BANNERMAN RESOURCES LIMITED AND CONTROLLED ENTITIES

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

www.bannermanresources.com

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CORPORATE DIRECTORY

NON-EXECUTIVE CHAIRMAN
Ronnie Beevor

CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR
Brandon Munro

NON-EXECUTIVE DIRECTORS
Ian Burvill
Clive Jones
Mike Leech

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STOCK EXCHANGE LISTINGS
Australian Securities Exchange (ASX Code: BMN)
Namibian Stock Exchange (NSX Code: BMN)
OTC Markets (OTCQB Code: BNNLF)

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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 the 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 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.

In August 2020, Bannerman completed a Scoping Study on an 8Mtpa development of Etango (Etango-8 Project). The Scoping Study has demonstrated that this accelerated, streamlined project is strongly amenable to development – both technically and economically. A Pre-Feasibility Study on the Etango-8 Project is underway with targeted completion during 2Q 2021

More information is available on Bannerman's website at www.bannermanresources.com.

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Fellow Shareholder

I write during an extraordinary year in which the COVID-19 pandemic has had profound impacts on business and society around the world.

Fortunately, Bannerman has withstood the challenges so far and, I am proud to say, emerged in a stronger and more agile position with the completion of the Etango-8 Scoping Study, announced in early August 2020.

Over the past year we undertook a review of various scaling opportunities that might exist for the Etango Project. The Etango-8 Scoping Study represents the successful culmination of that work. Etango-8 is a reimagined development of the Etango ore body at an average production rate of 3.5 million pounds U3O8 per annum. At this scale we have improved project economics, significantly reduced development hurdles and dramatically lowered pre-production capital costs whilst decreasing operating costs. Your Board is excited about Etango-8 because it enables us to get into production sooner with a more manageable scale, whilst still having the option of increasing our production rate in the future to take advantage of deepening forecasted deficits in the uranium market. Accordingly, your Board approved the commencement of the Etango-8 Preliminary Feasibility Study, which is expected to be completed by mid 2021.

Despite a volatile and challenging year for uranium equities, company promotion and various restrictions in Namibia, we have not had any significant disruptions to our business. We did not allow the many distractions to affect our safety leadership, with Bannerman now entering its [tenth] consecutive year without a lost time injury.

Equity markets for junior resources companies were highly volatile in response to early uncertainty regarding COVID-19. These difficult market conditions were exacerbated by the cancellation of conventional investor relations platforms, conferences and promotional travel. Whilst many other companies struggled to adapt to this change, Bannerman benefitted from the virtual marketing foundations implemented over the past two years and your CEO, Brandon Munro's significant online profile as an international uranium expert.

The Namibian government acted decisively in response to the COVID-19 threat, implementing lock-downs and other restrictions. At Etango, we had completed all testwork shortly before restrictions took effect and the remaining study work was undertaken on a desktop basis. Accordingly, the various restrictions, including international travel bans, did not affect our business.

Disruption caused by COVID-19 had an acute effect on global uranium supply. Cigar Lake, the world's largest single uranium mine, was placed into care and maintenance for six months. Production was also severely affected in Kazakhstan, the world's largest uranium production centre, after Kazatomprom suspended well field development between April and August. Production was also affected to lesser extents at other uranium mines, resulting in forecast global 2020 uranium production dropping by at least 20 million pounds, doubling the forecast 2020 supply deficit and placing stress on both producer and customer inventories.

Nonetheless, nuclear fuel demand continues to be strong, with COVID-19 having only minor effects on global nuclear power output. Although total electricity demand was substantially impacted for periods in certain markets, nuclear power contributed disproportionately to meeting demand as it was generally preferred for its resilience. Nuclear power again proved itself as a reliable power source, in this case because nuclear was not subject to the same supply chain and labour risks that threatened other baseload power alternatives. Accordingly, forecast negative effects in nuclear power in 2021 are not significant and reactor construction continues in key markets such as China, India and Russia.

As with last year, 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.

As a result of our financial discipline we have, again, operated throughout the year without an equity raising and maintained a healthy cash balance of $4.17m at 30 June 2020 (compared with $6.27m at 30 June 2019). We have achieved this modest burn rate despite substantial investment in the Etango-8 Scoping Study and the cost of related work at our Heap Leach Demonstration Plant. This was, in part, due to the willingness of your Board and management to volunteer pay cuts during the last quarter of the year as a response to the uncertainty and volatility arising from COVID-19.

Bannerman remains exceptionally well positioned within the uranium industry, as fuel buyers come to understand the extent of supply depletion and widening deficits that will characterise this industry from 2025. Etango-8 offers the potential to be in production by 2025, with the option of scaling up production as forecast deficits widen beyond 2028.

Etango is fortunate to be located in Namibia, which offers significantly lower political, logistical and social hurdles to development. Further, Namibian uranium production offers several distinct advantages, including the ability to market across all geopolitical blocks. Our in-country presence since 2006, consistent leadership in corporate social responsibility and support of our various stakeholders has allowed us to fully embrace such advantages, including community and government support for Etango. Over many years, we have demonstrated outstanding environmental, social and governance credentials that are consistent with best practice ESG principles.

After a year in which Bannerman successfully responded to acute challenges, I would like to thank the Bannerman team in Namibia and Australia for their dedication and effectiveness. I also wish to thank all Bannerman stakeholders, including the Namibian government, our host community and the One Economy Foundation (which holds a 5% ownership of the Etango Project) for their support during this period.

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. Amongst a broad range of former mining company directorships, Ronnie was a 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

Nil

Former ASX listed directorships over the past three years

MZI Resources Limited (15 April 2016 to 16 April 2019)

Wolf Minerals Limited (20 September 2013 to 18 October 2018)

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, a base metals explorer that discovered the Opuwo Cobalt Project 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. He currently serves as Chair of the Demand Working Group for the World Nuclear Association's Nuclear Fuel Report. 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 Scandivanadium Ltd.

Special Responsibilities

Managing Director

Current ASX listed directorships

Scandivanadium Limited (appointed 13 November 2018)

Former ASX listed directorships over the past three years

Novatti Group Limited (12 October 2015 to 5 August 2020)

Ian Burvill

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

Non-Executive Director

Term of Office

Director since 14 June 2012

Independent Yes

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 (RCF) 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. Ian is classified as an Independent Director as RCF reduced its shareholding to nil in September 2018.

Special Responsibilities

Chairman of the Remuneration, Nomination and Corporate Governance Committee

Member of the Audit Committee

Current ASX listed directorships

Nil

Former ASX listed directorships over the past three years

Scandivanadium Limited (13 November 2018 to 28 April 2020)

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

Current ASX listed directorships
Cazaly Resources Limited (Joint Managing Director) (appointed 15 September 2003)

Former ASX listed directorships over the past three years
Corazon Mining Limited (10 February 2005 to 29 November 2019)

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 ASX-listed Kunene Resources Ltd, a base metals explorer that discovered the Opuwo Cobalt Project in Namibia.

Mike's commitment to corporate social responsibility in Namibia is well known, including as a former Trustee of Save the Rhino Trust Namibia and 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
Chairman of the Audit Committee
Member of the Health, Safety, Environment and Community Committee

Current ASX listed directorships
Nil

Former ASX listed directorships over the past three years
Nil

COMPANY SECRETARY

Rob Orr

B Bus Acc, CA

Term of Office
Company Secretary since 2 January 2020

Skills, experience and expertise
Rob is a Chartered Accountant and has more than 20 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 in the roles of Chief Financial Officer and Company Secretary for a number of ASX listed companies.

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 2020 ("**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
Ronnie Beevor	Non-Executive Chairman	Yes	27 July 2009
Brandon Munro	Chief Executive Officer	No	9 March 2016
Ian Burvill	Non-Executive Director	Yes	14 June 2012
Clive Jones	Non-Executive Director	No	12 January 2007
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
Rob Orr	2 January 2020
Robert Dalton	17 September 2014 to 2 January 2020

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 3 to 4 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 2020 are set out in Table 1 below.

Table 1. Directors in Office and attendance at Board and Board Committee Meetings during 2019/2020

	Board meetings		Board committee meetings					
			Audit Committee		Remuneration, Nomination & Corp. Governance Committee		Health, Safety, Environment and Community Committee	
	A	B	A	B	A	B	A	B
Ronnie Beevor	8	8	2	2	3	3	2*	-
Brandon Munro	8	8	2*	-	3*	-	2*	-
Ian Burvill	8	8	2	2	3	3	2*	-
Clive Jones	8	8	2*	-	3	3	2	2
Mike Leech	8	8	2	2	3*	-	2	2

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	6,243,643	-	6,807,900	-	1,282,100	-
Brandon Munro	11,107,100	-	-	-	20,521,700	-
Ian Burvill	-	1,000,000	-	3,403,900	-	641,000
Clive Jones	77,207,668	-	3,403,900	-	641,000	-
Mike Leech	-	-	-	8,044,700	-	-

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 CNNC'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

Exercise of Director Options

During the year, the Company's Non-Executive Director, Mr Ian Burvill, exercised 1,000,000 options at an exercise price of A$0.042 and their exercise generated a cash inflow of A$42,000.

