30 June 2017
Directors						
Ronnie Beevor	2,320,643	-	-	-	-	2,320,643
Brandon Munro	-	-	-	2,000,000	-	2,000,000
Ian Burvill	-	-	-	-	-	-
Clive Jones (iii)	77,207,668	-	-	-	-	77,207,668
David Tucker	2,313,275	-	862,100	-	-	3,175,375
Mike Leech	-	-	-	-	-	-
Executives						
Werner Ewald	3,444,663	-	1,100,539	-	-	4,545,202
	85,286,249	-	1,962,639	2,000,000	-	89,248,888

(i) Includes shares held directly, indirectly and beneficially by key management personnel.

All equity transactions with key management personnel other than those arising from the exercise of remuneration share options or asset acquisition share options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length

Table 11 – Shares issued on exercise of performance rights during the year ended 30 June 2017

	Shares issued #	Paid per share $	Unpaid per share $
Directors			
David Tucker	862,100	-	-
Executives			
Werner Ewald	1,100,539	-	-

5. ADDITIONAL INFORMATION

Performance over the Past 5 Years

The objective of the LTI program is to reward and incentivise non-executive directors and executives in a manner which aligns with the creation of shareholder wealth. Bannerman's performance during 2016/17 and the previous four financial years are tabulated in Table 12 below:

Table 12 – Bannerman's performance for the past five years

Year ended 30 June	2017	2016	2015	2014	2013
Net loss after tax ($'000)	(2,696)	(152)	(4,241)	(2,421)	(5,688)
Net assets ($'000)	57,847	50,610	53,117	51,086	56,685
Market capitalisation ($ '000's) at 30 June	26,000	19,000	19,000	23,000	19,000
Closing share price ($)	$0.03	$0.027	$0.049	$0.07	$0.06

END OF REMUNERATION REPORT (AUDITED)

This report is made in accordance with a resolution of the directors.

Brandon Munro
CEO and Managing Director
Perth, 22 September 2017

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, including its Annual Information Form available on the SEDAR website, sedar.com. 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 include Ore Reserves (Mineral Reserves).

Mineral Resources which are not Ore Reserves (Mineral Reserves) do not have demonstrated economic viability.

The information in this report relating to the Ore Reserves of the Etango Project is based on information prepared by Mr Leon Fouché, extracted from the Technical Reports. Mr Fouché is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Fouché was a full-time employee of the Company 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. Mr Fouché consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report pertaining to Mineral Resources and Ore Reserves for the Etango deposit is extracted from the Technical Reports. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, which all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

All material assumptions detailed in this report and underpinning the production target and forecast financial information in the DFS Optimisation Study (as previously announced on 11 November 2015 in compliance with Listing Rule 5.16 and 5.17) continue to apply and have not materially changed.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

(EXPRESSED IN AUSTRALIAN DOLLARS)

	Note	Consolidated 2017 $'000	Consolidated 2016 $'000
Interest revenue	2	41	30
Other income	3	96	4,426
Employee benefits	4(a)	(1,574)	(1,538)
Borrowing costs	4(b)	-	(1,227)
Compliance and regulatory expenses		(179)	(315)
Depreciation expense		(38)	(53)
Other expenses	4(c)	(1,301)	(1,620)
Loss before income tax		**(2,955)**	**(297)**
Income tax benefit	6	259	145
Net loss for the year		**(2,696)**	**(152)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	14(b)	4,927	(8,605)
Other comprehensive income for the year		**4,927**	**(8,605)**
Total comprehensive income/(loss)		**2,231**	**(8,757)**
Loss is attributable to:			
Equity holders of Bannerman Resources Limited		(2,687)	(113)
Non-controlling interest		(9)	(39)
		(2,696)	**(152)**
Total comprehensive income/(loss) is attributable to:			
Equity holders of Bannerman Resources Limited		2,237	(8,638)
Non-controlling interest		(6)	(119)
		2,231	**(8,757)**
Basic and diluted loss per share to the ordinary equity holders of the Company (cents per share):	17	**(0.34)**	**(0.02)**

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017
(EXPRESSED IN AUSTRALIAN DOLLARS)

	Note	Consolidated 2017 $'000	Consolidated 2016 $'000
CURRENT ASSETS			
Cash and cash equivalents	7	3,420	1,600
Other receivables	8	57	27
Other		54	107
TOTAL CURRENT ASSETS		3,531	1,734
NON CURRENT ASSETS			
Other receivables	8	15	15
Property, plant and equipment	9	149	722
Exploration and evaluation expenditure	10	54,883	48,759
TOTAL NON CURRENT ASSETS		55,047	49,496
TOTAL ASSETS		**58,578**	**51,230**
CURRENT LIABILITIES			
Trade and other payables	11	158	160
Provisions		133	90
TOTAL CURRENT LIABILITIES		291	250
NON CURRENT LIABILITIES			
Provisions	12	440	370
TOTAL NON CURRENT LIABILITIES		440	370
TOTAL LIABILITIES		**731**	**620**
NET ASSETS		**57,847**	**50,610**
EQUITY			
Contributed equity	13	133,475	129,634
Reserves	14	28,179	22,003
Accumulated losses		(103,547)	(101,027)
TOTAL PARENT ENTITY INTEREST		**58,107**	**50,610**
Non-controlling interest	26	(260)	-
TOTAL EQUITY		**57,847**	**50,610**

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017
(EXPRESSED IN AUSTRALIAN DOLLARS)

	Note	Consolidated 2017 $'000	2016 $'000
Cash Flows from Operating Activities			
Payments to suppliers and employees		(1,671)	(3,321)
Interest received		41	31
R&D tax incentive received		259	145
Net cash flows used in operating activities	18	(1,371)	(3,145)
Cash Flows From Investing Activities			
Payments for exploration and evaluation		(1,339)	(1,542)
Acquisition of non-controlling interest in exploration project		-	(1,000)
Sale of a royalty		-	2,000
Purchase of property, plant & equipment		(12)	(26)
Proceeds from disposal of property, plant & equipment		700	-
Net cash flows used in investing activities		(651)	(568)
Cash Flows from Financing Activities			
Proceeds from issue of shares		4,060	3,000
Transaction costs of financing		(219)	-
Net cash flows provided by financing activities		3,841	3,000
Net increase / (decrease) in cash and cash equivalents		1,819	(713)
Cash and cash equivalents at beginning of year		1,600	2,291
Net foreign exchange differences		1	22
Cash and cash equivalents at end of year	7	**3,420**	**1,600**

The above cash flow statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2017

(Expressed in Australian dollars)

	Issued Capital Note 13	Accumulated Losses	Share Based Payment Reserve Note 14(a)	Foreign Currency Reserve Note 14(b)	Asset Revaluation Reserve Note 14(c)	Convertible Note Reserve Note 14 (d)	Equity Reserve Note 14 (e)	Non-controlling Interest Note 26	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2016	**129,634**	**(101,027)**	**54,598**	**(31,198)**	**167**	**4,038**	**(5,602)**	**-**	**50,610**
Loss for the period	-	(2,687)	-	-	-	-	-	(9)	(2,696)
Other comprehensive income	-	-	-	4,924	-	-	-	3	4,927
Total comprehensive income for the period	-	(2,687)	-	4,924	-	-	-	(6)	2,231
Disposal of Non-controlling interest	-	-	-	-	-	-	254	(254)	-
Sale of Land and Buildings	-	167	-	-	(167)	-	-	-	-
Shares issued during the period	4,060	-	-	-	-	-	-	-	4,060
Cost of share issue	(219)	-	-	-	-	-	-	-	(219)
Share-based payments	-	-	785	-	-	-	380	-	1,165
Total Equity at 30 June 2017	**133,475**	**(103,547)**	**55,383**	**(26,274)**	**-**	**4,038**	**(4,968)**	**(260)**	**57,847**

	Issued Capital Note 13	Accumulated Losses	Share Based Payment Reserve Note 14(a)	Foreign Currency Reserve Note 14(b)	Asset Revaluation Reserve Note 14(c)	Convertible Note Reserve Note 14 (d)	Equity Reserve Note 14 (e)	Non-controlling Interest Note 26	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2015	**119,468**	**(100,914)**	**54,058**	**(22,673)**	**167**	**4,038**	**-**	**(1,027)**	**53,117**
Loss for the period	-	(113)	-	-	-	-	-	(39)	(152)
Other comprehensive loss	-	-	-	(8,525)	-	-	-	(80)	(8,605)
Total comprehensive loss for the period	-	(113)	-	(8,525)	-	-	-	(119)	(8,757)
Acquisition of Non-controlling interest	3,456	-	-	-	-	-	(5,602)	1,146	(1,000)
Shares issued during the period	6,710	-	-	-	-	-	-	-	6,710
Share-based payments	-	-	540	-	-	-	-	-	540
Total Equity at 30 June 2016	**129,634**	**(101,027)**	**54,598**	**(31,198)**	**167**	**4,038**	**(5,602)**	**-**	**50,610**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Corporate Information

This financial report of Bannerman for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the directors on 21 September 2017.

Bannerman is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange and the Namibian Stock Exchange.

