

ASX ANNOUNCEMENT

16 August 2022

COMPLETION OF ACQUISITION OF STRATEGIC STAKE IN NAMIBIA CRITICAL METALS INC.

Bannerman Energy Limited (ASX:BMN; OTCQB:BNNLF, NSX:BMN) (**Bannerman or the Company**) advises that it has completed the previously announced transaction (see BMN ASX release dated 19 May 2022) to acquire a 41.8% shareholding in TSX-listed critical minerals exploration and development business, Namibia Critical Metals Inc (TSX-V: NMI) (**NMI**).

HIGHLIGHTS

- Acquisition of 41.8% shareholding in TSX-V listed critical minerals developer, Namibia Critical Minerals Inc (NMI), completed.
- NMI's core asset is the advanced Lofdal Heavy Rare Earths Project in Namibia.
- Bolt-on acquisition offering significant alignment and synergies with Bannerman's Etango Uranium Project in Namibia.
- Total consideration of A\$7.24M cash and 846,337 BMN ordinary shares (post-consolidation), representing a significant discount to prevailing NMI market value.
- Recent strong flotation testwork results for Lofdal; simplified process flowsheet designed with over 20x upgrade factor achieved.

NMI's flagship asset is the 95%-owned, advanced and fully permitted Lofdal Heavy Rare Earths Project (**Lofdal Project**) in Namibia. The Lofdal Project is the subject of an earn-in agreement with leading global resource strategic partner, Japan Oil, Gas and Metals National Corporation (**JOGMEC**).

Bannerman has paid the transaction consideration of A\$7.24M cash and issued 846,337 BMN post-consolidation ordinary shares to PhilCo 192 (Pty) Ltd and Adventure Resources Holdings (Pty) Ltd (together, the **Vendors**) (see accompanying Appendix 2A disclosure). The NMI shares are now registered under Bannerman's ownership. The BMN share issue to the Vendors was approved by Bannerman shareholders at a General Meeting held on 18 July 2022. The BMN shares issued to the Vendors are subject to a six month voluntary escrow and holding lock.

Bannerman Managing Director and CEO, Brandon Munro commented:

"Our strategic shareholding in Namibia Critical Metals gives our shareholders exposure to heavy rare earths, in particular dysprosium and terbium. Despite being two of the most strategically important minerals on the planet, NMI's Lofdal Project is one of the very few development projects outside of China that are enriched in these metals. As Lofdal moves closer to production, our partnership offers strong potential to leverage Bannerman's extensive in-country expertise and credentials, in particular in the Environment, Social and Governance sphere."

Strategic transaction rationale

Whilst a relatively modest scale, with consideration components that respectively represent approximately 14% of Bannerman's cash balance at 30 June 2022 and 0.6% of the Company's shares on issue, the NMI stake acquisition offers significant strategic alignment and development synergies with Bannerman's flagship Etango Uranium Project in Namibia. The total consideration also represents a significant implied discount to current NMI market trading value.

NMI's Lofdal Project is globally significant to potential future Heavy Rare Earth Elements (**HREE**) supply, in particular the crucial need for dysprosium and terbium in the production of permanent magnets. This is a function of both its large scale and simple xenotime mineralogy. The NMI stake acquisition provides underlying asset exposure that is highly complementary to Bannerman's Etango Uranium Project in terms of both domicile and the role of heavy rare earths in enabling decarbonisation. It is also consistent with Bannerman's mission: social leadership in the supply of raw materials for emissions free power.

Bannerman remains focused on bringing Etango into production. NMI's strong management team coupled with full joint venture funding of the Lofdal Project by JOGMEC mitigates the potential for management distraction or funding diversion from Etango.

Recent Lofdal processing testwork unlocks simplified flowsheet

Bannerman notes the recent strong flotation testwork program results for the Lofdal Project (see NMI press release dated 26 July 2022). As a function of these results, a simplified flowsheet has been developed by NMI which allows for the direct flotation of run-of-mine material resulting in an upgrade of the heavy rare earths in the flotation concentrate by a factor of more than twenty times.

Downstream hydrometallurgical test work on the flotation concentrate is in progress with preliminary results reported as confirming similar acid bake and leach performance as in the previous program (see NMI press release dated 7 October 2021). The revised and significantly simplified flowsheet for the Lofdal Project is currently under economic evaluation based on an updated mine plan. NMI expects an engineering sizing, capital and operating costing validation exercise by SGS Bateman to be completed by end August 2022.