Issued Securities

At the date of this report, the Company has on issue 1,058,781,696 ordinary shares, 41,475,130 performance and share rights and 26,667,400 unlisted share options. The share rights and share options were issued subject to various performance targets and continuous employment periods.

Employee Incentive Plan

The Company has implemented changes to streamline its Employee Incentive Plan ("EIP"), to optimise the functioning of and reduce the administrative cost of managing the EIP. One of these measures is an alignment of share price performance with the Company's financial year by setting the 20 trading day Volume Weighted Average Price to 30 June each year, instead of the 20 trading days ending on the day of the Company's AGM in November.

The baseline price for the 2019 EIP Performance Rights is therefore 4.5 cents per share, being the Volume Weighted Average Price for the 20 trading days ended 28 June 2019 (as there was no trading on 29 or 30 June 2019).

There is no change to the planned timing of issuance of Performance Rights to employees, which remains set for November each year. Shareholder approval is required at the Company's AGM for any offer of Performance Rights to Bannerman's Chief Executive Officer.

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 40 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.

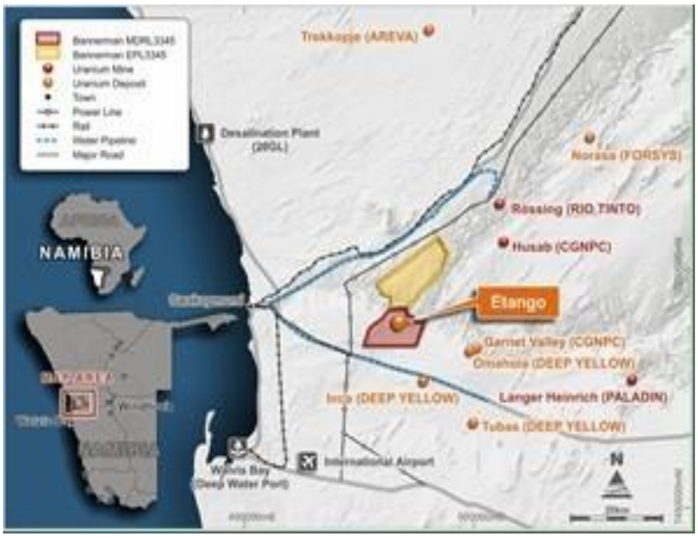

Figure 1 – The Etango Project showing MDRL 3345 and EPL 3345

Regulatory Approvals

Exclusive Prospecting Licence 3345 (EPL 3345) was renewed for a further 2 year term. EPL 3345 is situated immediately north of Bannerman's Mineral Deposit Retention Licence 3345, on which the Etango Uranium Project and all proposed mine infrastructure is located.

The renewal of the Environmental Clearance Certificate for the Linear Infrastructure of the Etango Project was received from the Ministry of Environment & Tourism. This approval includes the external infrastructure for the Etango mine, such as power and water lines and transport infrastructure, and is valid for a further 3 years.

Membrane Study completed

Bannerman released positive results from the Membrane Study testwork on 9 April 2020. Bannerman is not aware of any new information or data that materially affects the information included in the 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.

In 2017 Bannerman commenced the Membrane Study, a process to test the potential application of Nano-Filtration ("NF") 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 NF into the process circuit.

Iron removal testwork completed

Confirmatory testwork regarding the iron removal process was completed during the period. Two alternative processes for iron removal were considered and tested:

1. **Precipitation after the NF process.** Following the IX process the Concentrated Eluate ("CE") solution passes through the NF plant upgrading the uranium and recovering the acid. Iron is then preferentially precipitated prior to the precipitation of uranium.
2. **Rinsing 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 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 removed iron 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 NF plant, where the uranium solution upgrades by almost ten-fold while 80% of the sulphuric acid is recovered for the processing circuit. The IX/NF process route is expected to provide both economic and operational advantages, and has been adopted as the preferred flowsheet for the Etango Project moving forward.

Membrane selection and definitive-level design

Bannerman also 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 capital cost ("CAPEX") and operating cost ("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 completed a preliminary design to a definitive level for the NF plant for the Etango Project.

Etango-8 Project Scoping Study

Bannerman announced to the ASX on 5 August 2020 the completion of a Scoping Study for an 8Mtpa development of its flagship Etango Uranium Project in Namibia (Etango-8 Project). Bannerman is not aware of any new information or data that materially affects the information included in the 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.

Key outcomes included:

- Primary outcome of recent scaling evaluation work on Etango; provides an alternate, streamlined development model to the 20Mtpa development assessed to DFS level in 2015
- Demonstrates the strong technical and economic viability of conventional open pit mining and heap leach processing of the world class Etango deposit at a 8Mtpa throughput
- Further upside potential from:
  - Future life extension and/or scale-up expansion
  - Additional processing efficiency and cost opportunities

- Vast body of previous technical work enables fast-tracking of feasibility studies; all resource drilling, geotechnical, metallurgical and environmental work already complete
- Heap leach process route has also been comprehensively de-risked via operation of the Etango Heap Leach Demonstration Plant
- Bannerman Board has approved commencement of a Pre-Feasibility Study (PFS) with completion targeted for Q2 2021
- Long-term scalability of Etango Project (up to 20Mtpa) is an option given previous definitive level studies; provides strong optionality and leverage to upside-case uranium market.

COVID OPERATIONS RESPONSE

In response to the COVID pandemic Bannerman implemented a COVID management plan which included restrictions on travel and site mobilisation, physical distancing and hygiene controls, and a response plan in the event of COVID cases.

Bannerman is currently well funded to deal with the ongoing impact of the COVID pandemic. During the early stages of the pandemic Bannerman took economic precautionary measures with the Company mandating a policy of preserving cash reserves. This included key personnel and the Board taking a reduction in monetary remuneration, and increased management of administrative cashflows.

CONSOLIDATED RESULTS

The consolidated net loss after tax for the 12 months ending 30 June 2020 was $2,315,000 (2019: $2,255,000) 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 $2,479,000 (2019: $2,401,000), including employee and director share-based payment expense of $736,818 (2019: $802,000). Refer to the Remuneration Report and Note 20 of the financial report for further details on share-based payments.

Income for the reporting period included interest income of $101,000 (2019: $146,000).

Capitalised exploration and evaluation expenditure was $47,906,000 as at 30 June 2020 (2019: $56,893,000) 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 $637,000 (2019: $426,000). A foreign exchange translation reduction of $9,624,000 (2019: increase of $1,527,000), resulting in a decrease in carrying value, was also recorded for the year. This adjustment reflects the weakening of the Namibian $ against the Australian $ over the year.

Cash Position

Cash and cash equivalents were $4,174,000 as at 30 June 2020 (2019: $6,268,000).

Cash outflow from operating activities during the year amounted to $1,509,000 (2019: $1,433,000).

Cash outflow from investing activities during the year amounted to $626,000 (2019: $796,000), related primarily to drilling activities and expenditure on the Etango-8 Scoping Study.

Cash inflow from financing activities during the year amounted to $36,000 (2019:$173,000), predominately related to the exercise of Director Options during the year.

Issued Capital

Issued capital at the end of the financial year amounted to $141,198,000 (2019: $141,156,000). The increase of $42,000 (2019: $173,000) related to the issue of 1,000,000 shares in relation to the exercise of Director Options during the year.

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 7 - 9 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

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	13,731,200	$0.069	15 November 2020
Share Options	8,597,400	$0.072	15 November 2021
Share Options	4,338,800	$0.059	15 November 2022
Security Type	**Number**	**Exercise price**	**Vesting date**
Performance Rights	16,272,519	n/a	15 November 2020
Performance Rights	13,256,411	n/a	15 November 2021
Performance Rights	11,946,200	n/a	15 November 2022

Share Options and Performance Rights issued

During the financial year 4,338,800 share options (2019: 8,597,400) and 18,159,200 performance rights (2019: 15,125,000) 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, 1,000,000 share options (2019: 3,923,000) were exercised.

Performance Rights vested

During or since the end of the financial year, 16,194,482 performance rights (2019: 7,792,867) vested.

Share Options and Performance Rights forfeited or cancelled

During or since the end of the financial year, no share options (2019: nil) and 2,142,522 performance rights (2019: 2,988,232) were forfeited or cancelled.