Basis of Preparation and Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report has also been prepared on an historical cost basis, except for land and buildings which has been measured at fair value.

The financial report covers the consolidated entity comprising Bannerman and its controlled entities (the "**Group**").

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Company under Australian Securities and Investments Commission (ASIC) Class Order 2016/191. The Company is an entity to which the Class Order applies.

For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Statement of Compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

Going Concern

The Group's consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group's cash flow forecast reflects that additional working capital will need to be raised within the current financial year to enable the Group to continue its planned business activities and expenditure levels.

At the date of this financial report, the directors are satisfied there are reasonable grounds to believe that, having regard to the Group's position and its available financing options, the Group will be able to raise additional capital to enable it to meet its obligations as and when they fall due.

Should the Group not achieve the matters set out above, there would be uncertainty whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in this financial report. This financial report does not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

(EXPRESSED IN AUSTRALIAN DOLLARS)

New Accounting Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except as follows:

From 1 July 2016, the Group has adopted all the Standards and Interpretations mandatory for annual periods beginning on 1 July 2016. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Group.

The Group has not elected to early adopt any new Standards or Interpretations.

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2016:

Reference	Title	Summary
AASB 2014-9	Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	The amendments to AASB 127 *Separate Financial Statements* allow an entity to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012– 2014 Cycle	The amendments clarify certain requirements in: AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* - changes in methods of disposal. AASB 7 *Financial Instruments: Disclosure* - servicing contracts; applicability of the amendments to AASB 7 to condensed interim financial statements. AASB 119 *Employee Benefits* – regional market issue regarding discount rate AASB 134 *Interim Financial Reporting* - disclosure of information 'elsewhere in the interim financial report'.
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 *Presentation of Financial Statements* to clarify existing presentation and disclosure requires and to ensure entities are able to use judgement when applying the Standard in determining what information to disclose, where and in what order information is presented in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures.

Australian Accounting Standards and interpretations which have recently been issued or amended but are not yet effective have not been early-adopted by the Group for the annual reporting period ending 30 June 2017. These standards and interpretations are tabulated below:

Reference	Title	Summary	Application date of standard	Application date for Group	Impact on Group Accounting Policies
AASB 2016-1	*Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]*	This Standard amends AASB 112 Income Taxes (July 2004) and AASB 112 Income Taxes (August 2015) to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.	1 Jan 2017	1 Jul 2017	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.
AASB 2016-2	*Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*	This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.	1 Jan 2017	1 Jul 2017	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.

(EXPRESSED IN AUSTRALIAN DOLLARS)

Reference	Title	Summary	Application date of standard	Application date for Group	Impact on Group Accounting Policies
AASB 2017-2	*Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle*	This Standard clarifies the scope of AASB 12 *Disclosure of Interests in Other Entities* by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale or discontinued operations in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*.	1 Jan 2017	1 Jul 2017	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.
AASB 9	*Financial Instruments*	AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement*. Except for certain trade receivables, an entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Debt instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss. For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss. All other AASB 139 classification and measurement requirements for financial liabilities have been carried forward into AASB 9, including the embedded derivative separation rules and the criteria for using the FVO. The incurred credit loss model in AASB 139 has been replaced with an expected credit loss model in AASB 9. The requirements for hedge accounting have been amended to more closely align hedge accounting with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies in the hedge accounting model in AASB 139.	1 Jan 2018	1 Jul 2018	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.
AASB 15	*Revenue from Contracts with Customers*	AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB Interpretation 13 *Customer Loyalty Programmes*, AASB Interpretation 15 *Agreements for the Construction of Real* Estate, AASB Interpretation 18 *Transfers of Assets from Customers* and AASB Interpretation 131 *Revenue – Barter Transactions Involving Advertising Services*) and applies to all revenue arising from contracts with customers, unless the contracts	1 Jan 2018	1 Jul 2018	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year

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Reference	Title	Summary	Application date of standard	Application date for Group	Impact on Group Accounting Policies
		are in the scope of other standards, such as AASB 117 (or AASB 16 Leases, once applied). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps: • Step 1: Identify the contract(s) with a customer • Step 2: Identify the performance obligations in the contract • Step 3: Determine the transaction price • Step 4: Allocate the transaction price to the performance obligations in the contract • Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.			of application.
AASB 2014-10	*Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. AASB 2015-10 defers the mandatory effective date (application date) of AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016.	1 Jan 2018	1 Jul 2018	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.
AASB 2016-6	*Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*	This Standard amends AASB 2 *Share-based Payment*, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: • The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments • Share-based payment transactions with a net settlement feature for withholding tax obligations • A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.	1 Jan 2018	1 Jul 2018	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.
AASB 2017-1	*Amendments to Australian Accounting Standards – Transfers of Investments Property, Annual Improvements 2014-2016 Cycle and Other Amendments*	The amendments clarify certain requirements in: • AASB 1 *First-time Adoption of Australian Accounting Standards* – deletion of exemptions for first-time adopters and addition of an exemption arising from AASB Interpretation 22 *Foreign Currency Transactions and Advance Consideration* • AASB 12 *Disclosure of Interests in Other Entities* – clarification of scope • AASB 128 *Investments in Associates and Joint Ventures* – measuring an associate or joint venture at fair value • AASB 140 *Investment Property* – change in use.	1 Jan 2018	1 Jul 2018	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.
AASB Interpretation 22	*Foreign Currency Transactions and Advance Consideration*	The Interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.	1 Jan 2018	1 Jul 2018	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.

(EXPRESSED IN AUSTRALIAN DOLLARS)

Reference	Title	Summary	Application date of standard	Application date for Group	Impact on Group Accounting Policies
AASB 16	*Leases*	AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.	1 Jan 2019	1 Jul 2019	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.
IFRIC 23	*Uncertainty over Income Tax Treatments*	The Interpretation clarifies the application of the recognition and measurement criteria in IAS 12 *Income Taxes* when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: • Whether an entity considers uncertain tax treatments separately • The assumptions an entity makes about the examination of tax treatments by taxation authorities • How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates • How an entity considers changes in facts and circumstances.	1 Jan 2019	1 Jul 2019	The Group has yet to fully assess the impact of these amendments on the financial statements.

Accounting Policies

a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

b) Income and Other Taxes

Income taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences, the carry-forward of unused tax assets and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST/VAT except:

- when the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expenses item as applicable; and
- receivables and payables, which are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the relevant taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST/VAT component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the relevant taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, the relevant taxation authority.

c) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

(i) such costs are expected to be recouped through successful development, exploitation or sale of the area; or

(ii) exploration and evaluation activities in the area have not, at balance date, reached a stage which permit a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

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Accumulated costs in respect of areas of interest which are abandoned or assessed as not having economically recoverable reserves are written off in full against profit in the year in which the decision to abandon the area is made.

A periodic review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

d) Property, Plant and Equipment

Plant and equipment are measured at historical cost less accumulated depreciation and any accumulated impairment costs.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over the useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**	
	2017	**2016**
Buildings	2.0%	2.0%
Plant and equipment	33.3%	33.3%
Office Furniture & Equipment	33.3%	33.3%
Vehicles	33.3%	33.3%

An asset's residual value, useful life and amortisation method are reviewed, and adjusted if appropriate, at each financial year end.

Gains or losses on disposals are determined by comparing proceeds with the net carrying amount. These are included in the statement of comprehensive income.

e) Fair value measurement

The Group measures non-financial assets such as land and buildings at fair value less accumulated depreciation on buildings at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The valuation committee decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Group's external valuers, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, Management and the Group's external valuers present the valuation results to the audit committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the lessee, are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the statement of comprehensive income.

Leased assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

g) Basic Earnings/Loss Per Share

Basic earnings/loss per share is calculated by dividing the net profit / loss attributable to members of the parent for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Group, adjusted for any bonus issue.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

h) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

i) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand, cash on call and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as described, net of outstanding bank overdrafts.

j) Impairment of Assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indication of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value (less costs to sell) and value-in-use. It is determined for an individual asset, unless the asset's value-in-use cannot be estimated to be close to its fair value (less costs to sell) and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

k) Payables

Trade and other payables are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in the respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

l) Interest Bearing Loans and Borrowings

The component of the convertible notes which exhibits characteristics of a borrowing is recognised as a liability in the statement of financial position, net of transaction costs. On the issue of convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible note and this amount is carried as a long-term liability on an amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds of the convertible note is the equity component, which is allocated to a convertible note reserve that is recognised and included in shareholders' equity. The carrying amount of the reserve is not re-measured in subsequent years.

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred. The Group does not currently hold any qualifying assets but, if it did, the directly associated borrowing costs would be capitalised (including any other associated costs attributable to the borrowing and temporary investment income earned on the borrowing).

m) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outlay of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when a reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date using a discounted cash flow methodology. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. Any increase in the provision due to the passage of time is recognised as a finance cost.

