

ASX ANNOUNCEMENT

19 May 2022

ACQUISITION OF STRATEGIC STAKE IN NAMIBIA CRITICAL METALS INC.

HIGHLIGHTS

- Agreement to acquire a 41.8% shareholding in TSX-V listed critical minerals developer, Namibia Critical Metals Inc. (NMI).
- 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 8,463,367 fully paid BMN ordinary shares, representing a significant discount to current NMI market trading value.

Bannerman Energy Limited (ASX:BMN; OTCQB:BNNLF, NSX:BMN) (**Bannerman** or the **Company**) advises that it has agreed to acquire a 41.8% shareholding in TSX Venture Exchange (**TSX-V**)-listed critical minerals exploration and development business, Namibia Critical Metals Inc. (TSX-V: NMI) (**NMI**). 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 agreed to acquire a total of 82,290,680 common shares in NMI, representing 41.8% of NMI's issued capital, from PhilCo 192 (Pty) Ltd (75,201,603 shares) and Adventure Resources Holdings (Pty) Ltd (7,089,077 shares) (together, the **Vendors**), for total consideration of A\$7.24M cash and the issue of 8,463,367 BMN fully paid ordinary shares, paid proportionately to each Vendor (**NMI Share Acquisition**). Bannerman has no existing holding of common shares or other securities in NMI.

Whilst a relatively modest scale, with consideration components that respectively represent approximately 12% of Bannerman's current cash balance and 0.6% of the Company's current issued shares, the NMI Share 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 Share 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. The NMI Acquisition is also consistent with Bannerman's mission: social leadership in the supply of raw materials for emissions free power.

Bannerman's Managing Director and CEO, Brandon Munro, commented:

"The Lofdal Project is on a path to produce dysprosium and terbium, two of the most strategically important metals on the planet. Our exposure to this future production, through a strategic shareholding in Namibia Critical Metals, is therefore a strong fit with Bannerman's Etango Project, a near-term supplier of uranium at a globally significant scale. I have followed the Lofdal Project and worked with its management since living in Namibia in 2010, and am personally delighted to formalise these strong in-country working relationships. I am also pleased that long standing relationships with NMI's major shareholders have enabled a direct, efficient transaction at this point in time."

"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 ESG (Environment, Social and Governance) sphere. After meeting at Lofdal with NMI President Darrin Campbell, and key JOGMEC representatives, I am confident that there is a strong alignment of intent and values between Bannerman and NMI, which has strong community and government relationships built during their 15-year presence in Namibia."

Namibia Critical Metals Inc President and CEO, Darrin Campbell, commented:

"I am delighted that Bannerman Energy is set to become a supportive major shareholder in Namibia Critical Metals Inc. I look forward to working with the Bannerman team and our project partner JOGMEC to add significant further value to the Lofdal Project. I expect that Bannerman's development experience, plus downstream industry and broader marketing experience, will be highly advantageous as we progress Lofdal towards being a globally significant supplier of dysprosium and terbium to the burgeoning permanent magnets sector."

Overview of Namibia Critical Metals Inc.

NMI is a Canadian public company listed on the TSX Venture Exchange. It holds a diversified portfolio of critical metals projects, all located within the country of Namibia. In addition to the Lofdal Project, which offers a sustainable supply of dysprosium and terbium, NMI also has prospective gold and base metals exploration licences in Namibia.

NMI has been operating in Namibia since 2005. The first systematic exploration for rare earths over Lofdal was initiated in 2008. In 2011, the Area 4 heavy rare earth deposit was discovered and since that time exploration results have demonstrated the occurrence of rare earth mineralisation on a district scale.

Rare earth mineralisation at Lofdal is hosted in structurally controlled alteration zones with carbonatite dykes, exhibiting grades between 0.2-3% total rare earths (**TREO** which includes yttrium oxide). The mineralisation is strongly dominated by heavy rare earths (**HREE**). Detailed mineralogical studies have confirmed that the principal heavy rare earth mineral at Lofdal is xenotime.

The Lofdal Project holds a NI 43-101 compliant Mineral Resource estimate and was the subject of a Preliminary Economic Assessment completed in 2014¹. An updated 43-101 Mineral Resource Estimate was released in May 2021. To date NMI has completed 334 diamond drill holes totalling almost 45,000 metres of drilling on Lofdal. For further information including the mineral resource estimate, see www.namibiacriticalmetals.com/projects/lofdal-heavy-rare-earths-project.

