

Quarterly Activities Report

FOR THE PERIOD ENDED 31 DECEMBER 2023

Bannerman Energy Ltd (ASX: BMN, OTCQX: BNNLF, NSX: BMN) (Bannerman or the Company) is pleased to report on its progress during the quarter.

The quarter's highlight was the granting in December of the Mining Licence for Bannerman's flagship Etango Uranium Project in Namibia (**Etango Project** or **Etango**). This milestone enabled the immediate commencement of key infrastructure works for Etango on the back of ongoing Front-End Engineering and Design (**FEED**) activities.

The quarter also saw further strengthening of the U₃O₈ spot price, a dynamic that continued to positively impact uranium-linked capital markets. The Company remained focused on cost-effective management and timely project execution.

HIGHLIGHTS

- **Etango Mining Licence ML250 granted**
 - *All environmental permits in place to construct and operate the proposed Etango mine.*
 - *Etango is now fully permitted.*
- **Etango Project development**
 - *Early works contracts for the access road and temporary water pipeline placed.*
 - *Front End Engineering and Design (FEED) is progressing to schedule.*
 - *Product marketing and financing workstreams advancing.*
- **Substantial cash balance of A\$35.2M at quarter end and zero debt.**
- **Uranium spot price continued to rise, finishing the quarter at US\$91/lb and appreciating beyond US\$100/lb in early 2024.**
- **Multi-lateral pro-nuclear pledge at COP28 marked a pivotal moment in global commitment to nuclear energy, signalling a significant increase in future uranium demand.**

Bannerman Managing Director and Chief Executive Officer, Brandon Munro, said:

"The December quarter was a milestone quarter for Bannerman shareholders and our other valued stakeholders. The grant of the Etango Mining Licence represents the culmination of more than 15 years of technical and environmental work, coupled with our strong commitment to community development over that time. The immediate commencement of early infrastructure works is an enabler for our construction timeline and is consistent with our strategy of ensuring we are free of development constraints. Etango has now joined a small and elite group of large-scale, greenfield uranium projects that are fully permitted and construction-ready. I couldn't be more pleased with the timing of these events as uranium macro-fundamentals are finally recognised in the spot price."

Etango Uranium Project (Bannerman 95%)

Mining Licence ML250 granted

On 15 December 2023, Bannerman announced the grant of the Etango Mining Licence (ML 250) and customary attaching conditions.

The grant of the Mining Licence allowed Bannerman to move immediately to award two key early works contracts on Etango for the build of the temporary construction water supply and the site access road. The temporary construction water pipeline will ensure sufficient water is available onsite when the main earthworks and civil contracts commence. The access road will enable controlled access to the mine site with minimal impact on the surrounding area to be achieved from the start of full construction works.

These contracts hold a combined value of approximately N\$36 million (approx. US\$2 million). They have been awarded to a local Namibian contractor and follow a tender process undertaken earlier this year.

The prompt award and commencement of these early works contracts enable Bannerman to maintain the current target construction schedule for Etango. Both the contracts are funded from Bannerman's existing cash holding which is detailed below.

All Key Workstreams Advancing

Etango Project FEED Activities

Overall, the Front-End Engineering Design (FEED) activities for the Etango Project are advancing according to schedule and within budget. Significant progress across various workstreams was achieved during the quarter.

This work continues to proceed in a measured, systematic fashion with retention of substantial embedded flexibility on project execution and a highly controlled, restrained spend rate prior to any Final Investment Decision (FID) being taken.

Process Engineering: An Ion Exchange (IX) circuit for heap leach rinse water is now integrated into the SysCad model. This advancement was complemented by the completion of the Piping & Instrumentation Diagrams (P&IDs) for the dry plant, required for detailing the plant's mechanical systems. The design for potable and freshwater systems on-site has also now been finalised. Two of four heap leach cribs for advanced network refinement are currently operational, with simultaneous treatment of solutions through IX.

Mechanical Engineering: Mechanical packages have been prepared for market inquiries and bids are being actively evaluated. Orders for seven essential mechanical supply packages have been placed, advancing the detailed design process. Development and market issuance of structural, mechanical, and piping (SMP) packages is complete, along with finalisation of bid evaluations for SMP conveyors. Mechanical layouts for the front end of the plant have also been completed.

Electrical, Instrumentation, and Control: Early works and the development of Single Line Diagrams (SLDs) for the fixed plant have advanced. Preliminary Load Lists have been updated, accompanied by energy cost calculations. Innovative options for on-site power generation, such as modular solar power and potentially floating solar panels, continue to be evaluated.

Civil, Infrastructure, and Earthworks: Packages for bulk earthworks, the construction camp, and bulk concrete have been issued to vendors for pricing. The ripios dump design is on track, with final testwork in process.

Environmental, Social, and Governance (ESG): The Human Rights Due Diligence process and the Summary Environmental and Social Impact Assessment (ESIA) documents have both been completed, further ensuring adherence to high standards of social responsibility and environmental

stewardship.

Long Lead Items: As noted above, early works contracts for temporary water supply and the mine access road (combined value of approx. US\$2 million) were issued in December 2023, with site establishment activities commencing in January 2024.