Rehabilitation Provision

Rehabilitation costs will be incurred by the Group either while operating, or at the end of the operating life of, the Group's facilities. The Group assesses its rehabilitation provision at each reporting date. The Group recognises a rehabilitation provision where it has a legal and constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. The nature of these restoration activities includes: dismantling and removing structures; dismantling operating facilities; closing plant and waste sites; and restoring, reclaiming and revegetating affected areas.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the operation's location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related assets to the extent that it was incurred. Additional disturbances which arise due to further development/construction at the mine are recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur.

Changes in the estimated timing of rehabilitation or changes to the estimated future costs are dealt with prospectively by recognising an adjustment to the rehabilitation liability and a corresponding adjustment to the asset to which it relates, if the initial estimate was originally recognised as part of an asset measured in accordance with AASB 6.

Any reduction in the rehabilitation liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the statement of profit or loss and other comprehensive income.

If the change in estimate results in an increase in the rehabilitation liability and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment. If, for mature mines, the estimate for the revised mine assets net of rehabilitation provisions exceeds the recoverable value, that portion of the increase is charged directly to expense.

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability.

n) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date.

Contributions are made by the Group to employee superannuation and pension funds and are charged as expenses when incurred.

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

o) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or share options are shown in equity as a deduction, net of tax, from the proceeds.

p) Share-based Payment Transactions

The Group provides benefits to employees and directors of the Group, acquires assets and settles expenses through consideration in the form of share-based payment transactions, whereby employees render services, assets are acquired and expenses are settled in exchange for shares or rights over shares ("**equity-settled transactions**").

There is currently a Non-Executive Director Share Option Plan and an Employee Incentive Plan which enables the provision of benefits to directors, executives and staff.

The cost of these equity-settled transactions with employees and directors is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black Scholes option pricing model. A Monte Carlo simulation is applied to fair value the Total Shareholder Return element of the EIP incentives. Further details of which are disclosed in Note 20.

In valuing equity-settled transactions, no account is taken of any vesting condition, other than (if applicable):

- Non-vesting conditions that do not determine whether the Group or Company receives the services that entitle the employees to receive payment in equity or cash; or
- Conditions that are linked to the price of the shares of Bannerman Resources Limited (market conditions).

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent report date until vesting, the cumulative charge to the statement of comprehensive income is the product of:

(i) The grant date fair value of the award;
(ii) The current best estimate of the number of the awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and
(iii) The expired portion of the vesting period.

The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above, less the amounts already charged in previous periods. There is a corresponding entry to equity.

Equity-settled awards granted by Bannerman to employees of subsidiaries are recognised in the parent's separate financial statements as an additional investment in the subsidiary with the corresponding credit to equity. As a result, the expense recognised by Bannerman in relation to equity-settled awards only represents the expenses associated with grants to employees of the parent. The expense recognised by the Group is the total expense associated with all such awards.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market conditions or non-vesting conditions is considered to vest irrespective of whether or not that market condition or non-vesting is fulfilled, provided that all other conditions are satisfied.

q) Foreign Currency Translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("**functional currency**"). The consolidated financial statements are presented in Australian dollars, which is Bannerman's functional and presentation currency.

(ii) Transactions and balances
Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date and any gains or losses are recognised in the statement of comprehensive income.

(iii) Group companies
For all Group entities with a functional currency other than Australian dollars, the functional currency has been translated into Australian dollars for presentation purposes. Assets and liabilities are translated using exchange rates prevailing at the reporting date; revenues and expenses are translated using average exchange rates

prevailing for the statement of comprehensive income year; and equity transactions are translated at exchange rates prevailing at the dates of transactions. The resulting difference from translation is recognised in a foreign currency translation reserve.

(iv) Subsidiary company loans
All subsidiary company loans from the parent company are translated into Australian dollars, on a monthly basis, using the exchange rates prevailing at the end of each month. The resulting difference from translation is recognised in the statement of comprehensive income of the parent company and on consolidation the foreign exchange differences are recognised in a foreign currency translation reserve as the loan represents a net investment in a foreign entity.

r) Receivables

Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. VAT receivables relating to Namibian expenditure generally have a 90+ day term.

Collectability of receivables is reviewed on an on-going basis. Individual debts that are known to be uncollectible are written off when identified. An impairment allowance is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, and default payments or debts more than 90 days overdue (apart from GST/VAT), are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

s) Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operation results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers being the executive management team.

The operations of the Group represent one operating segment under AASB 8 Operating Segments. The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial report.

t) Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash, receivables, payables, convertible instruments, finance leases, cash and short term deposits.

The Group manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Group's financial risk management strategy. The objective of the strategy is to support the delivery of the Group's financial targets whilst protecting future financial security.

u) Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenues and expenses. Management bases its judgements and estimates on historical experience and on other various factors believed to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the critical accounting policies detailed below for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements. The carrying amounts of certain assets and liabilities are often determined based on judgements, estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related mineral title itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of measured, indicated and inferred mineral resources, proven and probable ore reserves, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations), changes to commodity prices, ability to finance, renewal of the exclusive prospecting licence and the issue of a mining licence.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted and taking into consideration the likelihood of non-market based conditions occurring. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 20.

Rehabilitation provision

The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial result. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

Revaluation of land and buildings

The Group applied the revaluation model to land and buildings previously held and recognised any changes in fair value in the asset revaluation reserve in equity. The Group engaged an independent valuation specialist to assess fair value as at 30 June 2016 for the comparative period. Land and buildings were revalued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

	Consolidated 2017 $'000	Consolidated 2016 $'000

2. INTEREST REVENUE

	2017 $'000	2016 $'000
Interest revenue	41	30
	41	30

3. OTHER INCOME

	2017 $'000	2016 $'000
Profit on disposal of land and buildings	90	-
Other	6	12
Gain on extinguishment of convertible note	-	4,414
	96	4,426

4. EXPENSES

(a) Employee Benefits

	2017 $'000	2016 $'000
Salaries and wages	581	734
Superannuation	43	68
Employee share-based payment expense	592	428
Other	7	7
Directors' fees	150	189
Directors' share-based payment expense	193	112
	1,574	1,538

(b) Borrowing Costs

	2017 $'000	2016 $'000
Interest accreted or payable	-	1,227
	-	1,227

(c) Other Expenses

	2017 $'000	2016 $'000
Corporate and overheads	285	271
Consulting – fees	260	982
Legal	50	82
Travel	98	113
Employer related taxes	54	13
Recruitment	-	-
Occupancy	121	99
Insurance	53	52
Loss on disposal of plant and equipment	-	8
Share-based payment expense	380	-
	1,301	1,620
Included in the above expenses are operating lease payments of the following amounts:		
Minimum lease payments	61	53

	Consolidated	
	2017	2016

5. AUDITOR'S REMUNERATION

The auditor of the Group is Ernst & Young.

Amounts received or due and receivable by Ernst & Young (Australia) for:

	$	$
Auditing or reviewing the financial report	46,516	50,929
Audit related	-	-
Taxation services (i)	40,000	150,500
	86,516	201,429

(i) Taxation services relating to tax structuring advice.

Amounts received or due and receivable by related practices of Ernst & Young (Australia) for:

Auditing or reviewing the financial report	10,326	14,063
Taxation services	2,164	1,286
	12,490	15,349

6. INCOME TAX BENEFIT

	$'000	$'000
The components of income tax benefit comprise:		
Current income tax benefit	(259)	(145)
Deferred income tax benefit	-	-
Income tax benefit reported in the consolidated statement of comprehensive income	(259)	(145)
Income tax expense recognised in equity	-	-

Accounting loss before tax	(2,955)	(297)
At the parent company statutory income tax rate of 30 %	(886)	(89)
Other non-deductible expenditure for income tax purposes	569	2,151
Effect of different tax rate for overseas subsidiary	(63)	(30)
Prior year adjustment – current tax on R&D tax offset	(259)	(145)
(Recognised) / Unrecognised tax losses	380	(2,032)
Income tax benefit reported in the consolidated statement of comprehensive income	(259)	(145)

	Consolidated 2017 $'000	2016 $'000
Carried forward revenue losses	12,201	12,020
Share issue costs	70	26
Provisions and accruals	181	155
Other	-	-
Gross deferred tax asset	12,452	12,201
Offset against deferred tax liability	(6)	(6)
Unrecognised deferred tax assets	12,446	12,195
Deferred tax liabilities		
Other	6	6
Gross deferred tax liability	6	6
Offset against deferred tax asset	(6)	(6)
Net deferred tax liability	-	-

The carried forward tax losses for Bannerman Resources Limited at 30 June 2017 are $37,406,661. The carried forward tax losses for Bannerman Mining Resources (Namibia) (Pty) Ltd at 30 June 2017 are $3,074,171. These tax losses do not expire and may not be used to offset taxable income elsewhere in the Group. The Group neither has any taxable temporary differences nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

The Group has not elected to form a tax consolidated group.

7. CASH AND CASH EQUIVALENTS

	2017	2016
Cash on hand	-	1
Cash at bank and on call (interest bearing)	3,400	1,579
Short-term deposits (interest bearing)	20	20
	3,420	1,600

The effective interest rate on short-term bank deposits was 1.90% (2016: 2.72%). These deposits have an average maturity of 90 days (2016: 90 days).