The mineral resource exhibits exceptional levels of heavy rare earths enrichment of between 75% and 93% HREE within the TREO, depending on cut-off grade, with corresponding TREO ranging from 0.27-1.26% TREO. The resource drilling program has provided a mineral resource estimate extending from surface to a vertical depth of approximately 350 meters.

In 2016, an Environmental Impact Assessment was completed on the Lofdal Project and an Environmental Clearance Certificate was granted by the Ministry of Environment and Tourism in 2017. Mining Licence ML 200 was granted in July 2021.

On 27 January 2020, NMI announced that it signed an agreement with JOGMEC to jointly explore, develop, exploit, refine and/or distribute mineral products from the Lofdal Project. The agreement provides JOGMEC with the right to earn up to a 50% interest in the Lofdal Project by funding a total of C\$20M in exploration and development expenditures. Once JOGMEC has completed and exercised its 50% earn-in, and a Feasibility Study has been completed on the Lofdal Project, JOGMEC has the right to purchase an additional 1% interest in the Lofdal Project from NMI for C\$5M and thereafter to exclusively provide funding to develop the Lofdal Project subject to NMI's interest not being diluted below 26%. NMI has since provided a shareholding to a local historically disadvantaged Namibian partner, who will retain a 5% interest in the Lofdal Project.

NMI's head office is located at 1550 Bedford Highway, Suite 802, Sun Tower, Bedford, Nova Scotia, B4A 1E6, Canada

Completion of transaction

The Company has entered into a Share Purchase Agreement dated 18 May 2022 with the Vendors to effect the NMI Share Acquisition. Subject to the completion of certain closing requirements contained in the Share Purchase Agreement, the NMI Share Acquisition is expected to complete within 30 days.

Aggregate consideration is comprised of A\$7,236,179 payable at completion, and deferred consideration comprising the issue of 8,463,367 Bannerman fully paid ordinary shares (**BMN Shares**). The Company will require shareholder approval for the issue of the BMN Shares under ASX Listing Rule 7.1 and a Notice of Meeting will be issued for this purpose as soon as practicable. Should Bannerman shareholder approval not be obtained within 60 days, Bannerman is obliged to satisfy the deferred consideration through the payment of a further A\$2,412,059 to the Vendors.

The BMN Shares are to be quoted on ASX and the Vendors have agreed to a six month voluntary escrow and holding lock on the BMN Shares.

The Company is acquiring the NMI shares for investment purposes. Depending on economic or market conditions or matters related to NMI, the Company may choose to either acquire or dispose of additional NMI shares.

The NMI shares are being acquired pursuant to the private agreement exemption set out in Section 4.2 of National Instrument 62-104 – *Take-Over Bids and Issuer Bids*.

A copy of the early warning report required to be filed with the applicable securities commissions in connection with this transaction will be available on SEDAR at www.sedar.com and can be obtained by contacting Bannerman's Company Secretary, Steve Herlihy, at info@bmnenergy.com. The Company's head office is located at Suite 7, 245 Churchill Ave., Subiaco, Western Australia 6008.

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

Brandon Munro, Chief Executive Officer

Contact

Investors:

Brandon Munro
CEO and Managing Director
T: +61 8 9831 1436
info@bmenergy.com

Media:

Michael Vaughan
Fivemark Partners
T: +61 422 602 720
michael.vaughan@fivemark.com.au

Important Notices

This announcement contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are considered reasonable. Such forward-looking statements are not a guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management. The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by law or the ASX listing rules. The information contained in this announcement does not constitute investment or financial product advice (nor taxation, accounting or legal advice), is not a recommendation to acquire Bannerman shares and is not intended to be used or relied upon as the basis for making an investment decision. This announcement has been prepared without taking into account the investment objectives, financial situation or needs of any individuals. Before making any investment decisions, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and should seek legal, accounting and taxation advice appropriate to their jurisdiction. Bannerman is not licensed to provide investment or financial product advice in respect of Bannerman shares.

