

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 the 2019 Annual General Meeting.

I am pleased to convey a sense of confidence when reflecting on the past year, a period in which our industry has received abundant positive news. Whilst I believe that the coming year will be an exciting time for Bannerman shareholders, 2019 has been a challenging year for equity markets including the uranium sector. I am confident that your Company has a sound strategy for preserving shareholder value during this difficult period and positioning your investment well for the next phase of the uranium cycle.

Production cuts by the world's three largest uranium producers, Kazatomprom, Cameco and Orano, have led to a substantial supply deficit which has been temporarily addressed through inventory draw down. Whilst we have not yet experienced a turnaround in the uranium price, there has been a dramatic increase in the conversion price (the price of converting U3O8 into UF6 gas) after supply shortages arose from the Metropolis conversion plant being placed into care and maintenance. This price response has provided a strong indicator of the consequence of ongoing uranium supply shortages.

Meanwhile, we are witnessing strong projected growth in nuclear demand led by China, India and Russia. The United States' nuclear power sector is enjoying the early stages of a revival, driven by government support and a push for the development of Small Modular Reactors. Nuclear energy is finally earning rightful recognition for its clean energy credentials in the context of climate mitigation policy, with inclusion in various policy documents including the Inter-governmental Panel on Climate Change.

The above trends are prominent in the World Nuclear Association's Nuclear Fuel Report 2019, a biennial report that considers three nuclear demand scenarios and the availability of supply across the nuclear fuel cycle: uranium, conversion, enrichment, fabrication and secondary supply. Your CEO, Brandon Munro, played an important role as Co-Chair of the working group that determines the uranium demand projections. The report – in its 19th edition - was widely praised as the best in many years. The report has forecast increased demand for uranium in all three scenarios (the first improvement in demand since 2011) and provides a more realistic picture of the supply challenges facing the industry. I am proud to say that this reflects very well on Bannerman and has maintained your Company's profile within the nuclear energy industry.

Despite the good news, shareholders of most uranium companies have endured a challenging year. The US s232 trade investigation into uranium imports muted investment activity for much of the last 12 months. Further, its resolution in July triggered a sell-off of US uranium equities, dragging down the sector despite the resolution being a positive result for the uranium industry. The uranium spot price has drifted for most of 2019 on low volumes. Broader equity markets have been volatile because of global macro concerns stemming from trade disputes and other geo-political tensions.

Bannerman's strategy is focused on generating shareholder value through maintaining financial resilience, enhancing the value of our flagship Etango uranium project in Namibia and positioning the company for the expected recovery in the uranium price.

We have been rewarded for our financial resilience, at a time when many of our peers have faced dilutive capital raisings in a difficult equities market. We have achieved this through continuing fiscal discipline that has reduced our burn rate and maintained a healthy cash balance of \$6.27m at 30 June 2019.

Management is focused on preserving and enhancing the value of our Etango uranium project. To this end we have maintained the retention licence over Etango (MDRL 3345) and extended the environmental approvals for the proposed Etango mine and all associated external infrastructure. During the year we undertook reconnaissance drilling on Exclusive Prospecting Licence 3345 that identified the potential for additional satellite ore feed within 7km



of the proposed Etango crusher and renewed the tenure of EPL 3345. Bannerman has continued to build the foundations of a strong social licence, through best-in-class environmental performance and innovative investments in education, conservation and community in Namibia.

Further, the Etango project DFS Update will continue in the next year. Our team is working through prioritised enhancement studies that have the potential to be NPV accretive through reducing anticipated capital expenditure and operating costs. Once the optimisation phase is completed, and we have the market signals to develop the Etango mine, the Company will conclude the DFS Update by undertaking definitive level engineering to incorporate identified project enhancements and update the procurement process.

I believe that Bannerman is now exceptionally well positioned to respond positively to the uranium recovery. Brandon Munro has an enviable profile as an international uranium expert and his role within World Nuclear Association has built relationships with future industry partners. The unique advantages of Etango are understood by an increasing number of investors, in the context of the vital importance of African uranium to the future world market. We are fortunate to maintain significant uranium expertise within our small team. In fact, for a small company we can claim exceptional uranium and nuclear sector experience from Mike Leech, Werner Ewald, Dustin Garrow and Brandon Munro, all of whom are also well-versed in Namibia. This ensures we have the key executives in place from which a development team can be built when we have the right market signals.

I am delighted to note that specialist uranium funds – including our largest shareholder Tribeca Investment Partners - collectively hold approximately 25% of the shares in your Company. Those funds are managed by some of the brightest uranium minds in the world – and their investment provides a tremendous vote of confidence in Bannerman's Etango project, board and management and corporate strategy.

The next year holds a great deal of promise for the uranium sector and your investment in Bannerman. The last few weeks have provided signals that the uranium spot price is recovering and uranium buyers are becoming increasingly aware of supply/demand imbalances as production discipline is enforced in the context of growing nuclear demand.

I would like to extend our thanks to all Bannerman stakeholders, including the Namibian government, the One Economy Foundation (who hold a 5% ownership of the Etango Project) and our supportive host community in Namibia. I would also like to recognise the effectiveness and dedication of the Bannerman team in Australia and Namibia.

Ronnie Beevor
Chairman

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