

MEMBRANE STUDY SUCCESS AND CORPORATE UPDATE

Bannerman Resources Limited (ASX:BMN, OTCQB:BNNLF, NSX:BMN) (“Bannerman” or “the Company”) is pleased to provide an update on the successful completion of the Etango project Membrane Study and corporate actions taken to maintain the Company’s strong balance sheet.

HIGHLIGHTS

- Membrane Study Testwork successfully completed
 - Confirms substantial economic and operational advantages, including over 80% acid recovery from the concentrated eluate stream of the IX plant
 - Excellent results confirm optimised flowsheet consists of Ion Exchange (IX) followed by Fe reduction before nano-filtration
 - Design of nano-filtration plant now complete to definitive level
- Etango Project optimisation continues to focus on the evaluation of project scaling and scope opportunities under various development parameters and market conditions
- Bannerman maintains conservative balance sheet to guard against market uncertainty
 - Strong cash balance of A\$4.6m at 31 March 2020 and no debt
 - Management and Board pay reductions implemented from 1 April 2020
- Current COVID-19 measures not anticipated to disrupt Bannerman business or Etango Project
 - Testwork completed and Heap Leach Demonstration Plant safely decommissioned
 - Targeted project work in short-to-medium term already desk-top based
- Advanced, permitted Etango Project well positioned amidst uranium supply disruptions caused by COVID-19 response measures

Bannerman’s Chief Executive Officer, Mr Brandon Munro, said, *“Bannerman is ideally positioned to withstand the current global market uncertainties, yet react positively to improvements in the uranium market as COVID-19 uranium supply disruption continues or expands. We have a strong cash balance, low cash burn and an advanced, permitted project – a combination that provides both extended operating runway without the need for additional capital and market-leading leverage to positive uranium dynamics.”*

MEMBRANE STUDY TESTWORK SUCCESSFULLY COMPLETED

In 2017 Bannerman commenced the Membrane Study, a process to test the potential application of nano-filtration in combination with an Ion-Exchange (IX) recovery circuit, as part of its value improvement work. The preliminary results of this testwork were positive, as announced to the ASX on 11 April 2018.

In late 2019 Bannerman recommissioned the Etango Heap Leach Demonstration Plant to prepare pregnant liquor solution to use in follow up testwork to advance the Membrane Study Testwork to a definitive level, in conjunction with the Company's specialist technical advisers.

Two aspects of the Membrane Study Testwork required further analysis to advance the findings to a definitive level:

- The preferred process for removing iron from the finished uranium product (converter specifications for U_3O_8 have very low tolerances for Fe); and
- Selection of the preferred type of membrane units and definitive-level design work to incorporate nano-filtration into the process circuit.

Iron removal testwork

Confirmatory testwork regarding the iron removal process has been completed. Two alternative processes for iron removal were considered and tested:

1. **Precipitation after the nano-filtration process.** Following the IX process the Concentrated Eluate (CE) solution passes through the nano-filtration plant upgrading the uranium and recovering the acid. Iron is then preferentially precipitated prior to the precipitation of uranium.
2. **Prior to elution in the IX process.** Prior to the elution during the IX process, the resin is rinsed with a weak acid solution to remove any excess iron.

The confirmatory testwork has successfully demonstrated and confirmed that the second iron removal process is the most favourable of the two methods being considered and the preferred process route. Rinsing the loaded IX column prior to elution demonstrated that over 99% of the iron can be removed using a weak acid solution. The iron removed can also be re-used in the leaching circuit, reducing reagent costs.

The elution process can then present the CE solution with minimal iron content to the nano-filtration plant, where the uranium solution upgrades by almost ten-fold while 80% of the sulphuric acid is recovered for the processing circuit. It is considered that the IX/NF process route is likely to provide both economic and operational advantages, the final quantum of which are to be confirmed in the Etango Definitive Feasibility Study (DFS) Update.



Iron removal testwork at the Heap Leach Demonstration Plant



Nano-filtration test rig processing the CE solution at Etango

Membrane selection and definitive-level design

Bannerman has completed a review of the most suitable membrane for the Etango Project. It is considered that acid resistant membranes are generally cheaper and available in a wider variation of rejection and operating pressure ranges. The alternative, acid proof membranes, are generally more expensive, have lower uranium rejections and require higher operating pressures.

Each membrane type has different key advantages and requires different plant designs to produce the desired output stream requirements. These different plant designs can result in significantly different CAPEX and OPEX outcomes. Only once all membrane parameters for a particular feed stream are known can an economic assessment be undertaken to identify the recommended membrane. Based on the estimated CAPEX and OPEX for the different membrane types, Bannerman has now determined the most suitable membrane.

Following completion of the membrane selection process and utilising trial performance data obtained from the Etango Heap Leach Demonstration Plant, Bannerman has completed a preliminary design to a definitive level for the nano filtration plant for the Etango project.

