QUARTERLY ACTIVITIES REPORT

For the Period Ended 31 March 2018

Bannerman Resources Limited (ASX:BMN, NSX:BMN) ("Bannerman" or "the Company") is pleased to report on a productive March quarter during which the Etango Project was progressed via successful completion of the Membrane Study.

HIGHLIGHTS

- **Membrane Study delivered cost savings to Etango**
  - Nano-filtration delivered substantial potential cost savings
  - Membrane Study demonstrated nano-filtration benefits to Etango
  - Confirms Ion Exchange with nano-filtration favourable over Solvent Extraction

- **Namibia rejected compulsory equity in mining projects**
  - Namibia's President confirmed that the New Equitable Economic Empowerment Bill will not include a requirement for 25% project equity to be owned by previously disadvantaged Namibians (PDNs).
  - Namibia remains a premier African investment destination and the ideal jurisdiction for uranium development.

- **Office Relocation as part of the Company's cost reduction strategy**

Bannerman's Chief Executive Officer, Mr Brandon Munro, said, *"During the March quarter Bannerman continued to sensibly and efficiently progress the Etango uranium project. The Membrane Study was completed, confirming at a definitive level that established nano-filtration technology could be applied to reduce reagent costs and generate potential capital savings. This study was completed largely using internal resources and sunk costs, in particular the Etango Heap Leach Demonstration Plant, resulting in an outstanding return on the modest external expenditure."*

BANNERMAN RESOURCES LIMITED ABN 34 113 017 128
Corporate Office Suite 7 ■ 245 Churchill Avenue ■ Subiaco Western Australia 6008
Post PO Box 1973 ■ Subiaco Western Australia 6904 T +61 8 9381 1436 F +61 8 9381 1068

ETANGO PROJECT (Bannerman 95%)

Membrane Study delivers cost savings to Etango

In November 2017 Bannerman announced the outcomes of the Etango Processing Optimisation Study (**Processing OS**), which reported a substantial decrease in estimated capital costs and the potential for significant reductions in forecast operating costs at Bannerman's proposed Etango uranium mine in Namibia. The Processing OS also identified the opportunity to incorporate nano-filtration technology in the processing circuit.

In late 2017 a membrane pilot test rig was mobilised to site to undertake an initial test work program, under the supervision of Bannerman's technical team and the equipment vendors. The test work used significant volumes of pregnant leach solution obtained from operation of two cribs at the Etango Demonstration Plant. An ion exchange (IX) process was then used to make concentrated eluate solution which was also used in the test work.

The membrane test work undertaken successfully demonstrated the ability of the nano-technology to recover acid for re-use and upgrade the uranium concentration in the solution almost ten-fold. The testwork on solution coming from the IX circuit demonstrated that a volumetric recovery of 90% was achievable. This further resulted in over 80% of the acid being recovered, along with a corresponding decrease in the volume of neutralisation chemicals required. This confirms that IX with nano-filtration (NF) is favourable to Solvent Extraction (SX) at Etango for both economic and operational reasons. The data obtained through the Membrane Study also provides valuable input into the DFS Update, which is being progressed through 2018.

The bulk of the potential savings achieved from using membrane technology are from recovering the majority of the acid for re-use, the consequential reduction in neutralisation chemicals and the reduced equipment size following the membrane plant (given downstream solution volumes are now reduced by around 90%).

The Membrane Study tested the effectiveness of five different membrane types on two different solution streams, both generated from the Etango Heap Leach Demonstration Plant:

1. Concentrated eluate stream from an IX process; and

2. Pregnant Liquor Stream coming directly from the heap leach circuit (ie without an IX circuit).

The best results were achieved through applying nano-filtration to the concentrated eluate stream, utilising a membrane type that optimally trades-off capital cost of acid-resistance durability in the membranes.

Iron removal was evaluated on the concentrates to remove iron and other entrained species, prior to yellow cake precipitation, confirming the viability of using magnesium oxide (MgO) and/or sodium hydroxide (NaOH) to reduce iron contamination with minimal uranium precipitation. Subject to confirmatory testwork, it is expected that the precipitated iron can be re-used in the leaching circuit, further reducing operating cost.

The extent of forecast operating cost reductions and capital savings will be known following definitive engineering associated with the DFS Update, which is now further enhanced by the quality of data produced by the Membrane Study.

There were no other interests in other mining tenements or any beneficial interests in farm-in or farm-out agreements which were acquired or disposed of during the quarter.

Namibia rejected compulsory equity

On 11 April 2018, Namibia's President Dr Hage Geingob formally rejected the proposed 25% equity component of the proposed New Equitable Economic Empowerment Bill (NEEEB), which had similarities to South Africa's Black Economic Empowerment (BEE) laws.