Share Options expired or lapsed

During or since the end of the financial year, 47,298,200 share options (2019: 32,623,000) 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 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 (2019: 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
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Building a better working world

Auditor's independence declaration to the directors of Bannerman Resources Limited

As lead auditor for the audit of Bannerman Resources Limited for the financial year ended 30 June 2020, 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 year.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
24 September 2020

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 2019 to 30 June 2020 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
Mike Leech	Non-Executive Director	Full
Executive Director		
Brandon Munro	Chief Executive Officer and Managing Director	Full
Other Executive Personnel		
Werner Ewald	Managing Director – Namibia	Full
Rob Orr	Chief Financial Officer and Company Secretary	Part

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 information is used by the Remuneration Committee from time to time to ensure the Company's remuneration system and reward practices are consistent with market practices.

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. In response to the COVID-19 pandemic the Company's Board and management agreed to reductions and restructuring of remuneration and board fees from 1 April 2020 through to 30 June 2020. The Board's standard remuneration structure is as shown in Table 2 which excludes the reductions and restructuring of Boards fees from 1 April 2020 through to 30 June 2020.

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

Position	Year ended 30 June 2019		Year ending 30 June 2020	
	Cash $	Share Options / Share Rights $	Cash $	Share Options / Share Rights $
Chairman of the Board	100,000	50,000	100,000	50,000
Non-Executive Director	50,000	25,000	50,000	25,000
Additional fees for:				
Chairman of the Audit Committee	10,000	-	10,000	-

Note:
- Share options and rights issued to non-executive directors vest after a 12 month period.
- 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 additional retirement benefits are paid. The figures in Table 2 include 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 23 November 2017, allows for the provision of either share rights or share options to non-executive directors. Under the NEDSIP, the Company's non-executive directors will receive 33% of their FY20 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 2020 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 November 2019.

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 2020 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 (Market Performance Tranche) is subject to the Company's relative Absolute Shareholder Return ("**ASR**") as measured by share price performance over the two year period from 30 June of the issue year of the performance rights, compared with the price used to determine the number of Performance Rights. The vesting of the other half (Operational Tranche) is subject to the attainment of defined individual and group performance criteria (Operational Test), 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 2020 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.

Market Performance KPI

50% of the Performance Rights (Market Performance Tranche) are subject to an Absolute Shareholder Return (ASR) hurdle. The ASR is based on the Company's absolute total Shareholder return compared with the price used to determine the number of Performance Rights (being the 20 Day VWAP as at 30 June of the issue year) and is tested at the end of two years from 30 June of the issue year to determine the proportion of the Market Performance Tranche that vest. The vesting schedule is as follows:

Table 3 – ASR Vesting Schedule

ASR performance outcome	Percentage of award that will vest
Negative performance	0%
Between 0 and 20% compounding per annum	Scale applicable between 0 and 100%
At or above the 20%	100%

Vested Performance Rights are subject to ongoing employment obligations. Performance rights that do not vest will be cancelled.

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 2020 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	2020	87,500	-		87,500	49,367	136,867	-
	2019	100,000	-	-	100,000	86,452	186,452	-
Ian Burvill	2020	43,750	-	3,796	47,546	24,682	72,228	-
	2019	40,063	-	9,937	50,000	43,226	93,226	-
Clive Jones	2020	43,750	-	3,796	47,546	24,682	72,228	
	2019	45,662	-	4,338	50,000	43,226	93,226	-
Mike Leech (i)	2020	78,237	6,000	-	84,237	46,138	130,375	-
	2019	90,272	6,000	-	96,272	72,068	168,340	-
Total	**2020**	**253,237**	**6,000**	**7,592**	**266,829**	**144,869**	**411,698**	-
	2019	275,997	6,000	14,275	296,272	244,972	541,244	-

(i) Mr 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$60,000) and Namibian dollars (N$360,000), which are received for his role as Chairman of Bannerman's Namibian subsidiary.

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 2020 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 (ii) $	Other $	Superannuation $	$	Options / Performance Rights $	$	%
Executive Director									
Brandon Munro	2020	294,736	-	-	21,002	315,738	276,305	592,043	46.7
	2019	259,977	(5,798)	-	24,698	278,877	235,025	513,902	45.7
Other Executive Personnel									
Werner Ewald (i)	2020	194,022	-	50,105	43,942	288,069	142,928	430,997	33.2
	2019	180,675	(7,348)	52,931	40,081	266,339	157,926	424,265	37.2
Rob Orr	2020	54,924	-	-	-	54,924	4,079	59,003	6.9
Total	**2020**	**543,682**	**-**	**50,105**	**64,944**	**658,731**	**423,312**	**1,082,043**	
	2019	440,652	(13,146)	52,931	64,779	545,216	392,951	938,167	

(i) Mr Ewald's contract is denominated in Namibian dollars.
(ii) 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

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 $320,000 per annum inclusive of 9.5% superannuation.

Short term incentives

No short term incentive is payable.

Long term incentives

During the year, Mr Munro was granted 7,333,300 performance rights subject to shareholder approval, which was obtained in November 2019. The performance rights were offered and the terms and conditions were agreed to and accepted by Mr Munro. The rights were subject to performance hurdles and lapse if Mr Munro left the employment of the Group and immediately vest in the event of a change of control. Refer to Table 7 in section 4.

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 2020

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 2020

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.
Rob Orr – CFO & Company Secretary	Bannerman Resources Limited	No fixed term	3 months	3 months	6 months base salary 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 market and defined individual and group performance targets.

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 2020

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 exercised and lapsed during the year
Non-Executive Directors											
	2020	16-Dec-19	Performance Rights	1,282,100	N/A	$0.0370	Continuous service	15-Nov 20	15-Nov 20	-	-
Ronnie Beevor	2019	20-Dec-18	Share Options	-	$0.072	$0.0241	-	15-Nov-19	15-Nov-21	2,365,300	-
	2017	19-Dec-16	Share Options	-	$0.042	$0.0127	-	15-Nov-19	-	-	8,109,600
Ian Burvill	2020	16-Dec-19	Performance Rights	641,000	N/A	$0.0370	Continuous service	15-Nov 20	15-Nov 20	-	-
	2019	20-Dec-18	Share Options	-	$0.072	$0.0241	-	15-Nov-19	15-Nov-21	1,182,600	-
	2018	19-Dec-17	Share Options	-	$0.069	$0.0286	-	15-Nov-18	-	-	-
	2017	19-Dec-16	Share Options	-	$0.042	$0.0127	-	15-Nov-16	-	-	2,973,500
Clive Jones	2020	16-Dec-19	Performance Rights	641,000	N/A	$0.0370	Continuous service	15-Nov 20	15-Nov 20	-	-
	2019	20-Dec-18	Share Options	-	$0.072	$0.0241	-	15-Nov-19	15-Nov-21	1,182,600	-
	2018	19-Dec-17	Share Options	-	$0.069	$0.0286	-	15-Nov-18	-	-	-
	2017	12-Dec-16	Share Options	-	$0.042	$0.0127	-	15-Nov-16	-	-	4,054,800
Mike Leech	2020	16-Dec-19	Share Options	2,338,800	$0.059	$0.0185	Continuous service	15-Nov 20	15-Nov 22	-	-
	2019	20-Dec-18	Share Options	-	$0.072	$0.0241	-	15-Nov-19	15-Nov-21	1,866,900	-
	2018	19-Dec-17	Share Options	-	$0.069	$0.0286	-	15-Nov-18	-	3,839,000	-

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 2020

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. exercised and lapsed during the year
Executive Director											
Brandon Munro	2020	22 Nov-19	Performance Rights	3,666,650	N/A	$0.011	Market ASR	15-Nov-22	15-Nov-22	-	-
				3,666,650	N/A	$0.041	Operational Targets	15-Nov-22	15-Nov-22	-	-
		25-Jul-16	Options	-	$0.057	$0.011	N/A	25-Jul-16	25-Jul-19	-	5,000,000
		25-Jul-16	Options	-	$0.070	$0.009	N/A	25-Jul-16	25-Jul-19	-	7,500,000
		25-Jul-16	Options	-	$0.045	$0.008	N/A	25-Jul-16	25-Jul-19	-	7,500,000
	2016	21-Dec-16	Performance Rights	-	N/A	$0.025	Relative TSR	15-Nov-19	15-Nov-19	3,928,550	-
				-	N/A	$0.028	Operational targets	15-Nov-19	15-Nov-19	3,928,550	-
Executive											
Werner Ewald	2020	16-Dec-19	Performance Rights	1,152,600	N/A	$0.010	Market ASR	15-Nov-22	15-Nov-22	-	-
				2,689,400	N/A	$0.037	Operational Targets	15-Nov-22	15-Nov-22	-	-
	2019	20 Dec-18	Performance Rights	-	N/A	$0.038	Operational targets	15-Nov-21	-	-	244,589
	2016	12-Feb-16	Performance Rights	-	N/A	$0.025	Relative TSR	15-Nov-19	-	2,764,100	-
				-	N/A	$0.028	Operational targets	15-Nov-19	-	2,432,400	-
Rob Orr	2020	16-Dec-19	Performance Rights	231,270	N/A	$0.010	Market ASR	15-Nov-22	15-Nov-22	-	-
				539,630	N/A	$0.037	Operational Targets	15-Nov-22	15-Nov-22	-	-

