QUARTERLY ACTIVITIES REPORT

For the Period Ended 31 March 2019

Bannerman Resources Limited (ASX:BMN, NSX:BMN) ("Bannerman" or "the Company") is pleased to report on an effective quarter in which reconnaissance drilling highlighted potential satellite feed to the proposed Etango mine, whilst the uranium sector moved closer to resolution of the section 232 trade investigation being undertaken in the United States.

HIGHLIGHTS

- **Section 232 decision pending**
  - US trade investigation has created uncertainty since January 2018, suppressing uranium sector activity
  - Department of Commerce review period ended, recommendations provided to White House
  - Final decision pending, to be made no later than 15 July 2019
  - Wide range of potential outcomes, sector awaiting certainty

- **Reconnaissance drilling program**
  - Targeting two areas within 10km of the proposed Etango processing plant
  - 8 drill holes for 973m of RC drilling completed
  - Highlighted potential for satellite feed
  - EPL 3345 renewal application submitted

- **DFS Update ongoing**
  - Mining and process schedule optimisation continuing
  - Improved cost input parameter modelling

- **Strong cash balance of A$6.7m at quarter end**

Bannerman's Chief Executive Officer, Mr Brandon Munro, said, *"The Department of Commerce has completed its section 232 trade investigation, which is an important milestone in the resolution of this trade action. We look forward to a decision by the White House and the consequent lifting of broader uranium market uncertainty. Bannerman remains very well positioned for any outcome from this action, with an advanced project of world-class scale in a premier jurisdiction."*

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URANIUM MARKET

During the quarter uranium sector activity slowed further ahead of a decision by the White House on the section 232 trade investigation that has been undertaken by the Department of Commerce. This trade investigation was initiated after two US uranium producers petitioned the Department of Commerce in January 2018, seeking an order that US nuclear utilities be required to purchase 25% of their uranium from US domestic production.

After effective lobbying by the Ad Hoc Utilities Group (an organisation comprising a majority of the nuclear power generators in the US), a broad range of potential outcomes are seen as possible, including a decision to take no action. The variation in scope and effect of these potential outcomes, coupled with the breadth of the discretion afforded to the White House, has created uncertainty that has resulted in most utility procurement programs being suspended or sharply curtailed.

The Department of Commerce was required to finalise the investigation and submit its recommendations to the White House by 15 April 2019. The Trump Administration may now make its decision at any time between now and when the enabling legislation dictates that a decision must be reached (ie 90 days), which is 15 July 2019.

The spot U_3O_8 price closed 2018 at US$28.50/lb and, after failing to breach the US$30/lb technical barrier, drifted on low volumes to US$25.85 as at 12 April 2019. Volumes were affected by Cameco Inc pausing the purchase of uranium on the spot market. However, Cameco has confirmed its intention to recommence spot purchasing during 2019. This is in order to meet term contract delivery obligations that it must fill after placing its McArthur River mine onto care and maintenance in July 2018. The term uranium market continues to be muted.

China's Ministry of Ecology and Environment confirmed the approval of four Hualong One nuclear reactors in mid-March, with construction expected to start in mid-2019. This decision ended a three-year hiatus in new reactor approvals in China. It also re-affirmed China's commitment to build 6-8 new reactors per year in order to achieve a nuclear capacity of at least 120-150 GWe by 2030.