FURTHER OPTIMISATION WORK

The Bannerman team will continue to work 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 Bannerman observes the market signals suggesting clear opportunity to develop the Etango Project, the Company plans to conclude the DFS Update by undertaking definitive level engineering to incorporate identified project enhancements – including the Membrane Study – and update the procurement process.

In addition, Bannerman has continued to undertake an evaluation of project scaling and scope opportunities that might exist under various development parameters and market conditions. The Definitive Feasibility Study (DFS) undertaken on the Etango Project in 2012 identified a plant throughput of 20 million tonnes per annum to generate an average production of 7.2 million lbs U_3O_8 over a mine life of 16 years. A viable throughput alternative, with a corresponding reduction in CAPEX, would provide Bannerman with enhanced flexibility to respond to uranium market conditions or changes in the availability of finance without compromising the ability to construct the world-class scale Etango mine studied in the DFS.

STRONG CASH BALANCE ENHANCED BY REMUNERATION REDUCTIONS

Bannerman's cash balance at 31 March 2020 was A\$4.6 million, evidencing a strong balance sheet given that the Company has no debt or convertible notes on issue. Total cash expenditure for the six months ended 31 December 2019 inclusive of project optimisation work was A\$1.0 million, reflecting sustained fiscal discipline.

In response to COVID-19 and increased uncertainty, the Company's Board and Management have agreed to reductions and restructuring of remuneration and board fees. This will reduce their cash remuneration by between 20-50%. The situation will be reviewed at 30 June 2020. This will reduce the Company's already low cost base in the June quarter, in addition to suspending travel and associated costs.

NO DISRUPTION TO BANNERMAN OPERATIONS FROM COVID-19

The Namibian government implemented an initial 21-day lock down in the Erongo Region, where Bannerman's Etango Project and office is situated, from 28 March 2020. This decision, together with other decisive measures and border controls, are designed to pre-empt the transmission of COVID-19 within Namibia. To date, there is no evidence of community transmission of COVID-19 in Namibia.

The Company does not anticipate any significant disruption to its business or operations as a result of measures taken in either Namibia or Australia in response to the COVID-19 pandemic. Bannerman has taken various measures to protect Bannerman employees, their families and the broader community from transmission of the COVID-19 virus. All site testwork and operations were completed in February 2020 and the Heap Leach Demonstration Plant has been safely decommissioned.

URANIUM PRODUCTION DISRUPTION FROM COVID-19

The global COVID-19 pandemic has led to production disruption at numerous mines throughout the world and across most commodities. Uranium production has to date been disrupted in Kazakhstan, Canada and Namibia, with the potential for uranium mines elsewhere failing to meet 2020 production guidance.

The world's largest uranium producer, Kazatomprom, announced on 7 April 2020 that production at all of its Kazakh uranium operations would be disrupted for three months, with staffing reduced to "minimum possible levels". The company estimated that 2020 Kazakh production volume would decrease by up to 4,000tU (10.4Mlbs U₃O₈).

Cameco Inc announced on 23 March 2020 that it was suspending production at its majority owned Cigar Lake, the world's largest operating uranium mine, for an initial period of 4 weeks. During this period Cameco will assess the status of the situation and determine whether to restart the mine or extend the care and maintenance period.

In Namibia, CNNC's Rossing mine and CGN's Husab mine had normal operations disrupted after the Namibian government imposed lock-down restrictions for an initial 21-day period commencing 28 March 2020. The restrictions allow mines to only "maintain minimal mining operations and critical maintenance work".



Aerial view of Bannerman's Etango Project Heap Leach Demonstration Plant

*This announcement was authorised to be issued by the Board of Directors.
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About Bannerman - Bannerman Resources Limited is an ASX and NSX listed exploration and development company with uranium interests in Namibia, a southern African country which is a premier uranium mining jurisdiction. Bannerman's principal asset is its 95%-owned Etango Project situated near Rio Tinto's Rössing uranium mine, Paladin's Langer Heinrich uranium mine and CGNPC's Husab uranium mine. A definitive feasibility study has confirmed the 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.

Forward Looking Statements

The information in this announcement is not intended to guide any investment decisions in Bannerman Resources Limited. This material contains certain forecasts and forward-looking information, including possible or assumed future performance, costs, production levels or rates, reserves and resources, prices and valuations and industry growth and other trends. Such forecasts and information are not a guarantee of future performance and involve many risks and uncertainties, as well as other factors. Actual results and developments may differ materially from those implied or expressed by these statements and are dependent on a variety of factors. The Company believes that it has a reasonable basis for making the forward looking statements in the announcement, based on the information contained in this and previous ASX announcements.

Bannerman is not aware of any new information or data that materially affects the information included in this ASX release, and Bannerman confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the estimates in this release continue to apply and have not materially changed.