(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 17 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 2020

	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	Performance Rights	36%	47,438	-
Brandon Munro	Performance Rights	47%	190,666	322,141
Ian Burvill	Performance Rights/ Share Options	34%	23,717	-
Clive Jones	Performance Rights	34%	23,717	-
Mike Leech	Share Options	35%	43,268	-
Executives				
Werner Ewald	Performance Rights	33%	111,034	213,057
Rob Orr	Performance Rights	7%	22,279	-

(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 19.
(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 2020	Type	Opening Balance 1 July 2019	Granted as Remuneration	Exercised / converted / lapsed	Forfeited	Closing Balance 30 June 2020	Total Options and Performance Rights at 30 June 2020		
							Total	Vested and Exercisable	Not Vested
Directors									
Ronnie Beevor	Options/ Rights	14,917,500	1,282,100	(8,109,600)-	-	8,090,000	8,090,000	6,807,900	1,282,100
Brandon Munro	Options/ Rights	41,045,500	7,333,300	(27,857,100)	-	20,521,700	20,521,700	-	20,521,700
Ian Burvill	Options/ Rights	6,377,400	641,000	(2,973,500)	-	4,044,900	4,044,900	3,403,900	641,000
Clive Jones	Options/ Rights	7,458,700	641,000	(4,054,800)	-	4,044,900	4,044,900	3,403,900	641,000
Mike Leech	Options/ Rights	5,705,900	2,338,800	-	-	8,044,700	8,044,700	5,705,900	2,338,800
		75,505,000	12,236,200	(42,995,000)	-	44,746,200	44,746,200	19,321,600	25,424,600
Executives									
Werner Ewald	Rights	12,062,614	3,842,000	(5,440,963)		10,463,651	10,463,651	-	10,463,651
Rob Orr	Rights	-	770,900			770,900	770,900	-	770,900
		12,062,614	4,612,000	(5,440,963)		11,234,551	11,234,551	-	11,234,551

(i) Includes share options and performance rights held directly, indirectly and beneficially by key management personnel.

Table 10 – Shareholdings of key management personnel (i)

30 June 2020	Opening Balance 1 July 2019	Granted as Remuneration	Received on Exercise of Share options / conversion of rights	(Sales) Purchases	Net Change Other	Closing Balance 30 June 2020
Directors						
Ronnie Beevor	6,243,643	-	-	-	-	6,243,643
Brandon Munro	2,000,000	-	7,857,100	1,250,000	-	11,107,100
Ian Burvill	-	-	1,000,000	-	-	1,000,000
Clive Jones	77,207,668	-	-	-	-	77,207,668
Mike Leech	-	-	-	-	-	-
Executives						
Werner Ewald	3,515,733	-	5,196,508	-	-	8,712,241
Rob Orr	-	-	-	-	-	-
	88,967,044	-	14,053,608	1,250,000	-	104,270,652

(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 and options during the year ended 30 June 2020

	Shares issued #	Paid per share $	Unpaid per share $
Directors			
Ian Burvill	1,000,000	A0.042	-
Executives			
Brandon Munro	7,857,100	-	-
Werner Ewald	5,196,508	-	-

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 2019/20 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	2020	2019	2018	2017	2016
Net loss after tax ($'000)	(2,315)	(2,255)	(2,478)	(2,696)	(152)
Net assets ($'000)	51,728	62,965	62,776	57,847	50,610
Market capitalisation ($ '000's) at 30 June	39,000	47,000	56,000	26,000	19,000
Closing share price ($)	$0.037	$0.045	$0.054	$0.03	$0.027

END OF REMUNERATION REPORT (AUDITED)

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

Brandon Munro
CEO and Managing Director
Perth, 24 September 2020

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 and announcements. 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.

The information in this announcement as it relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr Marthinus Prinsloo. Mr Prinsloo is a full time employee of Bannerman Resources Limited and is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Prinsloo has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activities, which he is undertaking. This qualifies Mr Prinsloo 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 Prinsloo consents to the inclusion in this announcement in the form and context in which it appears. Mr Prinsloo holds shares and performance rights in Bannerman Resources Limited.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2020

(Expressed in Australian dollars)

	Note	2020 $'000	2019 $'000
Interest revenue	2	101	146
Other income	3	63	-
Employee benefits	4(a)	(1,554)	(1,636)
Compliance and regulatory expenses		(159)	(166)
Depreciation expense		(18)	(17)
Other expenses	4(b)	(748)	(582)
Loss before income tax		**(2,315)**	**(2,255)**
Income tax benefit	6	-	-
Net loss for the year		**(2,315)**	**(2,255)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	15(b)	(9,701)	1,469
Other comprehensive income/(loss) for the year		**(9,701)**	**1,469**
Total comprehensive income/(loss)		**(12,016)**	**(786)**
Loss is attributable to:			
Equity holders of Bannerman Resources Limited		(2,274)	(2,231)
Non-controlling interest		(41)	(24)
		(2,315)	**(2,255)**
Total comprehensive income/(loss) is attributable to:			
Equity holders of Bannerman Resources Limited		(11,872)	(765)
Non-controlling interest	26	(144)	(21)
		(12,016)	**(786)**
Basic and diluted loss per share to the ordinary equity holders of the Company (cents per share):	17	**(0.22)**	**(0.22)**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020
(EXPRESSED IN AUSTRALIAN DOLLARS)

	Note	Consolidated 2020 $'000	Consolidated 2019 $'000
CURRENT ASSETS			
Cash and cash equivalents	7	4,174	6,268
Other receivables	8	41	142
Other current assets		44	48
TOTAL CURRENT ASSETS		4,259	6,458
NON CURRENT ASSETS			
Other receivables	8	-	8
Right of use assets	9	49	-
Property, plant and equipment	10	61	128
Exploration and evaluation expenditure	11	47,906	56,893
TOTAL NON CURRENT ASSETS		48,016	57,029
TOTAL ASSETS		**52,275**	**63,487**
CURRENT LIABILITIES			
Trade and other payables	12	187	134
Lease liabilities	9	46	-
Provisions		51	91
TOTAL CURRENT LIABILITIES		284	225
NON CURRENT LIABILITIES			
Provisions	13	263	297
TOTAL NON CURRENT LIABILITIES		263	297
TOTAL LIABILITIES		**547**	**522**
NET ASSETS		**51,728**	**62,965**
EQUITY			
Contributed equity	14	141,198	141,156
Reserves	15	20,976	30,348
Accumulated losses		(110,498)	(108,224)
TOTAL PARENT ENTITY INTEREST		**51,676**	**63,280**
Non-controlling interest	26	52	(315)
TOTAL EQUITY		**51,728**	**62,965**

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 2020
(EXPRESSED IN AUSTRALIAN DOLLARS)

	Note	Consolidated 2020 $'000	Consolidated 2019 $'000
Cash Flows from Operating Activities			
Payments to suppliers and employees		(1,639)	(1,576)
Government grants		50	-
Interest received		80	143
Net cash flows used in operating activities	18	(1,509)	(1,433)
Cash Flows From Investing Activities			
Payments for exploration and evaluation		(623)	(793)
Purchase of property, plant & equipment		(3)	(3)
Net cash flows used in investing activities		(626)	(796)
Cash Flows from Financing Activities			
Proceeds from issue of shares		42	173
Lease repayments		(15)	-
Refund of security deposits		7	-
Net cash flows provided by financing activities		36	173
Net (decrease) / increase in cash and cash equivalents		(2,099)	(2,056)
Cash and cash equivalents at beginning of year		6,268	8,325
Net foreign exchange differences		5	(1)
Cash and cash equivalents at end of year	7	**4,174**	**6,268**

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 2020

(EXPRESSED IN AUSTRALIAN DOLLARS)

