BANNERMAN energy

ASX ANNOUNCEMENT
25 September 2024

Etango Project Update

Bannerman Energy Limited (**ASX:BMN, OTCQX:BNNLF, NSX:BMN**) (**Bannerman** or **the Company**) is pleased to advise of significant recent progress in the development of its Etango Uranium Project (**Etango Project** or **Etango**).

KEY OUTCOMES

- **Etango mine development continuing, facilitated by recent equity raising and 'phased greenlight' approach:**
  - **Front-End Engineering and Design (FEED) and Control Budget Estimate (CBE) completed in June, delivering significant de-risking of project development and execution profile.**
  - **Construction water supply and site access road early works completed in July – safely, on time and on budget.**
  - **Key 24-month bulk earthworks and construction power contracts awarded.**
  - **Tertiary crusher (HPGR) order placed and manufacture commenced; plant detailed design work advancing.**
  - **Ongoing advancement of early works construction and long lead orders.**
- **Etango financing process advancing across both project/corporate debt as well as potential offtake and joint venture opportunities with strategic counterparties.**
- **Long term contracting price continues to build, with tightening supply and rising demand aligned with renewed interest in nuclear power.**
- **Commitment to maximising Etango's leverage to long-term uranium market fundamentals by targeting offtake contracts that capture the full value of long-term producer opportunity.**
- **Window for targeted positive Etango Final Investment Decision (FID) expanded into 2025.**

Commenting on these outcomes, Bannerman Chief Executive Officer, Gavin Chamberlain, said:

"I am pleased with the progress of our current early development works program. Our contract partners have performed strongly and delivered their scopes effectively, with completion of the initial construction water supply and site access road facilities earlier this quarter.

"We continue to exercise a gated approach to Etango development, with phased green lighting of various construction works in-line with advancement across broader project workstreams and financial capacity. This enables us to maintain critical path timelines whilst also allowing robust management of execution and market risks.

"To this end, our recent equity raising has facilitated a rapid transition into the next phase of long lead order and critical path contract awards for Etango. The bulk earthworks contract comprises a large, lengthy body of work, the commencement of which maintains the Etango mine construction timeline. The same goes for the commencement of manufacture of key plant items, including the High-Pressure Grinding Rolls (HPGR), a key component of the Etango plant front-end."

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"The Etango financing progress is also advancing, comparing a broader range of conventional and strategic funding opportunities that reflect growing interest in long-term uranium supply. With our current robust cash balance, we can take the appropriate time in this area to ensure the optimal overall funding mix is delivered – a key differentiating feature compared to many developers.

"I am also pleased to see long term contract markets firming further over the last few months. While the market continues to come to us in this sense, it is also an excellent reminder that the judicious exercise of patience can bring its rewards. Again, we have the financial runway to progress development while ensuring our initial offtake contract book is established on terms that are truly representative of long-term uranium market fundamentals – a strategy that we are firmly committed to implementing."

Etango Project Update

Early works and long lead construction activities

The first two early works contracts approved for the Etango Project – the construction water supply and site access road – were completed in July; safely, on time and on budget. Bannerman thanks its local contract partners on these projects for their strong and safe performance.

Figure 1: Completed access road to Etango site, showing the junction to the C28 tar highway

Following the completion of these early works, and the financial capacity delivered by the Company's recent equity raising, development of Etango has rapidly transitioned to the next phase of long lead order and critical path contract awards. This approach is in-line with Bannerman's gated, 'phased greenlight' approach to the construction of the Etango Project.

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Figure 2: New culvert installed over the existing water supply pipelines

Figure 3: Completed construction water reservoir delivering 700m^3 storage volume

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As previously announced, the Etango bulk earthworks contract has been awarded. This award is in-line with the existing project schedule and is planned to be a 24-month contract (which lies on the critical path schedule).