8. OTHER RECEIVABLES

	2017	2016
Current		
GST/VAT	57	27
	57	27
Non-Current		
Restricted cash	15	15
	15	15

Restricted cash reflects collateral for a third party bank guarantee for the occupancy of office premises.

Fair value and credit risk

Due to the short term nature of current receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of the receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities.

As at 30 June 2017, the ageing analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired		
			61-90 days	91-120 days	>120 days
	$'000	$'000	$'000	$'000	$'000
2017	57	57	-	-	-
2016	27	27	-	-	-

Foreign exchange and interest rate risk

Detail regarding foreign exchange and interest rate risk exposure is disclosed in Note 15(a) and (b).

9. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Lab & Field Equipment	Sundry	Vehicles	Land & Buildings [(i)]	Total
30 June 2017	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Opening net book value	64	16	50	34	558	722
Additions	11	-	-	-	-	11
Disposals	-	-	-	-	(609)	(609)
Exchange difference	4	1	2	3	53	63
Depreciation charge	(17)	-	(12)	(7)	(2)	(38)
Closing net book value	62	17	40	30	-	149
At 30 June 2017						
Cost or fair value	336	130	453	201	-	1,120
Accumulated depreciation and impairment	(274)	(113)	(413)	(171)	-	(971)
Net book value	62	17	40	30	-	149
30 June 2016						
Opening net book value	71	20	74	47	660	872
Additions	23	-	3	-	-	26
Disposals	(7)	-	(2)	-	-	(9)
Exchange difference	(7)	(3)	(3)	(6)	(95)	(114)
Depreciation charge	(16)	(1)	(22)	(7)	(7)	(53)
Closing net book value	64	16	50	34	558	722
At 30 June 2016						
Cost or fair value	303	123	446	184	572	1,628
Accumulated depreciation and impairment	(239)	(107)	(396)	(150)	(14)	(906)
Net book value	64	16	50	34	558	722

In December 2016, the Group sold its Land and Buildings in Swakopmund for approximately A$700,000, net of selling costs. Land and Buildings had a net book value of A$609,000 at the date of disposal, and therefore the Group recognised a profit on disposal of A$90,000 (refer Note 3).

10. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2017 $'000	2016 $'000
Opening balance	48,759	61,262
Expenditure incurred during the year	1,215	1,516
Foreign currency translation movements	4,909	(8,502)
Sale of royalty	-	(5,517)
Closing balance	54,883	48,759

Expenditure incurred during the period comprises expenditure on geological, feasibility and associated activities.

The value of the Company's interest in exploration and evaluation expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the results of pre-development activities; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

Etango Uranium Project – Bannerman 95%

The Etango Uranium Project is situated near Rio Tinto's Rössing uranium mine, Paladin's Langer Heinrich uranium mine and CGNPC's Husab uranium mine. Bannerman, in 2012, completed a Definitive Feasibility Study ("**DFS**") on a 7-9 million pounds U_3O_8 per annum open pit mining and heap leach processing operation at Etango. The DFS 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.

Bannerman announced on 2 February 2017 that it had commenced 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 is focussing on the key results obtained from the Demonstration Plant and other processing optimisation opportunities.

Bannerman currently holds Exclusive Prospecting Licence 3345 (EPL 3345) in Namibia, which is valid unti 25 April 2019 and thereafter subject to renew by the Namibian Ministry of Mines and Energy.

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.

The Ministry of Environment and Tourism granted Bannerman initial 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. A renewal for the Etango Project Environmental Clearance was granted in November 2015 for a further 3 years while the renewal for the project's Linear Infrastructure Environmental Clearance was granted in May 2016 also for a further 3 years.

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 was not unexpected and Bannerman retains the right to re-apply for a mining licence when the uranium market recovers.

Exploration & Evaluation Expenditure for the Etango Project	Consolidated 30 June 2017 $'000	30 June 2016 $'000
Opening balance	**48,759**	**61,262**
Drilling and consumables	-	-
Assays and freight	1	2
Salaries and wages	692	691
Consultants and contractors	142	272
Demonstration plant construction cost	10	51
Demonstration plant change in rehabilitation provision	35	34
Demonstration plant operational cost	266	350
Other	69	116
Total expenditure for the period	**1,215**	**1,516**
Foreign currency translation movements	4,909	(8,502)
Sale of royalty	-	(5,517)
Closing balance	**54,883**	**48,759**

11. TRADE AND OTHER PAYABLES

Trade payables	120	132
Other payables and accruals	38	28
	158	160

Trade payables are non-interest bearing and are normally settled on 30 day terms (or less). Other payables are non-interest bearing and have an average term of 60 days.

Fair value

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

12. PROVISIONS – NON-CURRENT

	Consolidated 2017 $'000	2016 $'000
Rehabilitation provision	440	370
Opening balance	370	399
Unwinding of discount	35	30
Foreign exchange translation movements	35	(59)
Closing balance	440	370

The Group makes full provision for the future cost of the environmental rehabilitation obligations relating to the heap leach demonstration plant on a discounted basis at the time of the activity.

The rehabilitation provision, based on the Group's internal estimates, represents the present value of the future rehabilitation costs relating to the heap leach demonstration plant. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of the rehabilitation is likely to depend on when the pre-development activities cease.

The discount rate, which is based on the Namibian risk free rate, used in the calculation of the provision as at 30 June 2017 is 8.5% (June 2016: 8.5%).

13. CONTRIBUTED EQUITY

(a) Issued and outstanding:

	June 2017	June 2016	June 2017	June 2016
	Number of Shares		Amount	
	'000	'000	$'000	$'000
Ordinary shares				
Issued and fully paid	849,627	709,974	133,475	129,634

	Number of Shares '000	Amount $'000
Movements in ordinary shares on issue		
Balance 1 July 2015	382,914	119,468
- Issue of shares (i)	12,759	-
- Issue of shares (ii)	20,918	723
- Issue of shares (iii)	66,667	1,867
- Issue of shares (iv)	40,000	1,120
- Issue of shares (v)	63,291	3,000
- Issue of shares (vi)	123,425	3,456
Balance 30 June 2016	**709,974**	**129,634**
Balance 1 July 2016	709,974	129,634
- Issue of shares (vii)	2,000	60
- Issue of shares (viii)	116,666	3,500
- Issue of shares (ix)	16,667	500
- Issue of shares (x)	3,320	-
- Cost of share issues	-	(219)
Balance 30 June 2017	**849,627**	**133,475**

(i) The following shares were issued upon vesting of performance rights
  a. On 21 December 2015, 4,719,509 ordinary shares were issued upon vesting of share and performance rights in accordance with the terms of the Non-Executive Director Share Incentive Plan and Employee Incentive Plan.
  b. On 28 April 2016, 8,040,205 ordinary shares were issued upon vesting of share and performance rights in accordance with the terms of the Employee Incentive Plan.

(ii) The following shares were issued in satisfaction of the interest payable on the two convertible notes in accordance with the convertible notes' terms:
  a. On 7 July 2015, 3,191,233 shares were issued in satisfaction of the A$159,562 interest payable on the convertible note with RCFIV for the period 1 April 2015 to 30 June 2015.
  b. On 7 July 2015, 1,595,616 shares were issued in satisfaction of the A$79,781 interest payable on the convertible note with RCFVI for the period 1 April 2015 to 30 June 2015.
  c. On 11 November 2015, 5,377,169 shares were issued in satisfaction of the A$161,315 interest payable on the convertible note with RCFIV for the period 1 July 2015 to 30 September 2015.
  d. On 11 November 2015, 2,688,584 shares were issued in satisfaction of the A$80,658 interest payable on the convertible note with RCFVI for the period 1 July 2015 to 30 September 2015.
  e. On 31 December 2015, 5,377,169 shares were issued in satisfaction of the A$161,315 interest payable on the convertible note with RCFIV for the period 1 October 2015 to 31 December 2015.
  f. On 31 December 2015, 2,688,584 shares were issued in satisfaction of the A$80,658 interest payable on the convertible note with RCFVI for the period 1 October 2015 to 31 December 2015.

(iii) On 31 December 2015, 66,666,667 shares were issued to RCFIV as satisfaction for the conversion of the outstanding amounts under the RCFIV Convertible Note Facility.

(iv) On 31 December 2015, 40,000,000 shares were issued to RCFVI as satisfaction for the conversion of the outstanding amounts under the RCFVI Convertible Note Facility.

(v) On 31 December 2015, 63,291,139 shares were issued to RCFVI pursuant to a A$3 million placement at $0.0474 per share.

(vi) On 31 December 2015, 123,424,534 shares were issued to Clive Jones (and his nominees) as satisfaction for the part-consideration for the remaining 20% interest in the Company's Etango Project.

(vii) On 15 August 2016, 2,000,000 shares were issued to Brandon Munro pursuant to a A$60,000 placement at $0.03 per share.

(viii) On 3 November 2016, 116,666,666 shares were issued to sophisticated and professional investors pursuant to a A$3.5 million placement at $0.03 per share.