	Issued Capital Note 13	Accumulated Losses	Share Based Payment Reserve Note 15(a)	Foreign Currency Reserve Note 15(b)	Convertible Note Reserve Note 15 (c)	Equity Reserve Note 15 (d)	Non-controlling Interest Note 26	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2019	**141,156**	**(108,224)**	**56,954**	**(25,676)**	**4,038**	**(4,968)**	**(315)**	**62,965**
Loss for the period	-	(2,274)	-	-	-	-	(41)	(2,315)
Other comprehensive loss	-	-	-	(9,598)	-	-	(103)	(9,701)
Total comprehensive loss for the period	-	(2,274)	-	(9,598)	-	-	(144)	(12,016)
Shares issued during the period	42	-	-	-	-	-	-	42
Share-based payments	-	-	737	-	-	-	-	737
Capital contributions (Bannerman Namibia Pty Ltd)	-	-	-	-	-	(511)	511	-
Transfer between reserves	-	-	-	-	(4,038)	4,038	-	-
Total Equity at 30 June 2020	**141,198**	**(110,498)**	**57,691**	**(35,274)**	**-**	**(1,441)**	**52**	**51,728**

	Issued Capital Note 13	Accumulated Losses	Share Based Payment Reserve Note 15(a)	Foreign Currency Reserve Note 15(b)	Convertible Note Reserve Note 15 (c)	Equity Reserve Note 15 (d)	Non-controlling Interest Note 25	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2018	**140,983**	**(105,993)**	**56,152**	**(27,142)**	**4,038**	**(4,968)**	**(294)**	**62,776**
Loss for the period	-	(2,231)	-	-	-	-	(24)	(2,255)
Other comprehensive income	-	-	-	1,466	-	-	3	1,469
Total comprehensive income for the period	-	(2,231)	-	1,466	-	-	(21)	(786)
Shares issued during the period	173	-	-	-	-	-	-	173
Share-based payments	-	-	802	-	-	-	-	802
Total Equity at 30 June 2019	**141,156**	**(108,224)**	**56,954**	**(25,676)**	**4,038**	**(4,968)**	**(315)**	**62,965**

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 2020 was authorised for issue in accordance with a resolution of the directors on 22 September 2020.

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.

New, revised or amended standards and interpretations adopted by the group

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted except for AASB 2018-6 Amendments to the Australia Accounting Standards – Definition of a business.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 16 Leases

The Group adopted the new standard using the modified retrospective approach and applied the practical expedient per AASB 16.C10(a) and (c). Lease assets and liabilities are measured at the present value of future payments on the initial date of application, being 1 July 2019. The Group has not restated comparative for the reporting period as permitted under the specific transitional provisions in the standard. There was no significant impact on the statement of financial position as at 1 July 2019 on adoption of AASB16.

The leases recognised by the Group under AASB 16 predominantly relate to the corporate office lease. AASB 16 provides a new lessee accounting model which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is of low value. The depreciation of the lease assets and interest on the lease liabilities are recognised in the consolidated profit or loss and other comprehensive income statement. Before the adoption of AASB 16, the Group classified each of its leases (as lessee) at inception either as a finance lease or operating lease.

Practical expedients applied

In applying AASB16 for the first time, the Group has used the following practical expedients permitted by the standard:
• The use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
• Reliance on previous assessment on whether leases are onerous;
• The accounting for operating leases with a remaining term of less than 12 months as at 1 July 2019 as short-term leases;
• The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
• The use of hindsight in determining the leases term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying AASB117 and IFRIC4 Determining whether an Arrangement contains a Lease. On initial application of AASB 16, no right-of-use asset or lease liabilities were required due to remaining lease terms on office lease being less than 12 months.

AASB 2018-6 Amendments to the Australia Accounting Standards – Definition of a business

This standard has been early adopted by the Group on 1 July 2019. This Standard amends AASB 3 Business Combinations' ("AASB 3") definition of a business. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contributes to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present.

The revisions to AASB 3 also introduced an optional concentration test. If the concentration test is met, the set of activities and assets acquired is determined not to be a business combination and asset acquisition accounting is applied. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

This standard has been applied by the Group in the current period.

Interpretation 23 Uncertainty over Income Tax Treatments (Interpretation 23)

The Group adopted for the first time Interpretation 23 from 1 July 2019. Interpretation 23 outlines how the recognition and measurement requirements of AASB 112 Income Taxes are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the relevant tax authority. Based on an assessment of the Group's current and historical transactions to 30 June 2020, there are no material uncertain tax treatments under Interpretations 23.

New standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2020. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

(i) Property, Plant and Equipment – Proceeds before intended use (Amendments to AASB 116)

Property, Plant and Equipment – Proceeds before intended use (Amendments to AASB 116) amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments effective for annual periods beginning on or after 1 January 2022.

Accounting Policies

a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2020. 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.

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.

<u>Depreciation</u>

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:

(EXPRESSED IN AUSTRALIAN DOLLARS)

Class of Fixed Asset	Depreciation Rate	
	2020	**2019**
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) Leases

Post adoption of AASB 16 on 1 July 2019, when a contract is entered into, the Group assesses whether the contract contains a lease. A lease arises when the Group has the right to direct the use of an identified asset which is not substitutable and to obtain substantially all economic benefits from the use of the asset throughout the period of use.

The Group separates the lease and non-lease components of the contract and accounts for these separately. The Group allocates the consideration in the contract to each component on the basis of their relative stand-alone prices.

Lease assets and lease liabilities are recognised at the lease commencement date, which is when the assets are available for use. The assets are initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred.

Right of use assets are depreciated using the straight-line method over the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and impairment losses, assessed in accordance with the Group's impairment policies.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Group's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments are fixed payments.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets, with any excess recognised in the consolidated profit or loss and other comprehensive income statement.

Short term leases (lease term of 12 months or less) and leases of low value assets are recognised as incurred as an expense in the consolidated profit or loss and other comprehensive income statement. Low value assets comprise plant and equipment.

Prior to adoption of AASB 16, the Group's accounts policy was that 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, were classified as finance leases. Finance leases were capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Lease payments were 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.

f) 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.

g) Revenue

Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Other income 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.

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.

h) 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.

i) 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.

j) 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.

k) 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.

l) 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.

m) 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.

n) 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 19.

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.

o) 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.

p) Receivables

Receivables are classified as debt instruments at amortised cost. An allowance is recognised for expected credit loss based on the Group's historical loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Group.

q) 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.

r) Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash, receivables, payables, 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.

s) 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 19.

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.

Impact of the COVID-19 pandemic

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of the Company. The scale and duration of these developments remain uncertain as at the date of this report. The Company has considered the potential impact of the COVID-19 pandemic in the significant accounting judgements, estimates and assumptions at reporting date and has concluded there to be no significant economic impact.

Details of the economic impact of COVID has been included in the notes to the financial statements.

	Consolidated 2020 $'000	Consolidated 2019 $'000

2. INTEREST REVENUE

	2020 $'000	2019 $'000
Interest revenue	101	146
	101	146

3. OTHER INCOME

	2020 $'000	2019 $'000
Government COVID grants	63	-
	63	-

4. EXPENSES

(a) Employee Benefits

	2020 $'000	2019 $'000
Salaries and wages	515	527
Superannuation	33	37
Employee share-based payment expense	593	557
Other	4	4
Directors' fees	255	260
Directors' share-based payment expense	144	245
Payroll related taxes	10	6
	1,554	1,636

(b) Other Expenses

	2020 $'000	2019 $'000
Corporate and overheads	269	228
Consulting – fees	290	196
Legal	5	5
Travel	23	16
Occupancy	57	83
Insurance	69	54
Realised loss on disposal of assets	35	-
	748	582

5. AUDITOR'S REMUNERATION

The auditor of the Group is Ernst & Young.

	2020 $'000	2019 $'000
Amounts received or due and receivable by Ernst & Young (Australia) for:		
Fees for auditing the statutory financial report of the parent covering the group and auditing the financial reports of any controlled entities	42	47
Fees for other services		
Taxation services	11	8
	53	55

	Consolidated 2020 $'000	Consolidated 2019 $'000
Amounts received or due and receivable by related practices of Ernst & Young (Australia) for:		
Fees for auditing the financial report of any controlled entities	14	15
Fees for other services		
Taxation services	12	6
	26	21

6. INCOME TAX BENEFIT

	2020 $'000	2019 $'000
The components of income tax benefit comprise:		
Current income tax benefit	-	-
Deferred income tax benefit	-	-
Income tax benefit reported in the consolidated statement of comprehensive income	-	-
Income tax expense recognised in equity	-	-
Accounting loss before tax	(2,315)	(2,255)
At the parent company statutory income tax rate of 27.5%	(637)	(620)
Other non-deductible expenditure for income tax purposes	218	183
Effect of different tax rate for overseas subsidiary	(43)	(48)
Unrecognised deferred tax assets	462	485
Income tax benefit reported in the consolidated statement of comprehensive income	-	-
Carried forward tax losses	12,798	12,244
Share issue costs	72	115
Provisions and accruals	85	135
Other	-	-
Gross deferred tax asset	12,955	12,494
Offset against deferred tax liability	(5)	(6)
Unrecognised deferred tax assets	12,950	12,488
Deferred tax liabilities		
Other	5	6
Gross deferred tax liability	5	6
Offset against deferred tax asset	(5)	(6)
Net deferred tax liability	-	-

The carried forward tax losses for Bannerman Resources Limited at 30 June 2020 are $41,662,447. The carried forward tax losses for Bannerman Mining Resources (Namibia) (Pty) Ltd at 30 June 2020 are $3,575,639. 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

	Consolidated	
	2020	2019
	$'000	$'000
Cash at bank and on call (interest bearing)	654	6,248
Short-term deposits (interest bearing)	3,520	20
	4,174	6,268

The effective interest rate on short-term bank deposits was 0.84% (2019: 2%). These deposits have an average maturity of 90 days (2018: 90 days).