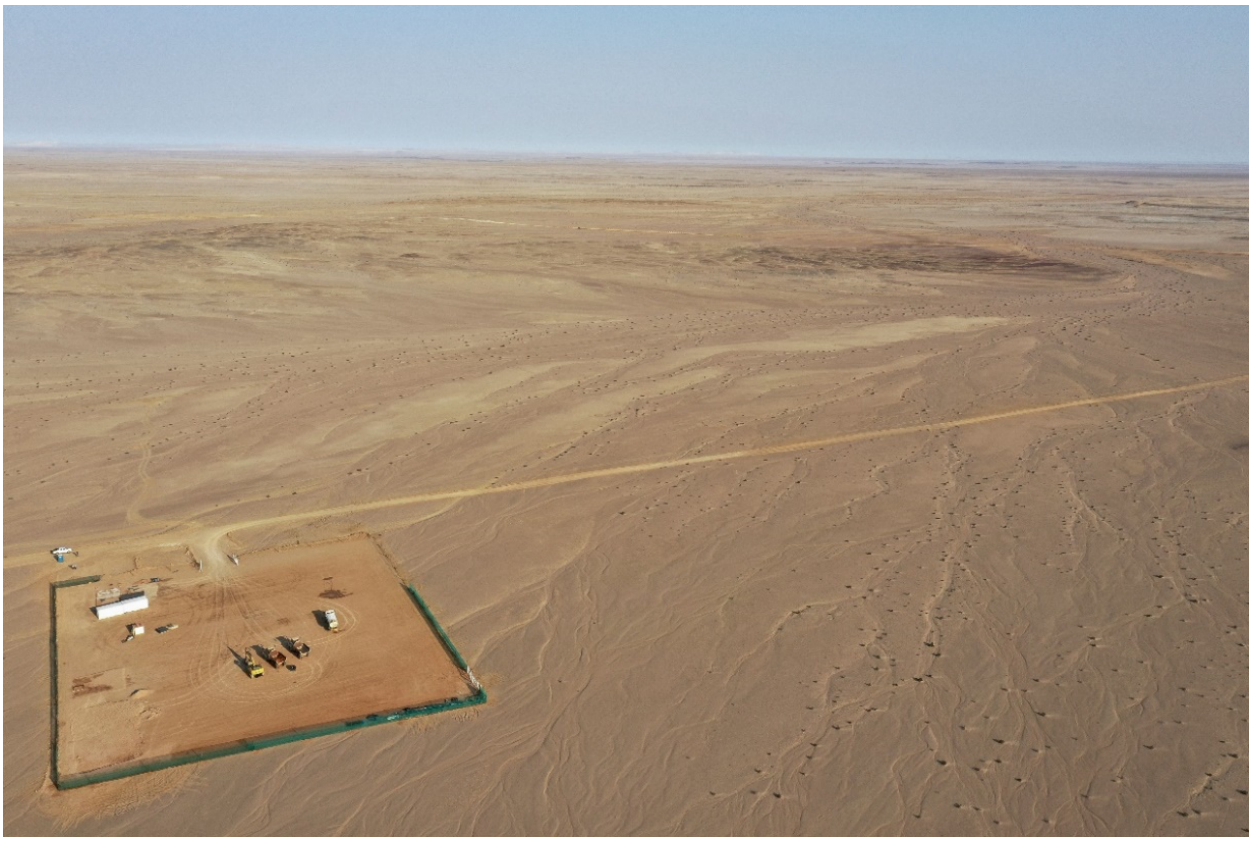

Figure 4: Bulk earthworks contractor's camp, within Etango ML boundary, being established following contract award

The construction power contract has also been placed in-line with the project schedule. Further, the construction contract for the roads within the Etango Mining Licence (**ML**) area has been awarded and works are progressing ahead of schedule.

The contract for the blasting, crushing, and placing of the drainage layer on the Etango heap leach pad has been tendered and is being adjudicated. Bannerman has also issued the instruction to commence manufacture of the High-Pressure Grinding Rolls (**HPGR**) tertiary crusher.

Negotiations on final supply contracts for both permanent water and power supply have progressed in-line with requirements and are now at an advanced stage. Detailed design work on the Etango process plant continues, as are procurement activities securing engineering details for key mechanical equipment.

The Environmental Clearance Certificate (**ECC**) for the Etango ML was also recently renewed until 31 August 2027.

Financing

The Etango financing process sees Bannerman evaluating and progressing various funding sources, including project/corporate debt as well as potential offtake and joint venture opportunities with strategic counterparties who can add value to the Etango Project. As previously advised, Azure Capital and Vermilion Partners (both global affiliates of French financial services institution, Natixis) are advising on and assisting with the execution of the optimal funding mix for Etango.

This process is progressing well and has been informed at every stage by Bannerman's commitment to establishing a highly robust financial base for the Etango Project. The final choice of funding mix will be a direct function of the cost of various alternatives weighed against respective requisite levels of offtake coverage (and key terms), covenants and security.

Bannerman's recent equity raising is a strong enabler in delivering sufficient runway for the Company to undertake a fulsome process, delivering the best opportunity to arrive at the optimal funding mix.

Offtake contracting

Bannerman's product marketing strategy continues to be driven by a detailed understanding of utility requirements and preferences. The Company continues to actively engage with a broad range of utilities, financial institutions, traders, and other key market participants. This ongoing interaction ensures a thorough understanding of term contracting dynamics, pricing mechanisms, and other essential contractual terms and conditions.

It is readily observable that yellowcake term contract liquidity and pricing has continued to build momentum in recent months, notwithstanding the retraction in spot yellowcake and uranium equities pricing over the same period.

Bannerman's well-established position with respect to offtake marketing is that it will preserve the long-term underlying value of Etango by only committing to contracting its planned uranium output on price (and other terms) that are considered representative of long-term market fundamentals and producer opportunity. Although the market is developing positively, current term contract conditions have not yet fully aligned with these criteria.

A natural extension of Bannerman's position to offtake contracting is the necessary degree of patience required to maximising the leverage of Etango to long-term uranium market fundamentals. The exercising of this patience means that Bannerman has elected to expand its projected window for a targeted positive Final Investment Decision (**FID**) on Etango into 2025.

The Company is able to comfortably undertake such a strategy as a result of its recent equity raising and robust cash balance. This enables ongoing execution of the 'phased greenlight' approach to Etango development, whilst maintaining a watch-and-act approach to offtake contracting during this period.