(EXPRESSED IN AUSTRALIAN DOLLARS)

(ix) On 2 February 2017, 16,666,667 shares were issued RCFVI pursuant to a A$0.5 million placement at $0.03 as approved by shareholders on 10 January 2017.

(x) The following shares were issued upon vesting of performance rights

a. On 24 November 2016, 3,569,896 ordinary shares were issued upon vesting of share and performance rights in accordance with the terms of the Non-Executive Director Share Incentive Plan and Employee Incentive Plan.

b. On 2 February 2017, 500,000 ordinary shares were issued upon vesting of performance rights in accordance with the terms of the Employee Incentive Plan.

c. On 24 March 2017, 250,000 ordinary shares were issued upon vesting of performance rights in accordance with the terms of the Employee Incentive Plan.

(b) Share options on issue:

The movements in share options during the year were as follows:

Expiry Dates	Exercise Price	Balance 1 Jul 16	Granted	Exercised	Expired / Cancelled	Balance 30 Jun 17	Vested 30 Jun 17
22 November 2016	A$0.072	4,504,000	-	-	(4,504,000)	-	-
15 November 2017	A$0.089	3,664,400	-	-	-	3,664,400	3,664,400
15 November 2018	A$0.044	7,846,000	-	-	-	7,846,000	7,846,000
25 July 2019	A$0.045	5,000,000	2,500,000	-	-	7,500,000	7,500,000
25 July 2019	A$0.057	7,500,000	1,500,000	-	-	9,000,000	9,000,000
25 July 2019	A$0.07	7,500,000	1,500,000	-	-	9,000,000	1,500,000
15 November 2019	A$0.042	-	19,598,200	-	-	19,598,200	-
		36,014,400	25,098,200	-	(4,504,000)	56,608,800	29,510,400
Weighted average exercise price ($)		0.06	0.06	-	0.072	0.05	0.06
Average life to expiry (years)		1.69	1.69	-	-	1.77	1.49

The remaining unvested share options above have performance hurdles linked to minimum service periods.

Directors held 51,018,600 share options as at 30 June 2017 with an average exercise price of $0.05 per share and an average life to expiry of 1.66 years.

(c) Performance Rights on issue

The performance rights on issue as at 30 June 2017 were as follows:

Vesting Dates	Balance 1 Jul 16	Granted	Vested	Cancelled / Forfeited	Balance 30 Jun 17
15 November 2016	3,086,271	-	(2,469,357)	(616,914)	-
22 November 2016	1,345,645	-	(1,100,539)	(245,106)	-
1 January 2017	-	500,000	(500,000)	-	-
1 March 2017	-	250,000	(250,000)	-	-
1 June 2017	-	250,000	(250,000)	-	-
1 July 2017	-	750,000	-	-	750,000
15 November 2017	7,464,542	234,300	-	(1,075,049)	6,623,793
15 November 2018	7,689,200	5,274,600	-	(423,300)	12,540,500
15 November 2019	-	17,741,800	-	-	17,741,800
	19,585,658	25,000,700	(4,569,896)	(2,360,369)	37,656,093
Average life to vesting (years)	0.93	0.72	-	-	0.45

Note: Performance rights have no exercise price.

The performance rights have been issued in accordance with the shareholder-approved EIP and NEDSIP, and vest into shares for no consideration on the completion of minimum service periods and, in certain cases, the achievement of specified vesting hurdles related to the Company's relative share price performance, internal business targets and/or personal performance.

Directors held 7,857,100 performance rights as at 30 June 2017 with an average life to vesting of 2.38 years.

Terms of Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. At shareholders' meetings, each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. When managing capital, management's objective is to ensure the entity continues as a going concern as well as to obtain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure which assists to ensure the lowest appropriate cost of capital available to the Company. Refer to Note 1 with regards to going concern considerations.

14. RESERVES

		Consolidated 2017 $'000	Consolidated 2016 $'000
Share-based payment reserve	(a)	55,383	54,598
Foreign currency translation reserve	(b)	(26,274)	(31,198)
Asset revaluation reserve	(c)	-	167
Convertible note reserve	(d)	4,038	4,038
Equity reserve	(e)	(4,968)	(5,602)
TOTAL RESERVES		**28,179**	**22,003**

(a) Share-based Payment Reserve		
Balance at the beginning of the reporting period	**54,598**	**54,058**
Share-based payment vesting expense during the period	785	540
Balance at the end of the reporting period	**55,383**	**54,598**

The Share-based Payment Reserve is used to recognise the value of equity-settled share-based payment transactions for the acquisition of project interests and the provision of share-based incentives to directors, employees and consultants.

(b) Foreign Currency translation reserve		
Reserves at the beginning of the reporting period	**(31,198)**	**(22,673)**
Currency translation differences arising during the year	4,924	(8,525)
Balance at the end of the reporting period	**(26,274)**	**(31,198)**

The Foreign Currency Translation Reserve is used to record exchange differences arising on translation of the Group entities that do not have a functional currency of Australian dollars and have been translated into Australian dollars for presentation purposes.

As per the Statement of Comprehensive Income, the foreign currency translation difference arising for the year ended 30 June 2017 amounted to $4,927,000 (2016: $8,605,000), allocated between non-controlling interests of $3,000 (2016: $80,000) and the Group of $4,924,000 (2016: $8,525,000). Over the year, the Namibian dollar strengthened against the Australian dollar, with a movement of approximately 10% from the rate as at 30 June 2016 (A$1.00:N$11.01) to the rate as at 30 June 2017 (A$1.00:N$10.04).

(c) Asset Revaluation reserve		
Reserves at the beginning of the reporting period	**167**	**167**
Sale of Land and Buildings	**(167)**	**-**
Balance at the end of the reporting period	**-**	**167**

The Asset Revaluation Reserve is used to record increases and decreases (to the extent that such decrease relates to an increase on the same asset previously recognised in equity) in the fair value of land and buildings. The Land and Buildings, which the asset revaluation reserve was attributable to, was sold in December 2016.

(d) Convertible Note reserve		
Reserves at the beginning of the reporting period	**4,038**	**4,038**
Balance at the end of the reporting period	**4,038**	**4,038**

The convertible note reserve records the equity portion of the RCFIV convertible note issued on 16 December 2008, refinanced on 31 March 2012 and 22 November 2013, and the RCFVI convertible note issued on 19 June 2014, as described in Note 10. The convertible notes were extinguished on 31 December 2015.

(e) Equity reserve		
Reserves at the beginning of the reporting period	**(5,602)**	**-**
Non-controlling interest acquired during the period	**-**	**(5,602)**
Non-controlling interest disposed of during the period	**634**	**-**
Balance at the end of the reporting period	**(4,968)**	**(5,602)**

In the prior period, the Company announced the signing of an agreement with Mr Clive Jones, subject to shareholders approval, to acquire the minority interest (20%) in the Etango Project from the current owners (represented by Mr Clive Jones) for payment of approximately 123.4 million new Bannerman shares and A$1 million in cash. The acquisition was subsequently approved by shareholders at Extraordinary General Meeting on 29 December 2015 and the Company moved to 100% ownership of the Etango Uranium Project.

The group recognised a decrease in non-controlling interests of A$1,146,000 and a decrease in equity attributable to the owners of the parent of A$5,602,000. The effect on the equity attributable to the owners of the Group during the period is summarised as follows:

	$'000
Carrying amount of non-controlling interest acquired	(1,146)
Consideration paid to non-controlling interests	(4,456)
Excess of consideration paid recognised in equity	**(5,602)**

In March 2017, the Company entered into a Subscription Agreement with the One Economy Foundation to become a 5% loan-carried shareholder in the Etango Project. As part of the Subscription Agreement, Bannerman Mining Resources (Namibia) (Pty) Ltd (BMRN) issued 5% of its ordinary share capital to the One Economy Foundation for par (nominal) value. 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.

The issue of shares to the One Economy Foundation has been treated as a share based payment in accordance with the accounting standards. The shares were fair valued as at the date of signing the Subscription Agreement at the market price of the Company's shares. The valuation took into consideration other input parameters including the effect on current intercompany loans. The fair value of the shares was recognised in the profit and loss account

The group recognised an increase in non-controlling interests of A$254,000, and an increase in equity attributable to the owners of the parent of A$634,000. The effect on the equity attributable to the owners of the Group during the period is summarised as follows:

	$'000
Carrying amount of non-controlling interest acquired	254
Fair value of share based payment to non-controlling interests	380
Excess of consideration paid recognised in equity	**634**

15. FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise cash and short term deposits, receivables, payables, convertible notes and finance leases.

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the Group as at 30 June 2017.