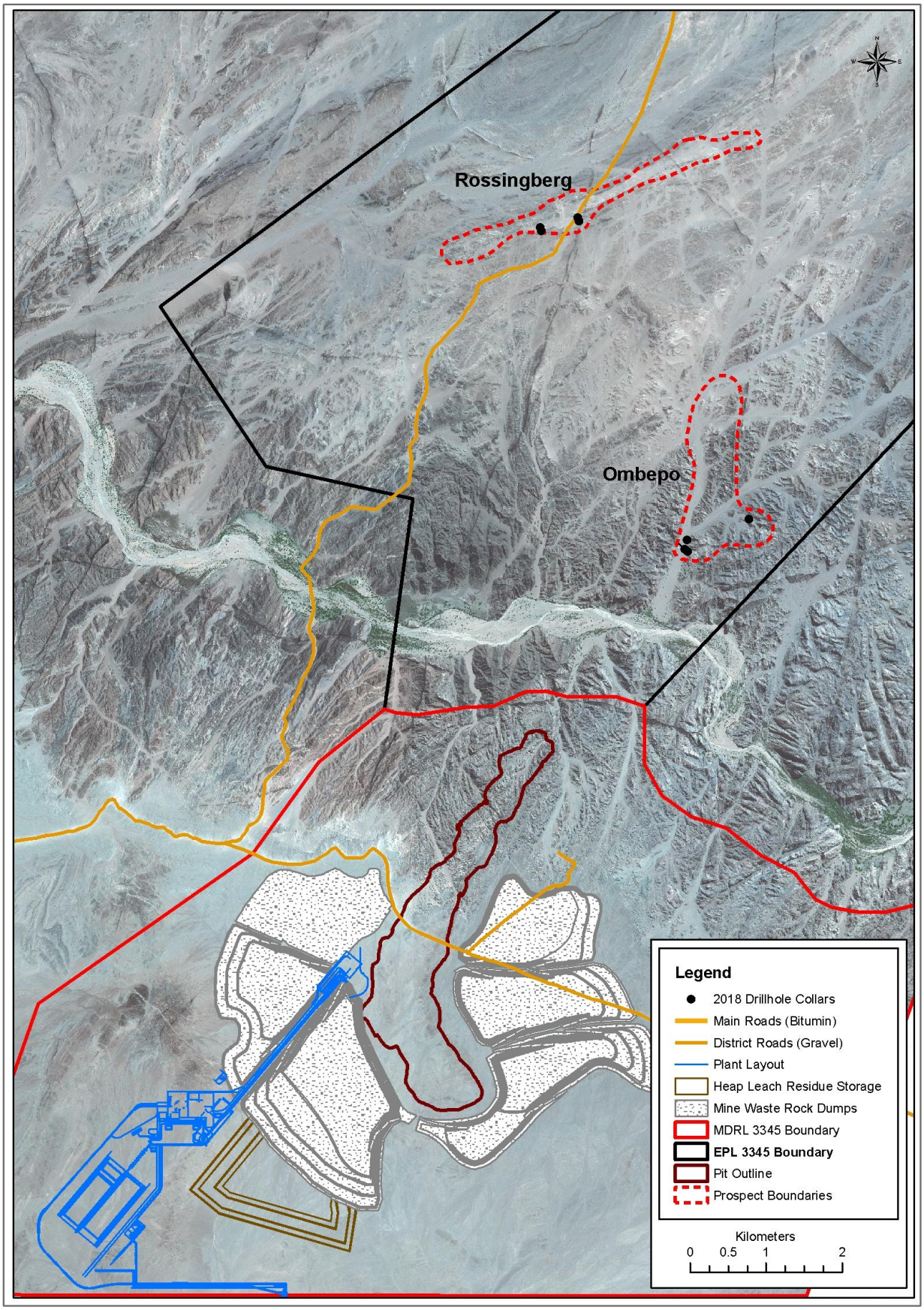
On 11 April 2019, the LSE-listed uranium investment vehicle Yellow Cake plc announced a capital raising to fund the acquisition of a further 1.15 million lbs of U_3O_8 from KazAtomProm at a price of US$25.88/lb. Yellow Cake plc retains an annual option from KazAtomProm to purchase U_3O_8 up to a value of US$100 million per year, with this option extending until the end of 2027. Approximately US$70 million remains available to exercise for 2019.

ETANGO PROJECT (Bannerman 95%)

Reconnaissance Drilling

The reconnaissance drilling program, results of which were announced on 28 February 2019, tested two targets, Ombepo and Rössingberg, both situated immediately north of Bannerman's Etango Uranium Project. A total of eight reverse circulation (RC) drillholes were drilled for 973m. Four drillholes (for 575m) were drilled at the Ombepo prospect and four drillholes (for 398m) were drilled at the Rössingberg prospect. Both prospects have coincident radon anomalies and surface mineralisation.

Figure 1: Target locations and drillhole collars relative to the proposed mine infrastructure at Etango



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Ombepo Prospect

The objective of the reconnaissance drilling at the Ombepo prospect was to test the down-dip continuation of uraniferous alaskite bodies identified at surface. All four holes drilled at the Ombepo prospect intersected uraniferous alaskite at depth.

Drillholes GOBRC0007 and GOBRC0008 were drilled on the same section line 50m apart (see Figure 2). These drillholes intersected the continuation of the alaskite bodies with associated uranium mineralisation at depth (see Figure 3). The alaskite body, as well as the uranium mineralisation, extends on this section line from drillhole GOBRC0007 down-dip to drillhole GOBRC0008.