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

Brandon Munro, Executive Chairman

25 September 2024

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ABOUT BANNERMAN ENERGY (ASX:BMN, NSX:BMN, OTCQX:BNNLF)

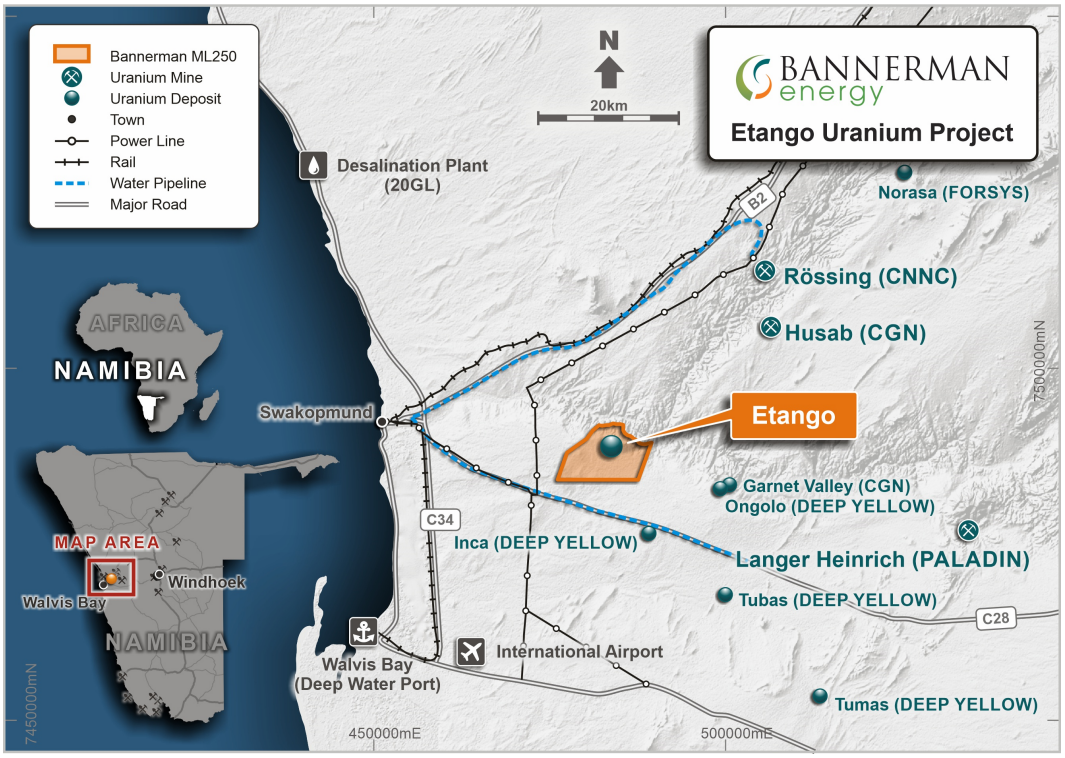
Bannerman Energy Ltd is a uranium development business listed on the Australian and Namibian stock exchanges and traded on the OTCQX Market in the US. Its flagship asset is the advanced Etango Uranium Project located in the Erongo Region of Namibia.

Etango has benefited from extensive exploration and feasibility activity over the past 15 years. The Etango tenement possesses a globally large-scale uranium mineral resource[1]. In December 2022, a Definitive Feasibility Study (DFS)[2] was completed on the Etango-8 Project, confirming to a definitive-level the strong technical and economic viability of conventional open pit mining and heap leach processing of the Etango deposit at 8Mtpa throughput (for average annual output of 3.5 Mlbs U_3O_8). In March 2024, a scoping study[3] demonstrated the capacity to expand annual production to 6.7 Mlbs U_3O_8.

Etango's advanced credentials are further highlighted by the construction and multi-year operation of the Etango Heap Leach Demonstration Plant, which comprehensively de-risked the conventional acid heap leach process to be utilised on the Etango ore. All environmental approvals have been received for the proposed Etango mine and external mine infrastructure, based on a 12-year environmental baseline. Bannerman was awarded the Mining Licence for Etango in December 2023 and is progressing all key project workstreams towards a targeted positive Final Investment Decision (FID) in parallel with strengthening uranium market fundamentals.

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 third largest producer of uranium, Namibia is an ideal development jurisdiction boasting political stability, security, a strong rule of law and an assertive development agenda. The Bannerman team has ample direct experience in the development, construction and operation of uranium projects in Namibia, as well as extensive links into the downstream nuclear power industry.

Bannerman has long established itself as an Environmental, Social and Governance (ESG) leader in the uranium and nuclear energy sector. It is also a leader within Namibia on social development and community engagement and exercises best-practice governance in all aspects of its business. This was recently recognised with receipt of the 2023 African Mining Indaba's ESG Award for Community Engagement.



1 and 2. Refer to Bannerman's ASX release dated 6 December 2022, *Etango-8 Definitive 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.

3. Refer to Bannerman's ASX release dated 18 March 2024, *Etango-XP and Etango-XT Scoping Study*.