	Consolidated	
	2017	**2016**
Financial assets	**$'000**	**$'000**
Trade and other receivables	15	15
Total non-current	**15**	**15**
Trade and other receivables	57	27
Total current	**57**	**27**
Total	**72**	**42**
Financial liabilities		
Trade and other payables	158	160
Total	**158**	**160**

Fair Values

The carrying value and net fair values of financial assets and liabilities at balance date are:

	2017		2016	
	Carrying Amount $'000	**Net fair Value $'000**	**Carrying Amount $'000**	**Net fair Value $'000**
Financial assets				
Trade and other receivables	15	15	15	15
Total non-current	**15**	**15**	**15**	**15**
Trade and other receivables	57	57	27	27
Total current	**57**	**57**	**27**	**27**
Total	**72**	**72**	**42**	**42**
Financial liabilities				
Trade and other payables	158	158	160	160
Total current	**158**	**158**	**160**	**160**
Total	**158**	**158**	**160**	**160**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Management assessed that cash and short-term deposits, trade receivables, other current receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2017, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

Financial risk management objectives and policies

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include the monitoring of levels of exposure to interest rates and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Liquidity risk is monitored through the development of future rolling cash flow forecasts and financing plans.

The Board reviews and agrees policies for managing each of the above risks and they are summarised below:

(a) Interest Rate Risk

Interest rate risk is managed by obtaining competitive commercial deposit interest rates available in the market from major Australian financial institutions.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rate for each class of financial assets and financial liabilities, comprises:

Consolidated 2017	Floating Interest Rate $'000	Fixed Interest maturing in 1 year or less $'000	Fixed Interest maturing over 1 to 5 years $'000	Total $'000
Financial assets				
Cash	3,400	20	-	3,420
	3,400	20	-	3,420
Weighted average interest rate				0.3%

Consolidated 2016	Floating Interest Rate $'000	Fixed Interest maturing in 1 year or less $'000	Fixed Interest maturing over 1 to 5 years $'000	Total $'000
Financial assets				
Cash	1,580	20	-	1,600
	1,580	20	-	1,600
Weighted average interest rate				0.3%

The following table summarises the impact of reasonably possible changes in interest rates for the Group at 30 June 2017. The sensitivity analysis is based on the assumption that interest rates change by 1% with all other variables remaining constant. The 1% sensitivity is based on reasonably possible changes over a financial year, using the observed range of actual historical rates for the preceding 5 year period and management's expectation of short term future interest rates.

	Consolidated	
Impact on post-tax gain/(loss):	2017 $'000	2016 $'000
1% increase	32	15
1% decrease	(32)	(15)

There is no impact on other reserves in equity for the Group.

(b) Foreign Currency Risk

Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency of the relevant Group company.

The Group's deposits are largely denominated in Australian dollars. Currently there are no foreign exchange hedge programs in place. The Group manages the purchase of foreign currency to meet operational requirements.

The impact of reasonably possible changes in foreign exchange rates for the Group is not material.

(c) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of dealing only with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk. For the remaining financial assets, there are no significant concentrations of credit risk within the Group and financial instruments are being spread amongst highly rated financial institutions and related parties to minimise the risk of default of counterparties.

(d) Liquidity

Liquidity is monitored through the development of monthly expenditure and rolling cash flow forecasts. Short term liquidity is managed on a day to day basis by the finance management team including the use of weekly cash forecasts.

The risk implied from the values shown in the table below reflects a balanced view of cash outflows:

Financial Liabilities	**<6 months**	**6-12 months**	**1– 5 years**	**Total**
2017	**$'000**	**$'000**	**$'000**	**$'000**
Trade and other payables	158	-	-	158
Interest bearing liabilities	-	-	-	-
Total	158	-	-	158
2016				
Trade and other payables	160	-	-	160
Interest bearing liabilities	-	-	-	-
Total	160	-	-	160

16. FAIR VALUE MEASUREMENT

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 30 June 2017:

	Date of valuation	Total	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed (Note 15)					
Trade and other receivables					
- Current	30 June 2017	57	-	-	57
- Non-current	30 June 2017	15	-	-	15
Liabilities measured at fair value					
Liabilities for which fair values are disclosed (Note 15)					
Trade and other payables	30 June 2017	158	-	-	158

17. LOSS PER SHARE

	2017	2016
Basic and diluted loss per share to the ordinary equity holders of the Company (cents per share)	(0.34)	(0.02)
	$'000	**$'000**
Loss used in the calculation of weighted average basic and dilutive loss per share	(2,696)	(152)
	Number of Shares **'000**	***Number of Shares*** **'000**
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic loss per share	802,723	547,420
Number of share options / performance rights issued that could be potentially dilutive but are not included in diluted EPS as they are anti-dilutive for the periods presented.	56,646	55,600

There have been no other conversions to or subscriptions for ordinary shares or issues of potential ordinary shares since the balance date and before the completion of this report.

18. CASH FLOW INFORMATION

	Consolidated 2017 $'000	Consolidated 2016 $'000
(a) Reconciliation from the net loss after tax to the net cash flow from operating activities		
Loss after income tax	(2,696)	(152)
Non-cash flows in operating loss		
Depreciation	38	53
Share-based payments	1,165	540
Gain on extinguishment of convertible note	-	(4,414)
Profit on sale of land and buildings	90	8
Interest expense	-	1,126
Changes in assets and liabilities		
Decrease / (increase) in receivables and prepayments	57	(15)
Decrease in trade and other creditors and accruals	(138)	(183)
Increase / (decrease) in provisions	113	(108)
Net cash outflows from Operating Activities	(1,371)	(3,145)

19. COMMITMENTS

a) Exploration and evaluation expenditure

Bannerman currently holds Exclusive Prospecting Licence 3345 (EPL 3345) in Namibia, which is valid unti 25 April 2019 and thereafter subject to renew by the Namibian Ministry of Mines and Energy.

In order to maintain current rights of tenure to mineral licences, the Group has exploration and evaluation expenditure obligations up until the expiry of those licences. The following stated obligations, which are subject to renegotiation upon expiry of the current licences, are not provided for in the financial statements and represent a commitment of the Group:

	Consolidated 2017 $'000	Consolidated 2016 $'000
Not longer than one year	82	-
Longer than one year, but not longer than five years	166	-
Longer than five years	-	-
	248	-

If the Group decides to relinquish certain mineral licences and/or does not meet these minimum expenditure obligations or obtain appropriate waivers, assets recognised in the Statement of Financial Position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

b) Operating lease commitments

The Group has entered into a lease for office premises. This lease has an initial lease term of 2 years.

Not longer than one year	85	53
Longer than one year, but not longer than five years	17	44
Longer than five years	-	-
	102	97

20. SHARE-BASED PAYMENT PLANS

Recognised employee share-based payment expenses

The expense recognised for employee services received during the year are shown in the table below:

	Consolidated	
	2017 $'000	2016 $'000
Total expense arising from employee and director share-based payment transactions	785	540

Types of share-based payment plans

*Employee Incentive Plan ("**EIP**")*

Performance rights are granted to all employees. The EIP is designed to align participants' interest with those of shareholders by enabling employees to access the benefits of an increase in the value of the Company's shares. For grants of performance rights under the EIP, the vesting of half of the performance rights is subject to the Company's relative TSR as measured by share price performance (allowing for the reinvestment of dividends), versus a comparator group of uranium development companies, and the vesting of the other half is subject to the attainment of defined individual and group performance criteria as assessed by the Board in line with the work schedules under the Company's operating plans. The performance measurement date is two years from date of grant for employees and three years from the date of grant for executives.

In assessing whether the relative TSR hurdle for each grant has been met, the Group's TSR growth from the commencement of each grant and that of the pre-selected peer group are ranked. The peer group chosen for comparison is a group of Australian and foreign uranium development companies at the date of grant. This peer group reflects the Group's competitors for capital and talent.

The Group's performance against the hurdle is determined according to Bannerman's ranking against the peer group TSR growth over the performance period:

- When Bannerman is ranked at the 75th percentile, 100% of the performance rights will vest.
- When Bannerman is ranked below the 25th percentile, the performance rights are forfeited.
- For rankings between the 25th and 75th percentile, a sliding scale applies whereby every 1 percentile equates to 2% vesting.

When a participant ceases employment prior to the vesting of their rights, the rights are generally forfeited unless cessation of employment is due to termination initiated by the Group (except for termination with cause) or death. In the event of a change of control, the performance period end date will be bought forward to the date of change of control and rights will vest. The Company prohibits executives from entering into arrangements to protect the value of unvested EIP awards.

*Non-Executive Director Share Incentive Plan ("**NEDSIP**")*

Non-executive directors' remuneration includes initial and annual grants of share options or share rights (under the NEDSIP). Share options and share rights granted to non-executive directors are not subject to performance hurdles. They have been issued as an incentive to attract experienced and skilled personnel to the Board.