Bannerman remains exceptionally well positioned, having last year completed its 5% equity transaction with the One Economy Foundation, meeting the Chamber of Mines' Mining Charter requirements and Ministry of Mines' licence conditions.

URANIUM MARKET

The uranium spot price has not responded to supply cuts announced late 2017 by Cameco and KazAtomProm, with sustained low prices resulting in Paladin Energy Ltd announcing plans to place Namibia's Langer Heinrich Mine on care and maintenance. Demand continues to strengthen with Japan restarting its 7th reactor (with a further 2 restarts expected during the June quarter) and China announcing the intention to commence construction of 6-8 additional reactors during 2018. Bannerman continues to expect a significant improvement in the uranium spot price during 2018.

CORPORATE

Office Relocation

The Company moved head office during the quarter, to Suite 7, 245 Churchill Avenue, Subiaco, which enabled the saving of costs whilst maintaining functionality. The Company will continue to look for opportunities to save further costs.

Company profiling

Bannerman Mining Resources (Namibia) was awarded, for the second year running, the Chamber of Mines Safety Award (exploration company category).

Bannerman CEO, Brandon Munro, was elected Co-Chair of the World Nuclear Association's Nuclear Fuel Demand Working Group.

Cash Position and Operating Expenditure

Cash reserves at 31 March 2018 totaled A$1.35 million (31 December 2017: A$2.0 million).

Net operating cash outflow during the quarter totaled A$0.65 million, as a result of expenses from the Membrane Study and one-off costs associated with the corporate office move.

Issued Securities

At the date of this report, the Company has on issue 855,958,304 ordinary shares, 37,585,033 performance and share rights and 69,875,400 unlisted share options. The share rights and share options are subject to various performance targets and continuous employment periods.

Brandon Munro
Chief Executive Officer
30 April 2018

For further information please contact:

Brandon Munro
Chief Executive Officer
Perth, Western Australia
Tel: +61 (8) 9381 1436
info@bannermanresources.com.au

Robert Dalton
Company Secretary
Perth, Western Australia
Tel: +61 (8) 9381 1436
info@bannermanresources.com.au

Michael Vaughan (Media)
Fivemark Partners
Perth, Western Australia
Tel: +61 422 602 720
michael.vaughan@fivemark.com.au

About Bannerman - *Bannerman Resources Limited is an ASX and NSX listed exploration and development company with uranium interests in Namibia, a southern African country which is a premier uranium mining jurisdiction. Bannerman's principal asset is its 95%-owned Etango Project situated near Rio Tinto's Rössing uranium mine, Paladin's Langer Heinrich uranium mine and CGNPC's Husab uranium mine. A definitive feasibility study has confirmed the viability of a large open pit and heap leach operation at one of the world's largest undeveloped uranium deposits. From 2015 to 2017, Bannerman conducted a large scale heap leach demonstration program to provide further assurance to financing parties, generate process information for the detailed engineering design phase and build and enhance internal capability. More information is available on Bannerman's website at www.bannermanresources.com.*

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. 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.

Mineral Resources that are not Ore Reserves do not have demonstrated economic viability.

Bannerman Resources Limited (Bannerman or the Company) manages its drilling and assaying activities in accordance with industry standard quality assurance/quality control (QA/QC) procedures. Samples are collected by Bannerman personnel and prepared in accordance with specified procedures at the relevant assay laboratories. Drill samples were analysed for uranium by the Bureau Veritas Laboratory in Swakopmund, Namibia. Bureau Veritas is an International Laboratory Group with operations in 140 countries, including Ultratrace and Amdel in Australia. Assay QA/QC involves the use of assay standards (sourced from African Mineral Standards (AMIS) in Johannesburg, made from Bannerman pulp rejects and cross-checked through umpire laboratories for which the round robin reports are available), field duplicates, blanks and barren quartz flushes. A third party "umpire" laboratory (Genalysis in Perth) is used to cross-check and validate approximately 5% of the assay results in accordance with standard procedures. Sample coarse rejects are retained and approximately 5% of samples are re-submitted for further assay verification. All sample pulps, half-core and rock-chip samples are retained at Bannerman's Goanikontes Warehouse Facility (GWS) on site.

The information in this report relating to the Ore Reserves of the Etango Project is based on information compiled or reviewed by Mr Leon Fouché. Mr Fouché is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Fouché was employed by Bannerman Resources until 14 July 2017. Mr Fouché has sufficient experience relevant to the style of mineralisation and types of deposits under consideration and to the activity which is being undertaken to qualify 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.