

**Perth, Australia** – Bannerman Resources Limited (ASX: BMN, NSX: BMN) ("**Bannerman**" or the "**Company**") attaches the Chairman's Address to be delivered at today's Annual General Meeting.

## **CHAIRMAN'S ADDRESS**

It is my great pleasure to welcome you to this Annual General Meeting.

The past year has been another progressive period for Bannerman. Firstly, our business activities continue to be conducted without significant harm. I am very proud to say that Bannerman has operated without incurring a lost time injury since 2009, a remarkable statistic that speaks volumes for the effectiveness of the Company's safety culture and quality of its leadership. Similarly, Bannerman 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 Namibian school children benefitting from the Bannerman Learner Assistance Scheme.

Technically, your Company has consistently focused 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 diminishes. This approach culminated in your Company completing a Processing Optimisation Study that considered a number of opportunities to reduce the capital and operating costs at our flagship Etango uranium project. We were able to undertake this study at minimal cost through relying heavily on internal resources and through the support of our principal technical partner, AMEC Foster Wheeler. Nonetheless, the Processing Optimisation Study was very successful, identifying capital cost savings of US\$73 million and enabling Bannerman to set a target operating cost saving of at least US\$3/lb. This study follows on for our successful completion of the Etango Heap Leach Demonstration Plant Program, a six-phase pilot plant program that further de-risked your project, confirmed improved uranium recoveries and reduced reagent consumption. We will continue this ethos of cost-effectively adding value to Etango into next year through the Membrane Study that is currently underway and then continuing the DFS Update.

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. 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.

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.

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. Uranium



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. This unsustainable situation was illustrated earlier this month when Cameco Inc announced the suspension of operations at the high-grade McArthur River mine, the world's largest uranium mine. Further supply side disruption is likely 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.

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

Ronnie Beevor  
**Chairman**

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