(EXPRESSED IN AUSTRALIAN DOLLARS)

Summary of share options granted under NEDSIP and EIP arrangements

	2017 #	2017 WAEP[1]	2016 #	2016 WAEP[1]
Outstanding at beginning of the year	16,014,400	0.06	9,963,600	0.09
Granted during the year	19,598,200	0.04	7,846,000	0.04
Exercised during the year	-	-	-	-
Expired during the year	(4,504,000)	0.07	(1,795,200)	0.12
Forfeited during the year	-	-	-	-
Outstanding at end of the year	31,108,600	0.05	16,014,400	0.06

[1] Weighted Average Exercise Price ($/share)

Summary of share options granted outside of NEDSIP and EIP arrangements

	2017 #	2017 WAEP[1]	2016 #	2016 WAEP[1]
Outstanding at beginning of the year	20,000,000	0.06	-	-
Granted during the year	5,500,000	0.06	20,000,000	0.06
Outstanding at end of the year	25,500,000	0.06	20,000,000	0.06

[1] Weighted Average Exercise Price ($/share)

Summary of performance rights granted under NEDSIP and EIP arrangements

	2017 #	2016 #
Outstanding at beginning of the year	19,585,658	20,075,211
Granted during the year	25,000,700	27,751,400
Vested during the year	(4,569,896)	(12,759,714)
Forfeited during the year	(2,360,369)	(15,481,239)
Outstanding at end of the year	37,656,093	19,585,658

Weighted average remaining contractual life

The weighted average remaining contractual life as at 30 June 2017 was:

- Share options 1.77 years (2016: 1.69 years).
- Performance rights 0.45 years (2016: 0.94 years).

Range of exercise price

The range of exercise prices for share options outstanding as at 30 June 2017 was $0.042 - $0.089 (2016: $0.044 - $0.089). The weighted average exercise price for share options outstanding as at 30 June 2017 was $0.05 (2016: $0.06) per share option.

Weighted average fair value

The weighted average fair value for the share options granted during the year was $0.04 (2016: $0.01) per share option. The weighted average fair value for the performance rights granted during the year was $0.03 (2016: $0.03) per performance right.

(EXPRESSED IN AUSTRALIAN DOLLARS)

Share options / performance rights pricing model

Equity-settled transactions

The fair value of the equity-settled share options granted under the NEDSIP and EIP is estimated as at the date of grant using a Black-Scholes option price calculation method taking into account the terms and conditions upon which the share options/rights were granted. A Monte Carlo simulation is applied to fair value the TSR element. In accordance with the rules of the EIP, the model simulates the Company's TSR and compares it against the peer group over the two year period of each grant made to employees and the three year period of each grant made to executives. The model takes into account the historic dividends, share price volatilities and co-variances of the Company and each comparator company to produce a theoretical predicted distribution of relative share performance. This is applied to the grant to give an expected value of the TSR element.

Pricing model inputs used for the year ended 30 June 2017:

	NEDSIP	OTHER (i)	EIP	OTHER (i)
	Annual Grant Share Options	Annual Grant Rights	Annual Grant Rights	Options
Dividend Yield (%)	0%	0%	0%	0%
Expected volatility (%)	82%	82%	85%	83%
Risk- Free interest rate (%)	1.75%	1.75%	1.88% - 2.00%	1.72%
Expected life of Share Options / Rights (years)	3 years	1 year	2 - 3 years	3 year
Share price at measurement date ($)	0.028	0.028	0.026 - 0.031	0.026

(i) Share Options/Rights issued under separate terms and conditions and not issued as part of any formal plan.

Pricing model inputs used for the year ended 30 June 2016:

	NEDSIP	NEDSIP	OTHER (i)	EIP	OTHER (i)
	Annual Grant Share Options	Annual Grant Rights	Annual Grant Rights	Annual Grant Rights	Director Options
Dividend Yield (%)	0%	0%	0%	0%	0%
Expected volatility (%)	81%	85%	81%	87%	83%
Risk- Free interest rate (%)	2.75%	2.75%	2.75%	1.76% - 1.98%	1.75%
Expected life of Share Options / Rights (years)	3 years	1 year	1 year	2 - 3 years	3 year
Share price at measurement date ($)	0.059	0.029	0.029	0.028 - 0.03	0.03

(ii) Share Options/Rights issued under separate terms and conditions and not issued as part of any formal plan.

21. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the CEO and the management team in assessing performance and in determining the allocation of resources.

The Group is undertaking development studies and exploring for uranium resources in southern Africa, and hence the operations of the Group represent one operating segment.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements. The Group considers the segment assets and liabilities to be consistent with those disclosed in the financial statements.

The analysis of the location of non current assets other than financial instruments is as follows:

	Consolidated 2017 $'000	Consolidated 2016 $'000
Australia	43	63
Namibia	54,989	49,418
Total Non-current Assets	55,032	49,481

22. EVENTS SUBSEQUENT TO REPORTING DATE

On 15 August 2017, the Company announced that its Exclusive Prospecting Licence 3345 has been renewed by the Namibian Ministry of Mines and Energy. The licence has been renewed until 25 April 2019.

Bannerman Mining Resources (Namibia) (Pty) Ltd paid approximately $92,000 on behalf of Mr Werner Ewald in respect of income tax due in relation to shares issued as part of the Employee Incentive Plan. The amount has been provided as a loan to Mr Werner Ewald on arm's length commercial terms, to be repaid within one year.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

23. RELATED PARTY INFORMATION

Subsidiaries
The consolidated financial statements include the financial statements of Bannerman Resources Limited and the subsidiaries listed in the following table:

Name	**Country of incorporation**	**% Equity Interest 2017**	**% Equity Interest 2016**
Bannerman Mining Resources (Namibia) (Pty) Ltd	Namibia	95	100
Elfort Nominees Pty Ltd	Australia	100	100
Bannerman Resources Nominees (UK) Limited	United Kingdom	100	100

Ultimate Parent
Bannerman Resources Limited is the ultimate Australian parent entity and the ultimate parent of the Group.

Compensation of Key Management Personnel by Category:

	2017 $'000	2016 $'000
Short-term employee benefits	573	768
Post-employment benefits	87	115
Share-based payments	492	409
	1,152	1,292

Transactions with related entities:
Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

24. CONTINGENCIES

On 17 December 2008, the Company entered into a settlement agreement with Savanna Marble CC ("**Savanna**") relating to Savanna's legal challenge to the Company's rights to the Etango Project Exclusive Prospecting Licence. Under the terms of the Savanna settlement agreement, in consideration for the termination of proceedings, Savanna was entitled to receive $3.5 million cash and 9.5 million fully paid ordinary shares in Bannerman. The first tranche payment of $3.0 million and 5.5 million shares was made in early 2009. The second and final tranche payment of $500,000 and 4.0 million ordinary shares is due to Savanna upon receipt of the Etango Project mining licence. The mining licence application was lodged in December 2009, and further supplementary information has since been lodged in support of the application. In July 2016, the Company announced that it had received correspondence from the MME stating the Honourable Minster intends to refuse the application for the Etango Project Mining Licence, citing the current low uranium price. Bannerman retains the right to re-apply for a mining licence when the uranium market recovers. As at 30 June 2017, the probability and timing of the grant of a mining licence is uncertain. Due to this uncertainty, the second tranche payment has been disclosed as a contingent liability and not as a provision as at 30 June 2017.

25. PARENT ENTITY INFORMATION

	2017	2016
a. *Information relating to Bannerman Resources Limited:*	**$'000**	**$'000**
Current assets	3,300	1,698
Total assets	7,021	5,096
Current liabilities	271	277
Total liabilities	271	277
Issued capital	133,475	129,634
Accumulated loss	(186,146)	(183,097)
Option Reserve	55,383	54,244
Convertible Note Reserve	4,038	4,038
Total shareholders' equity	6,750	4,819
(Loss)/profit of the parent entity	(3,049)	320
Total comprehensive (loss)/income of the parent entity	(3,049)	320

b. *Details of any guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

There are no guarantees entered into to provide for debts of the Company's subsidiaries. The parent entity has provided a letter to BMRN evidencing the parent's intent to meet the financial obligations of BMRN for the period 1 July 2016 to 30 June 2017.

c. *Details of any contingent liabilities of the parent entity*

Refer to Note 24 for details relating to contingent liabilities.

d. *Details of any contractual commitments by the parent entity for the acquisition of property, plant or equipment*

There are no contractual commitments by the parent entity for the acquisition of property, plant and equipment as at reporting date.

26. MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests are provided below:

Proportion of equity interest held by non-controlling interests:

Name	**Country of incorporation**	**2017**	**2016**
Bannerman Mining Resources (Namibia) (Pty) Ltd	Namibia	5%	nil

Accumulated balances of material non-controlling interest:	**$'000**	**$'000**
Bannerman Mining Resources (Namibia) (Pty) Ltd	(260)	-

Loss allocated to material non-controlling interest:		
Bannerman Mining Resources (Namibia) (Pty) Ltd	(6)	(119)

In March 2017, the Company entered into a Subscription Agreement with the One Economy Foundation to become a 5% loan-carried shareholder in the Etango Project. As part of the Subscription Agreement, Bannerman Mining Resources (Namibia) (Pty) Ltd (BMRN) issued 5% of its ordinary share capital to the One Economy Foundation for par (nominal) value. 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.

The summarised financial information of the subsidiary is provided below. This information is based on amounts before inter-company eliminations and up to the date of acquisition of the non-controlling interest.