This ASX release was authorised on behalf of the Bannerman Energy Board by:

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ABOUT BANNERMAN ENERGY (ASX:BMN, OTCQB:BNNLF)

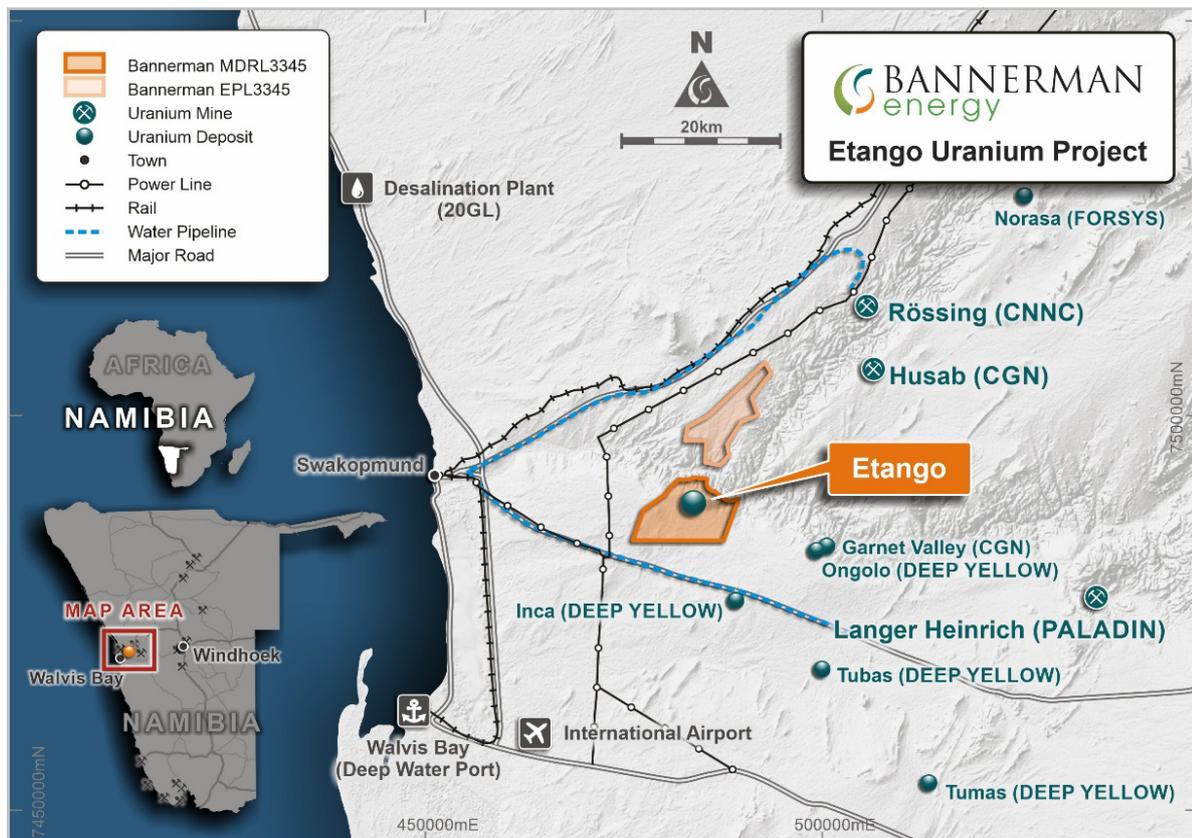
BannerMan Energy Ltd is a uranium development company listed on the Australian, OTC Markets and Namibian stock exchanges. Its flagship asset is the advanced Etango Uranium Project located in the Erongo Region of Namibia. BannerMan also holds a 41.8% shareholding in Namibia Critical Metals Inc, the developer of the fully permitted Lofdal Heavy Rare Earths Project, one of the very few development projects outside China that offer substantial future production of dysprosium and terbium.

Etango has benefited from extensive exploration and feasibility activity since 2006 and boasts a globally large-scale uranium mineral resource¹. A 20Mtpa development at Etango was the subject of a Definitive Feasibility Study (DFS) completed in 2012 and a DFS Optimisation Study completed in 2015². BannerMan constructed and operated a Heap Leach Demonstration Plant at Etango, which comprehensively de-risked the acid heap leach process to be utilised on the Etango ore.

Namibia is a premier uranium investment jurisdiction, with a 45-year history of uranium production and export, excellent infrastructure and support for uranium mining from both government and community. As the world's fourth largest producer of uranium, Namibia is an ideal development jurisdiction boasting political stability, security, a strong rule of law and an assertive development agenda.

Etango has environmental approvals for the proposed mine and external mine infrastructure, based on a 12-year environmental baseline. BannerMan has long established itself as an Environmental, Social and Governance (ESG) leader in the uranium and nuclear energy sector.

In August 2021, a Pre-Feasibility Study (PFS) was completed on Etango-8. The PFS confirmed that this accelerated, streamlined project is strongly amenable to development – both technically and economically. A DFS on Etango-8 is well advanced with expected completion in Q4 CY2022.



1 Refer to Section 3 of BannerMan's ASX release dated 2 August 2021, *Etango-8 Project Pre-Feasibility Study*. BannerMan confirms that it is not aware of any new information or data that materially affects the information included in that release. All material assumptions and technical parameters underpinning the estimates in that ASX release continue to apply and have not materially changed.

2 Refer to BannerMan's ASX release dated 11 November 2015, *Outstanding DFS Optimisation Study Results*.