Figure 2: Drillhole collars at Ombepo target

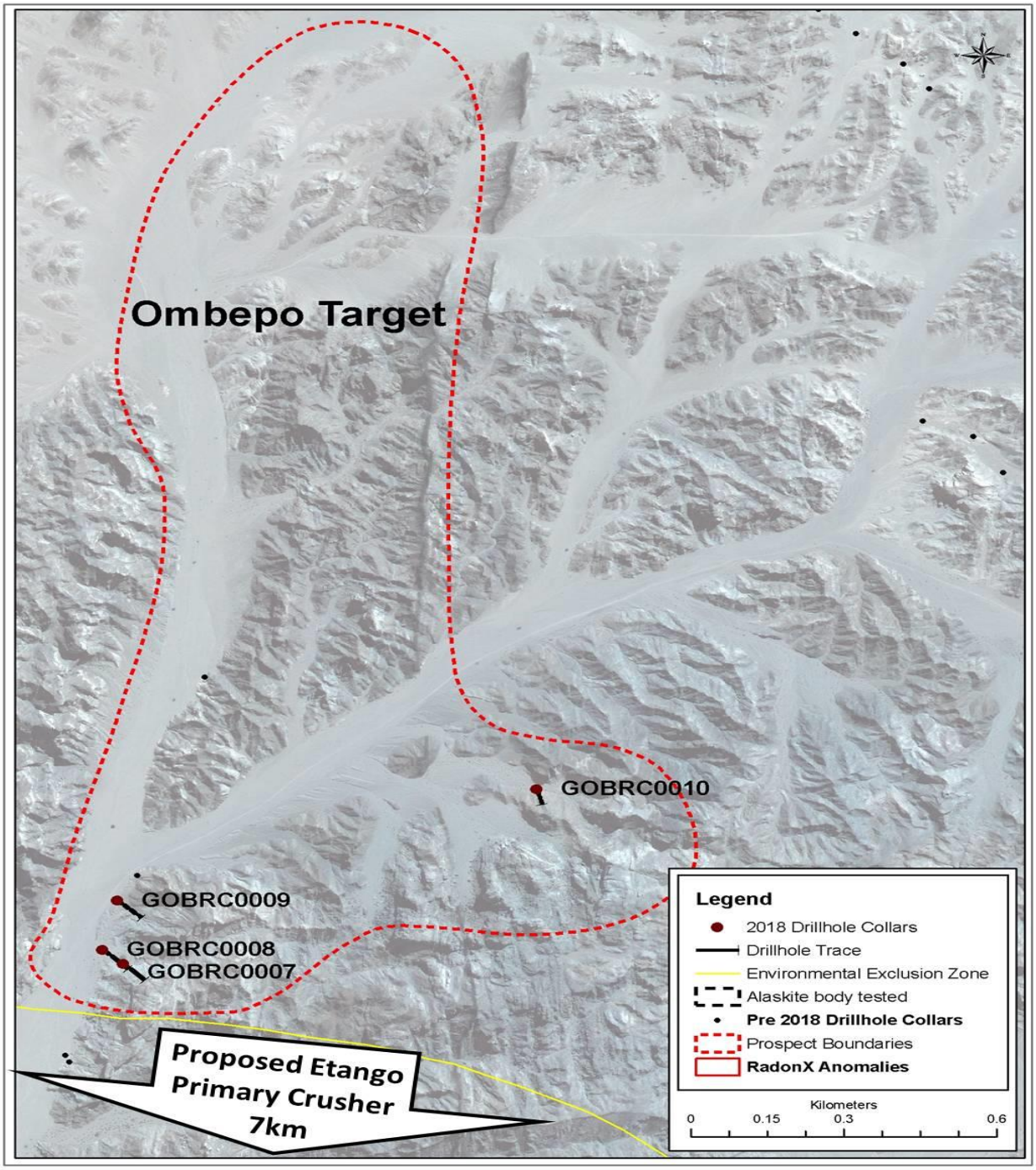
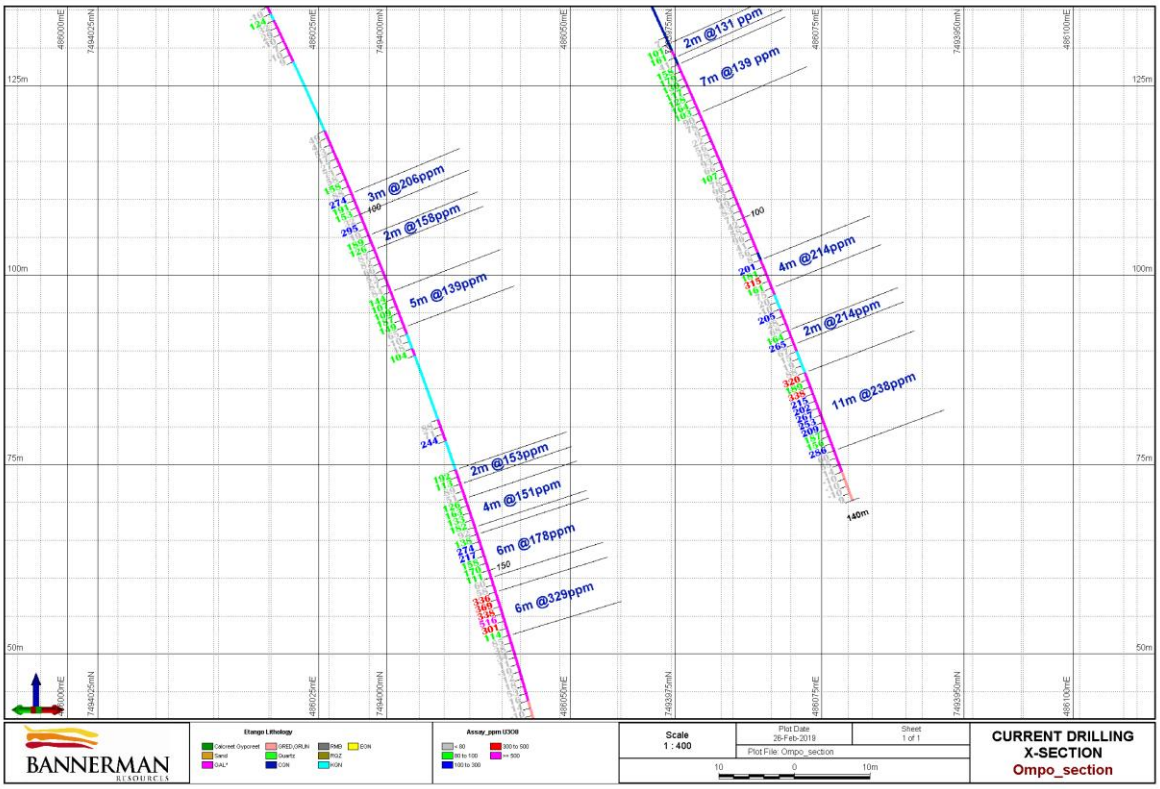