¹ Preliminary Economic Assessment on the Lofdal Rare Earths Project Namibia dated October 1, 2014 authored by David S. Dodd, B.Sc (Hon) FSAIMM - The MDM Group, South Africa, Patrick J.F. Hannon, M.A.Sc., P.Eng. and William Douglas Roy, M.A.Sc., P.Eng. - MineTech International Limited, Canada, Peter Roy Siegfried, MAusIMM (CP Geology) and Michael R. Hall, B.Sc (Hons), MBA, MAusIMM, Pr.Sci.Nat, MGSSA - The MSA Group, South Africa. The PEA should not be considered to be a pre-feasibility or feasibility study, as the economics and technical viability of the Project has not been demonstrated at this time. The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as Mineral Reserves. Furthermore, there is no certainty that the PEA will be realised.

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

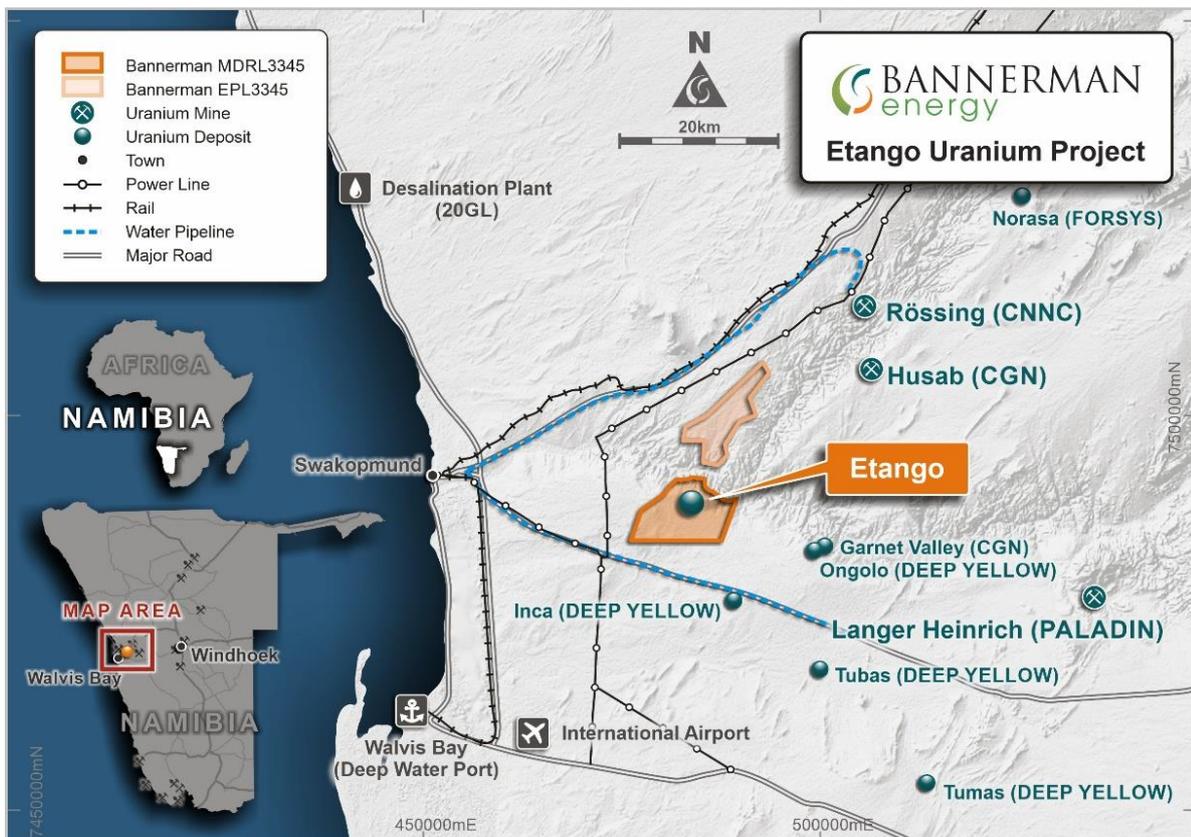
BannerMan Energy Ltd is a uranium development company listed on the Australian, OTC Markets and Namibian stock exchanges. Its flagship asset is the advanced Etango Uranium Project located in the Erongo Region of Namibia. BannerMan has long established itself as an Environmental, Social and Governance (ESG) leader in the uranium and nuclear energy sector.

Etango has benefited from extensive exploration and feasibility activity over the past 15 years. The Etango tenements possess 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 is a CSR leader within Namibia and exercises best-practice governance in all aspects of its business.

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 has commenced with expected completion in 3Q 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*.