The Consolidated Entity is currently well funded to deal with the ongoing impact of the COVID pandemic, however did take a precautionary response early in the COVID pandemic to preserve cash reserves with a reduction in key management personnel monetary remuneration and increased management of administrative cashflows.

8. OTHER RECEIVABLES

Current		
GST/VAT	18	142
Interest receivable	5	-
Other sundry debtors	18	-
	41	142
Non-Current		
Restricted cash	-	8
	-	8

Other receivables are non-interest bearing and have repayment terms of 30 days. Restricted cash reflects collateral for a third-party bank guarantee for the occupancy of office premises. The carrying amount of other receivables is at fair value.

9. RIGHT OF USE ASSETS

RIGHT OF USE ASSET		
Opening balance at 1 July 2019	-	-
Additions	61	-
Depreciation	(12)	-
Closing balance net of accumulated depreciation	49	-
LEASE LIABILITY		
Opening balance at 1 July 2019	-	-
Additions	61	-
Amortisation of principle	(15)	-
Interest on lease	-	-
Closing balance	46	-

Amounts recognised in statement of profit or loss and other comprehensive income relating to:

Depreciation charge of right-of-use assets	12	-
Interest expense (included in finance costs)	1	-
Short term lease payments	-	-

On 1 February 2020 the Company entered into a lease agreement for the corporate premises in Subiaco, Western Australia. The operating lease is for a two year period. The future lease payments were discounting using an interest rate of 3% in calculating the lease liability.

10. PROPERTY, PLANT AND EQUIPMENT

30 June 2020	Office Equipment $'000	Lab & Field Equipment $'000	Sundry $'000	Vehicles $'000	Total $'000
Opening net book value	51	19	33	25	128
Additions	3	-	-	-	3
Disposals	(34)	(3)	(2)	4	(35)
Exchange difference	(9)	(4)	(8)	(7)	(28)
Depreciation charge	(4)	-	(3)	-	(7)
Closing net book value	7	12	20	22	61
At 30 June 2020					
Cost	24	58	176	169	427
Accumulated depreciation and impairment	(17)	(46)	(156)	(147)	(366)
Net book value	7	12	20	22	61

30 June 2019	Office Equipment $'000	Lab & Field Equipment $'000	Sundry $'000	Vehicles $'000	Total $'000
Opening net book value	54	17	32	24	127
Additions	-	-	3	-	3
Disposals	-	-	-	-	-
Exchange difference	4	3	3	5	15
Depreciation charge	(7)	(1)	(5)	(4)	(17)
Closing net book value	51	19	33	25	128
At 30 June 2019					
Cost	341	132	455	204	1,132
Accumulated depreciation and impairment	(290)	(113)	(422)	(179)	(1,004)
Net book value	51	19	33	25	128

11. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2020 $'000	2019 $'000
Opening balance	56,893	54,933
Expenditure incurred during the year	637	650
Change in estimate	-	(217)
Foreign currency translation movements	(9,624)	1,527
Closing balance	47,906	56,893

Expenditure incurred during the period comprises expenditure on geological, study 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 CNNC'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 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 to the ASX on 5 August 2020 the completion of a Scoping Study for an 8Mtpa development of its flagship Etango Uranium Project in Namibia (Etango-8 Project). The Scoping Study on the Etango-8 Project provides an alternate, streamlined development model to the 20Mtpa development assessed to DFS level in 2015. The Study demonstrates the strong technical and economic viability of conventional open pit mining and heap leach processing of the world class Etango deposit at 8Mtpa throughput. Bannerman Board has approved commencement of a Pre-Feasibility Study (PFS) on Etango-8Project.

Bannerman currently holds Exclusive Prospecting Licence 3345 (EPL 3345) in Namibia, which is valid until 25 April 2021 and thereafter subject to renewal by the Namibian Ministry of Mines and Energy. Bannerman also holds a Mineral Deposit Retention Licence 3345 (MDRL 3345) in Namibia, which is valid until 6 August 2022 and thereafter subject to renewal by the Namibian Ministry of Mines and Energy.

	Consolidated	
Exploration & Evaluation Expenditure for the Etango Project	30 June 2020 $'000	30 June 2019 $'000
Opening balance	**56,893**	**54,933**
Drilling and Consumables	-	67
Salaries and wages	366	381
Consultants and contractors	115	5
Demonstration plant construction cost	49	-
Demonstration plant change in rehabilitation provision	13	30
Demonstration plant operational cost	40	60
Other	54	107
Total expenditure for the period	**637**	**650**
Change in estimate	-	(217)
Foreign currency translation movements	(9,624)	1,527
Closing balance	**47,906**	**56,893**

12. TRADE AND OTHER PAYABLES

	Consolidated 30 June 2020 $'000	Consolidated 30 June 2019 $'000
Trade payables	53	103
Other payables and accruals	134	31
	187	134

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.

13. PROVISIONS – NON-CURRENT

		30 June 2020 $'000	30 June 2019 $'000
Rehabilitation provision (a)	(a)	252	287
Employee benefits provision	(b)	11	10
		263	297

(a) ***Rehabilitation provision***

	30 June 2020 $'000	30 June 2019 $'000
Opening balance	287	474
Unwinding of discount	13	18
Foreign exchange translation movements	(48)	12
Change in estimate	-	(217)
Closing balance	252	287

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.

(b) Employee benefits provision

	30 June 2020 $'000	30 June 2019 $'000
Arising during the year	11	10
	11	10

The employee benefits provision relates to the long service leave accrued for employees at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the government bond rate with terms to maturity similar to the estimate future cash outflows. The Group does not expect its long service leave obligations to be settled within 12 months.

14. CONTRIBUTED EQUITY

(a) Issued and outstanding:

	June 2020	June 2019	June 2020	June 2019
	Number of Shares		Amount	
	'000	'000	$'000	$'000
Ordinary shares				
Issued and fully paid	1,058,782	1,041,587	141,198	141,156

Movements in ordinary shares on issue	Number of Shares '000	Amount $'000
Balance 1 July 2018	1,029,871	140,983
- Issue of shares (i)	934	-
- Issue of shares (ii)	3,923	173
- Issue of shares (iii)	6,859	-
Balance 30 June 2019	**1,041,587**	**141,156**
Balance 1 July 2019	**1,041,587**	**141,156**
- Issue of shares (iv)	1,000	42
- Issue of shares (v)	16,195	-
Balance 30 June 2020	**1,058,782**	**141,198**

i) On 31 July 2018, 934,358 ordinary shares were issued upon vesting of performance rights in accordance with the terms of the Employee Incentive Plan.

ii) On 7 November 2018, 3,923,000 ordinary shares were issued upon exercise of A0.044 share options in accordance with the Non-Executive Director Share Incentive Plan.

iii) On 24 November 2018, 6,858,509 ordinary shares were issued upon vesting of share and performance rights in accordance with the terms of the Employee Incentive Plan.

iv) On 4 November 2019, 1,000,000 ordinary shares were issued upon exercise of A0.042 share options in accordance with the Non-Executive Director Share Incentive Plan.

v) On 22 November 2019, 16,194,482 ordinary shares were issued upon vesting of share and 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 19	Granted	Exercised	Expired / Cancelled	Balance 30 Jun 20	Vested 30 Jun 20
25 July 2019	A$0.045	8,300,000	-	-	(8,300,000)	-	-
25 July 2019	A$0.057	10,200,000	-	-	(10,200,000)	-	-
25 July 2019	A$0.07	10,200,000	-	-	(10,200,000)	-	-
15 November 2019	A$0.042	19,598,200	-	(1,000,000)	(18,598,200)	-	-
15 November 2020	A$0.069	13,731,200	-	-	-	13,731,200	13,731,200
15 November 2021	A$0.072	8,597,400	-	-	-	8,597,400	8,597,400
15 November 2022	A$0.059	-	4,338,800			4,338,800	-
		70,626,800	4,338,800	(1,000,000)	(47,298,200)	26,667,400	22,328,600
Weighted average exercise price ($)		0.06	0.06	0.04	0.05	0.07	0.07
Average life to expiry (years)		0.45	3.00	-	-	0.37	0.11

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

Directors held 21,660,400 share options as at 30 June 2020 with an average exercise price of $0.07 per share and an average life to expiry of 0.55 years.