Figure 3: Section line showing Ombepo drillholes GOBRC0007 and GOBRC0008



Drillhole GOBRC0009 was positioned on a section line 110m to the northeast along strike. The results from drillhole COBRC0009 confirmed a 110m strike extent of the alaskite bodies and uranium mineralisation. Due to the topography in the area, it was not possible to test the full strike extent of the uranium mineralisation with the reconnaissance drilling program.

Drillhole GOBRC0010 confirmed some down-dip extension of uraniferous alaskite further north along strike.

Rössingberg Prospect

The objective of the Rössingberg reconnaissance drilling was to test the strike extent of uranium mineralisation intersected during Bannerman's 2008 drilling program at the prospect. The drilling was done on two section lines situated 150m to the northeast along strike and 350m to the southwest along strike from the 2008 drilling program section line.

All four drillholes intersected poorly mineralised alaskite bodies, with the best results from drillhole GRBRC0026. Grades intersected in the alaskite bodies were mostly below 100ppm U_3O_8. The drilling did not establish continuation of mineralisation along strike at the Rössingberg prospect.

Renewal of EPL 3345

Bannerman has submitted an application to renew Exclusive Prospecting Licence 3345 (EPL 3345) 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. All expenditure obligations have been met for the current licence term, which ends in April 2019.

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DFS Update

During the quarter, the Company's ongoing DFS Update work included continuing mine and process schedule optimisation in conjunction with Qubeka Mining Consultants, a specialist mining engineering firm with deep experience in deposits similar to Etango, and completion of a process to improve the modelling of cost input parameters.

CORPORATE

Cash Position and Operating Expenditure

Cash reserves at 31 March 2019 totaled A$6.7 million (31 December 2018: A$7.4 million).

Net operating cash outflow during the quarter totaled A$0.633 million.

Issued Securities

At the date of this report, the Company has on issue 1,041,587,214 ordinary shares, 41,652,934 performance and share rights and 70,626,800 unlisted share options. The share rights and share options are subject to various performance targets and continuous employment periods.

Brandon Munro
Chief Executive Officer
16 April 2019

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.*

Competent Person's Statement

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.

Refer to the full announcement, titled "Reconnaissance Drilling Highlights Potential Satellite Feed", dated 28 February 2019.