Bannerman Mining Resources (Namibia) (Pty) Ltd	**2017**	**2016**
Summarised statement of comprehensive income:	**$'000**	**$'000**
Other income	111	7
Administrative expenses	(977)	(203)
Loss before tax	**(866)**	**(195)**
Income tax	-	-
Loss for the year	**(866)**	**(195)**
Total comprehensive loss	**(866)**	**(195)**
Attributable to non-controlling interests	-	(119)
Summarised statement of financial position:		
Cash and bank balances and receivables (current)	231	62
Property, plant and equipment (non current)	106	633
Exploration and evaluation expenditure (non current)	54,635	46,679
Trade and other payables (current)	(128)	(88)
Other payables (non current)	(60,155)	(51,238)
Total equity	**(5,311)**	**(3,952)**
Attributable to:		
Equity holders of parent	(5,060)	(3,952)
Non-Controlling interest	(254)	-
Summarised cash flow information:		
Operating	(397)	(228)
Investing	(104)	(722)
Financing	661	760
Net increase / (decrease) in cash and cash equivalents	**160**	**(190)**

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Bannerman Resources Limited, I state that:

1. In the opinion of the directors:

(a) The financial statements, notes and additional disclosures included in the directors' report designated as audited, of the Group are in accordance with the Corporations Act 2001, including:

- i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and its performance for the year ended on that date.
- ii) Complying with Accounting Standards and Corporations Regulations 2001.

(b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and

(c) Subject to the matters outlined in Note 1 "Going Concern", there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with s295A of the Corporations Act 2001 for the financial year ended 30 June 2017.

On behalf of the Board

Brandon Munro
Managing Director & CEO
Perth, 22 September 2017

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Independent auditor's report to the members of Bannerman Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Bannerman Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2017 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Carrying value of capitalised exploration and evaluation

Why significant	How our audit addressed the key audit matter
The carrying value of exploration and evaluation assets is assessed for impairment by the Group when facts and circumstances indicate that an exploration and evaluation asset may exceed its recoverable amount. The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of judgments including whether the Group will be able to maintain tenure, perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. During the year the Group determined that there had been no indicators of impairment. Refer to Note 10 – Exploration and evaluation assets to the financial report for the amount recognised on the consolidated statement of financial position as at 30 June 2017 and related disclosure.	We evaluated the Group's assessment as to whether there were any indicators of impairment to require the carrying value of exploration and evaluation assets to be tested for impairment. In performing our audit procedures, we: ‣ Considered the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as license agreements and correspondence with relevant government agencies; ‣ Considered the Group's intention to carry out significant exploration and evaluation activities in the relevant exploration area which included assessing whether the Group's cash-flow forecasts provided for expenditure for planned exploration and evaluation activities, and enquiring with senior management and Directors as to the intentions and strategy of the Group; and ‣ Considered the Group's assessment of whether the commercial viability of extracting mineral resources had been demonstrated and whether it was appropriate to continue to classify the capitalised expenditure for the area of interest as an exploration and evaluation asset.

2. Share based payments - Performance rights and share options

Why significant	How our audit addressed the key audit matter
In the current year the Group granted share based payments in the form of performance rights and share options. The awards vest subject to the achievement of certain vesting conditions. Due to the complex and judgmental estimates used in determining the valuation of the share based payments and vesting expense, we considered the Group's calculation of the share based payment expense to be a key audit matter. In determining the fair value of the awards and related expense the Group uses assumptions in respect of future market and economic conditions. The Group used the Black Scholes and Monte Carlo Simulation models in valuing the share-based payment awards. Refer to Note 20 to the financial report for the share based payment expenses recognised for the period ended 30 June 2017 and related disclosure.	For awards granted during the year, we performed the following audit procedures: ‣ Involved our valuation specialists to assess the assumptions used in the Group's calculation being the share price of the underlying equity, interest rate, volatility, dividend yield, time to maturity (expected life) and grant date; and ‣ Assessed the use of third party experts engaged by the Group for the purposes of performing an independent actuarial valuation on the performance rights that have total shareholder return vesting conditions. This included assessing the independence, objectivity and capability of the third party expert. We also assessed the adequacy of the disclosure in Note 20.

3. Recognition of settlement obligations

Why significant	How our audit addressed the key audit matter
In December 2008 the Group entered into a settlement agreement in respect of the Etango project. As part of the settlement, the Group is required to make a final settlement payment of $500,000 and issue 4 million ordinary shares if a mining license is issued for the Etango project which has been disclosed as a contingent liability, in Note 24 to the financial report. Determining whether a liability needs to be recognised for the final settlement amount involves judgment, particularly in assessing the probability and timing of whether a mining license will be granted, triggering the settlement amount becoming due and payable.	We evaluated the assumptions the Group has made in assessing whether a liability should be recognised for the final settlement payment. In assessing those assumptions our procedures included understanding the current status of the Etango project, the Group's strategy to obtain a mining license and evaluating recent correspondence with relevant government agencies. We also assessed the adequacy of the disclosure in Note 24.

Information other than the financial report and auditor's report

The directors are responsible for the other information. The other information comprises the information included in the Company's 2017 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause an entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 18 to 28 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Bannerman Resources Limited for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Robert A Kirkby
Partner
Perth
22 September 2017

ADDITIONAL SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report is set out below. The information was applicable as at 19 September 2017.

Distribution of Equity Securities

There were 615 holders of less than a marketable parcel of ordinary shares. The number of shareholders by size of holding is set out below:

Fully Paid Ordinary Shares

Size of Holding	Number of holders	Number of shares
1 - 1,000	222	64,887
1,001 - 5,000	197	615,840
5,001 - 10,000	141	1,116,512
10,001 - 100,000	1,069	45,632,873
100,001 and over	563	802,197,510
TOTALS	**2,192**	**849,627,622**

Unlisted Share options and Performance Rights

	Share options		Performance Rights	
Size of Holding	Number of holders	Number of share options	Number of holders	Number of performance rights
1 - 1,000	-	-	-	-
1,001 - 5,000	-	-	-	-
5,001 - 10,000	-	-	-	-
10,001 - 100,000	-	-	1	45,038
100,001 and over	7	56,608,200	13	37,861,055
TOTALS	**7**	**56,608,200**	**14**	**37,906,093**

Substantial Shareholders

An extract of the Company's register of substantial shareholders (who held 5% or more of the issued capital) is set out below:

Shareholder	Number of shares	Percentage Held	Date of last lodgement
Resource Capital Fund IV L.P. and Resource Capital Fund VI L.P.	285,191,100	33.58%	7 February 2017
Clive Jones	77,207,668	9.09%	7 November 2016

Optionholders

An extract of the Company's register of optionholders (who held 20% or more of the issued options not issued under an employee incentive scheme) is set out below:

Shareholder	Number of options	Percentage Held
Brandon Munro	20,000,000	49.9%

Top 20 Shareholders

The top 20 largest shareholders are listed below:

Name	Number of Shares	Percentage Held %
Merrill Lynch (Australia) Nominees Pty Limited	292,189,257	34.39
Mr Clive Jones <Alyse Investment A/C>	53,212,267	6.26
Neon Capital Ltd	40,171,053	4.73
Citicorp Nominees Pty Limited	24,022,767	2.83
Widerange Corporation Pty Ltd	23,995,401	2.82
HSBC Custody Nominees (Australia) Limited	19,577,700	2.30
J P Morgan Nominees Australia Limited	17,092,916	2.01
Mrs Alexandra Maidment Jubber	14,629,265	1.72
Retzos Executive Pty Ltd <Retzos Executive S/Fund A/C>	13,700,000	1.61
Regent Pacific Group Ltd	10,854,568	1.28
Tierra De Suenos SA	7,111,052	0.84
Motte & Bailey Pty Ltd <Bailey Super Fund A/C>	6,614,779	0.78
John Frederick Parker	5,529,922	0.65
Peter Batten	5,206,940	0.61
Dreamlight Nominees Pty Ltd <The Tyren A/C>	5,000,000	0.59
Mr Werner Ewald	4,545,202	0.53
Plough Lane Superannuation	4,179,615	0.49
RBC Investor Services Australia Nominees Pty Ltd <72939 Hegarty A/C>	4,134,689	0.49
CS Third Nominees Pty Limited <HSBC Cust Nom AU Ltd 13 A/C>	4,000,002	0.47
BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client DRP>	3,947,356	0.46
TOTAL TOP 20 HOLDERS	**559,714,751**	**65.88**
TOTAL NON-TOP 20 HOLDERS	**289,912,871**	**34.12**
TOTAL	**849,627,622**	**100**

Voting Rights

Ordinary Shares

For all ordinary shares, voting rights are on a show of hands whereby every member present in person or by proxy shall have one vote and upon a poll, each share shall have one vote.

Share options and Performance Rights

There are no voting rights attached to share options and performance rights.

Stock Exchanges

Bannerman has a primary listing of its ordinary shares on the Australian Securities Exchange (ASX code: BMN) and has additional listings of its ordinary shares on the Namibian Stock Exchange (NSX code: BAN).

Mineral Licence Schedule

The mineral licence schedule for the Group is tabulated below:

Licence Type/No.	Grant Date	Expiry Date	Holder	Area (Ha)	Country in which the Licence is held
EPL 3345	27-Apr-2006	26-Apr-2019	Bannerman Mining Resources (Namibia) (Pty) Ltd	24,326	Namibia

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