(c) Performance Rights on issue

The performance rights on issue as at 30 June 2020 were as follows:

Vesting Dates	Balance 1 Jul 19	Granted	Vested	Cancelled / Forfeited	Balance 30 Jun 20
15 November 2019	16,371,847	-	(16,194,482)	(177,365)	-
15 November 2020	15,121,687	2,871,500	-	(190,213)	17,802,974
15 November 2021	10,159,400	3,341,500	-	-	13,500,900
15 November 2022		11,946,200	-	-	11,946,200
	41,652,934	18,159,200	(16,194,482)	(367,578)	43,250,074
Average life to vesting (years)	0.62	1.15	-	-	0.53

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 23,085,800 performance rights as at 30 June 2020 with an average life to vesting of 0.90 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.

15. RESERVES

		Consolidated 2020 $'000	Consolidated 2019 $'000
Share-based payment reserve	(a)	57,691	56,954
Foreign currency translation reserve	(b)	(35,274)	(25,676)
Convertible note reserve	(c)	-	4,038
Equity reserve	(d)	(1,441)	(4,968)
TOTAL RESERVES		**20,976**	**30,348**

	2020 $'000	2019 $'000
(a) Share-based Payment Reserve		
Balance at the beginning of the reporting period	56,954	56,152
Share-based payment vesting expense during the period	737	802
Balance at the end of the reporting period	**57,691**	**56,954**

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.

	Consolidated 2020 $'000	Consolidated 2019 $'000
(b) Foreign Currency translation reserve		
Reserves at the beginning of the reporting period	(25,676)	(27,142)
Currency translation differences arising during the year	(9,598)	1,466
Balance at the end of the reporting period	**(35,274)**	**(25,676)**

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 expense arising for the year ended 30 June 2020 amounted to $9,598,000 (2019: $1,466,000 income), allocated between non-controlling interests of $103,000 (2019: $3,000 income) and the Group of $9,598,000 (2019: $1,466,000). Over the year, the Namibian dollar weakened against the Australian dollar, with a movement of approximately 20% from the rate as at 30 June 2019 (A$1.00:N$11.93) to the rate as at 30 June 2020 (A$1.00:N$9.93).

	2020	2019
(c) Convertible Note reserve		
Reserves at the beginning of the reporting period	4,038	4,038
Transfer to equity reserve	(4,038)	-
Balance at the end of the reporting period	**-**	**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. The convertible notes were extinguished on 31 December 2015.

	2020	2019
(d) Equity reserve		
Reserves at the beginning of the reporting period	(4,968)	(4,968)
Movements in equity due to minority interest share of capital contributions provided to subsidiary by Bannerman	(511)	-
Transfer from convertible note reserves	4,038	-
Balance at the end of the reporting period	**(1,441)**	**(4,968)**

The equity reserve relates to the Company's equity in its subsidiary Bannerman Mining (Namibia) Pty Ltd, with current year movements relating to the minority interest share of capital contributions provided to the subsidiary by Bannerman and the transfer of the convertible note reserve relating to the equity portion of the RCFIV convertible notes that were extinguished on 31 December 2015.

16. FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise cash and short term deposits, other receivables, and trade payables.

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the Group as at 30 June 2020.

	Consolidated 2020 $'000	Consolidated 2019 $'000
Financial assets		
Other receivables	-	8
Total non-current	**-**	**8**
Cash and cash equivalents	4,174	6,268
Trade and other receivables	41	142
Total current	**4,215**	**6,410**
Total	**4,215**	**6,418**

	Consolidated	
	2020	2019
Financial liabilities	**$'000**	**$'000**
Trade and other payables	187	134
Lease liability	46	-
Total	**233**	**134**

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 2020	**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	137	4,037	-	4,174
Trade and other payables	-	(5)	-	(5)
Lease liability	-	(46)	-	(46)
	137	3,986	-	4,123
Weighted average interest rate				0.7%

Consolidated 2019	**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	1,248	5,020	-	6,268
	1,248	5,020	-	6,268
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 2020. 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):	**2020 $'000**	**2019 $'000**
1% increase	30	62
1% decrease	(30)	(62)

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 $'000**	**6-12 months $'000**	**1– 5 years $'000**	**Total $'000**
2020				
Trade and other payables	187	-	-	187
Lease liability	16	16	14	46
Total	203	16	14	233
2019				
Trade and other payables	134	-	-	134
Interest bearing liabilities	-	-	-	-
Total	134	-	-	134

17. LOSS PER SHARE

	Consolidated 2020	2019
Basic and diluted loss per share to the ordinary equity holders of the Company (cents per share)	(0.22)	(0.22)
	$'000	**$'000**
Loss used in the calculation of weighted average basic and dilutive loss per share	(2,315)	(2,255)
	***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	1,052,066	1,037,391
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.	68,143	112,279

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 2020 $'000	2019 $'000
(a) Reconciliation from the net loss after tax to the net cash flow from operating activities		
Loss after income tax	(2,315)	(2,255)
Non-cash flows in operating loss		
Depreciation	18	17
Share-based payments	737	802
Realised loss on disposal of fixed assets	35	-
Changes in assets and liabilities		
(Increase) / decrease in receivables and prepayments	105	29
Increase / (decrease) in trade and other creditors and accruals	(49)	115
(Decrease) / Increase in provisions	(40)	141
Net cash outflows from Operating Activities	**(1,509)**	**(1,433)**

19. COMMITMENTS

a) Exploration and evaluation expenditure

Bannerman currently holds Exclusive Prospecting Licence 3345 (EPL 3345) in Namibia, which is valid until 25 April 2021 and thereafter subject to renew by the Namibian Ministry of Mines and Energy. Bannerman also holds a Mineral Deposit Retention Licence 3345 (MDRL 3345) in Namibia, which is valid until 6 August 2022 and thereafter subject to renewal 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	
	2020	**2019**
	$'000	**$'000**
Not longer than one year	80	81
Longer than one year, but not longer than five years	150	150
Longer than five years	-	-
	230	**231**

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.

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:

Total expense arising from employee and director share-based payment transactions	737	802

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. The vesting of half of the performance rights (Market Performance Tranche) is subject to the Company's relative Absolute Shareholder Return ("**ASR**") as measured by share price performance over the two year period from 30 June of the issue year of the performance rights, compared with the price used to determine the number of Performance Rights. The vesting of the other half (Operational Tranche) is subject to the attainment of defined individual and group performance criteria (Operational Test), 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 2020 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.

(EXPRESSED IN AUSTRALIAN DOLLARS)

50% of the Performance Rights (Market Performance Tranche) are subject to an Absolute Shareholder Return (ASR) hurdle. The ASR is based on the Company's absolute total Shareholder return compared with the price used to determine the number of Performance Rights (being the 20 Day VWAP as at 30 June of the issue year) and is tested at the end of two years from 30 June of the issue year to determine the proportion of the Market Performance Tranche that vest. The vesting schedule is as follows:

ASR Vesting Schedule

ASR performance outcome	Percentage of award that will vest
Negative performance	0%
Between 0 and 20% compounding per annum	Scale applicable between 0 and 100%
At or above the 20%	100%

Vested Performance Rights are subject to ongoing employment obligations. Performance rights that do not vest will be cancelled.

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.

<u>Summary of share options granted under NEDSIP and EIP arrangements</u>

	2020 #	2020 WAEP[1]	2019 #	2019 WAEP[1]
Outstanding at beginning of the year	39,926,800	0.05	41,175,400	0.05
Granted during the year	2,338,800	0.06	6,597,400	0.07
Exercised during the year	(1,000,000)	0.04	(3,923,000)	0.04
Expired during the year	(19,605,200)	0.05	(3,923,000)	0.04
Forfeited during the year	-	-	-	-
Outstanding at end of the year	**21,660,400**	**0.05**	**39,926,800**	**0.05**

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

<u>Summary of share options granted outside of NEDSIP and EIP arrangements</u>

	2020 #	2020 WAEP[1]	2019 #	2019 WAEP[1]
Outstanding at beginning of the year	30,700,000	0.06	28,700,000	0.06
Granted during the year	2,000,000	0.06	2,000,000	0.07
Expired during the year	(27,693,000)	0.05	-	-
Outstanding at end of the year	**5,007,000**	**0.05**	**30,700,000**	**0.06**

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

(EXPRESSED IN AUSTRALIAN DOLLARS)

Summary of performance rights granted under NEDSIP and EIP arrangements

	2020 \#	2019 \#
Outstanding at beginning of the year	41,652,934	37,309,033
Granted during the year	18,159,200	15,125,000
Vested during the year	(16,194,482)	(7,792,867)
Forfeited during the year	(2,142,522)	(2,988,232)
Outstanding at end of the year	**41,475,130**	**41,652,934**

Weighted average remaining contractual life

The weighted average remaining contractual life as at 30 June 2020 was:

- Share options 0.52 years (2019: 0.88 years).
- Performance rights 0.53 years (2019: 1.00 years).

Range of exercise price

The range of exercise prices for share options outstanding as at 30 June 2020 was $0.059 - $0.072 (2019: $0.042 - $0.072). The weighted average exercise price for share options outstanding as at 30 June 2020 was $0.05 (2019: $0.06) per share option.

Weighted average fair value

The weighted average fair value for the share options granted during the year was $0.06 (2019: $0.02) per share option. The weighted average fair value for the performance rights granted during the year was $0.04 (2019: $0.04) per performance right.

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 ASR element. In accordance with the rules of the EIP, the model simulates the Company's ASR to produce a theoretical value relative to share performance. This is applied to the grant to give an expected value of the ASR element.

Pricing model inputs used for the year ended 30 June 2020:

	NEDSIP	OTHER (i)	EIP	OTHER (i)
	Annual Grant Share Options	Annual Grant Rights	Annual Grant Rights	Options / Rights
Dividend Yield (%)	0%	0%	0%	0%
Expected volatility (%)	82%	82%	82%	82%
Risk- Free interest rate (%)	1.1%	1.1%	1.1%	1.1%
Expected life of Share Options / Rights (years)	3 years	1 year	2 - 3 years	2 year
Share price at measurement date ($)	0.041	0.041	0.041	0.041

(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 2019:

	NEDSIP	OTHER (i)	EIP	OTHER (i)
	Annual Grant Share Options	Annual Grant Rights	Annual Grant Rights	Options / Rights
Dividend Yield (%)	0%	0%	0%	0%
Expected volatility (%)	82%	80%	80%	80%
Risk- Free interest rate (%)	2.13%	1.93%	1.93% - 2.12%	1.95%
Expected life of Share Options / Rights (years)	3 years	1 year	2 - 3 years	2 year
Share price at measurement date ($)	0.047	0.038	0.038 - 0.044	0.04

(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 segment 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	
	2019 $'000	2018 $'000
Australia	57	29
Namibia	47,959	57,218
Total Non-current Assets	**48,016**	**57,247**

22. EVENTS SUBSEQUENT TO REPORTING DATE

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.

(EXPRESSED IN AUSTRALIAN DOLLARS)

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 2020	% Equity Interest 2019
Bannerman Mining Resources (Namibia) (Pty) Ltd	Namibia	95	95
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:

	2020	2019
Short-term employee benefits	853,024	762,434
Post-employment benefits	72,536	79,054
Share-based payments	568,181	637,923
	1,493,741	**1,479,411**

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 was refused on 3 September 2018. Bannerman retains the right to re-apply for a mining licence when the uranium market recovers. As at 30 June 2020, the probability and timing of an application for and 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 2020.

25. PARENT ENTITY INFORMATION

a. *Information relating to Bannerman Resources Limited:*

Current assets	4,153	6,288
Total assets	8,123	10,141
Current liabilities	211	237
Total liabilities	223	247
Issued capital	141,198	141,156
Accumulated loss	(195,026)	(192,472)
Option Reserve	57,691	57,172
Convertible Note Reserve	4,037	4,038
Total shareholders' equity	7,900	9,894
Loss of the parent entity	(2,483)	(3,157)
Total comprehensive loss of the parent entity	(2,483)	(3,157)

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 2020 to 30 June 2021.

c. Details of any contingent liabilities of the parent entity

Refer to Note 23 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**	**2020**	**2019**
Bannerman Mining Resources (Namibia) (Pty) Ltd	Namibia	5%	5%

	$'000	**$'000**
Accumulated balances of material non-controlling interest:		
Bannerman Mining Resources (Namibia) (Pty) Ltd	52	(315)
Loss allocated to material non-controlling interest:		
Bannerman Mining Resources (Namibia) (Pty) Ltd	(41)	(24)

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	**2020**	**2019**
Summarised statement of comprehensive income:	**$'000**	**$'000**
Other income	17	15
Administrative expenses	(452)	(493)
Loss before tax	**(435)**	**(478)**
Income tax	-	-
Loss for the year	**(435)**	**(478)**
Total comprehensive loss	**(435)**	**(478)**
Attributable to non-controlling interests	(41)	(24)

Bannerman Mining Resources (Namibia) (Pty) Ltd	**2020**	**2019**
Summarised statement of financial position:	**$'000**	**$'000**
Cash and bank balances and receivables (current)	257	169
Property, plant and equipment and receivables (non current)	52	233
Exploration and evaluation expenditure (non current)	47,530	56,462
Trade and other payables (current)	(72)	(96)
Other payables (non current)	(40,160)	(47,391)
Total equity	**7,607**	**9,377**
Attributable to:		
Equity holders of parent	7,226	9,692
Non-Controlling interest	52	(315)
Summarised cash flow information:		
Operating	(100)	(386)
Investing	(538)	(632)
Financing	715	955
Net (decrease) / increase in cash and cash equivalents	**77**	**(63)**

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 2020 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

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 2020.

On behalf of the Board

Brandon Munro
Managing Director & CEO
Perth, 24 September 2020

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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 2020, 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 2020 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.

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. For the 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 matter below, provide the basis for our audit opinion on the accompanying financial report.

Carrying value of capitalised exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
At 30 June 2020, the Group held capitalised exploration and evaluation assets of $47.91 million. 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 judgements 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. Given the size of the balance and the judgmental nature of impairment indicator assessments associated with exploration and evaluation assets, we consider this a key audit matter.	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. Our audit procedures included the following: ► 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 ► 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 ► We also assessed the adequacy of the disclosure in Note 11 to the financial report

Information other than the financial report and auditor’s report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company’s 2020 Annual Report, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do 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, 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.

Responsibilities of the directors 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 Group’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 Group or to cease operations, or have no realistic alternative but to do so.

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 Group'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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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 financial report represents 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.

Building a better
working world

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Bannerman Resources Limited for the year ended 30 June 2020, 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

Ernst & Young

Gavin Buckingham

Gavin A Buckingham
Partner
Perth
24 September 2020

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 21 September 2020.

Distribution of Equity Securities

There were 758 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	239	63,244
1,001 - 5,000	182	548,875
5,001 - 10,000	213	1,822,110
10,001 - 100,000	1,772	68,468,132
100,001 and over	782	987,879,335
TOTALS	**3,188**	**1,058,781,696**

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	32,099
100,001 and over	6	26,667,400	13	41,443,031
TOTALS	**6**	**26,667,400**	**14**	**41,475,130**

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
Clive Jones	77,207,668	7.5%	7 November 2016

Top 20 Shareholders

The top 20 largest shareholders are listed below:

Name	Number of Shares	Percentage Held %
CITICORP NOMINEES PTY LIMITED	114,836,462	10.85
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	81,534,466	7.70
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	68,491,487	6.47
MR CLIVE JONES <ALYSE INVESTMENT A/C>	53,212,267	5.03
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	50,984,625	4.82
WOODROSS NOMINEES PTY LTD	30,000,000	2.83
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	24,915,996	2.35
UBS NOMINEES PTY LTD	24,000,000	2.27
WIDERANGE CORPORATION PTY LTD	23,995,401	2.27
MCNEIL NOMINEES PTY LIMITED	22,106,651	2.09
RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	19,429,949	1.84
BNP PARIBAS NOMS PTY LTD <DRP>	14,148,797	1.34
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,019,382	1.04
BUTTONWOOD NOMINEES PTY LTD	10,089,840	0.95
MR WERNER EWALD	8,298,958	0.78
MRS ALEXANDRA MAIDMENT JUBBER	8,008,523	0.76
TIERRA DE SUENOS SA	7,905,005	0.75
SEQUOI NOMINEES PTY LTD <THE SEQUOI A/C>	7,857,100	0.74
STOCKWORK (KAL) PTY LTD <STOCKWORK INVESTMENT A/C>	6,000,000	0.57
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	5,948,564	0.56
TOTAL TOP 20 HOLDERS	**592,783,473**	**55.99**
TOTAL NON-TOP 20 HOLDERS	**465,998,223**	**44.01**
TOTAL	**1,058,781,696**	**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: BMN) and on OTCQB Venture Market (OTCQB code: BNNLF).

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-2021	Bannerman Mining Resources (Namibia) (Pty) Ltd	24,326	Namibia
MDRL 3345	7-Aug-2017	6-Aug-2022	Bannerman Mining Resources (Namibia) (Pty) Ltd	7,295	Namibia