Sustainability

Bannerman and 120 other companies signed the Net-Zero Nuclear Industry Pledge introduced at the COP28 Climate Summit. We acknowledge that the ambitious global climate change and CO₂ reduction targets cannot be met without robust, rapid, and sufficient expansion of nuclear energy worldwide. Our endorsement of the pledge demonstrates our commitment to playing an active role in this crucial endeavour. Our aim is to contribute significantly to global efforts to mitigate climate change and achieve a carbon-neutral future.

Financing

During the quarter, Bannerman advanced its financing activities for the Etango Project.

The Company is evaluating and progressing various funding sources, including conventional project debt, as well as potential offtake and joint venture opportunities with strategic counterparties who can add value to the Etango Project.

As previously advised, Bannerman has appointed Azure Capital and Vermilion Partners (both global affiliates of French financial services institution Natixis) to advise on and assist with the execution of the optimal funding mix for Etango.

Bannerman remains committed to establishing a highly robust financial base for the Etango Project. The Company's focus is on closely aligning its strategic financial planning with its development and operational goals, thereby ensuring the long-term success and sustainability of Etango.

Offtake Marketing

Bannerman advanced its product marketing initiatives during the quarter, including further physical and virtual meetings with target offtake counterparties and nuclear industry participants. The Company's overarching product marketing strategy continues to be centred on, and driven by, a detailed understanding of utility requirements and preferences.

Bannerman's well-established position with respect to offtake marketing is that the Company will not diminish the long-term underlying value of Etango by committing to contracting its planned uranium output on price (and other terms) that it considers unrepresentative of long-term market fundamentals and producer opportunity. However, with yellowcake term contract liquidity and pricing building momentum in line with tightening uranium market fundamentals, the threshold for undertaking such contracting activities is becoming closer to being reached.

Corporate

Strategic Holding in Namibia Critical Metals – Private Placement

Bannerman maintains a strategic shareholding in Namibia Critical Metals Inc. (TSX-V: NMI).

On 20 November 2023, NMI announced a private placement to raise C\$500,000 by issuing 8,333,333 units at C\$0.06 per unit, with the unit price representing a 7.7% discount to the NMI closing share price on 17 November 2023. Consistent with Bannerman's role as a supportive major shareholder, Bannerman committed to subscribe for its pro-rata proportion of the placement.

Each unit consisted of an NMI common share and warrant, with the latter being exercisable for an additional NMI share at C\$0.10 until 22 December 2025. The funds raised through the placement are to be used for marketing and general corporate activities. At the same time, the JOGMEC farm-in agreement continues to fund evaluation activities on the Lofdal HREE Project.

Bannerman increased its stake in NMI from 41.8% to 42.1% by subscribing for 3,983,333 units in the placement.

Strong Quarter-end Cash Balance of A\$35.2 million

Bannerman's cash balance at 31 December 2023 was A\$35.2 million (30 September 2023: A\$39.9 million). The Company has no debt (other than typical creditor balances) or convertible instruments.

Total exploration and development expenditure for the quarter was A\$2.9 million, which included FEED work on the Etango Project. Expenditure recognised as Property Plant and Equipment from grant of the Mining Licence was A\$0.9 million.

Management continues to maintain a focus on prudent cost control and project timeliness. For the purpose of item 6.1 of Appendix 5B, the aggregate payments during the quarter to related parties (totalling A\$229,748) were comprised of directors' fees and salary.

Annual General Meeting

The Company held its Annual General Meeting (AGM) on 9 November 2023, with shareholders passing all resolutions.

Cancellation and Issue of Securities

The Company advised during the quarter that the following securities in Bannerman were cancelled or issued:

- 605,612 Non-Executive Director Share Incentive Plan (NEDSIP) unlisted options were exercised utilising the BMN Cashless Facility (*2020 Grant expiring 15 Nov 2023*). Of the 755,920 options that were exercisable at \$0.50 per share, 150,308 options were forfeited in consideration for the cashless exercise of the 605,612 exercised options.
- 41,866 unlisted Zero Exercise Price Options (ZEPO) were exercised for NIL consideration in accordance with the terms of the NEDSIP and Employee Incentive Plan (EIP).
- 195,705 unlisted employee performance rights, pursuant to the terms of the EIP, were forfeited and cancelled following non-satisfaction of the relevant performance criteria.
- 37,083 unlisted employee performance options, pursuant to the terms of the EIP, were forfeited and cancelled following non-satisfaction of the relevant performance criteria.
- 608,707 fully paid ordinary shares were issued upon vesting of unlisted performance rights in accordance with the terms of the NEDSIP and EIP.
- 1,150,567 unlisted Zero Exercise Price Options (**ZEPO**) were granted in accordance with the NEDSIP and EIP as approved by shareholders on 16 November 2022.
- 1,250,000 ordinary shares were issued to Savanna Marble CC as announced to ASX on 20 December 2023.

Issued Securities

At the date of this report, the Company has on issue 153,040,770 fully paid ordinary shares, 1,950,781 performance rights and 2,050,864 unlisted options. The performance rights and options are subject to various performance targets and continuous employment periods.

Uranium Market

The uranium market showed further significant movement and positive dynamics over the quarter, particularly in response to developments at COP28 and evolving global energy demands.

COP28 significantly changed the global perception of the nuclear energy sector. The conference, which has been referred to as the 'Nuclear COP', saw over 20 countries, including the United States, France, Japan, and the UK, commit to tripling global nuclear energy capacity by 2050. This marked shift in global energy policy underscores a growing acknowledgment of nuclear energy's vital role in achieving

climate goals and providing reliable baseload power alongside renewable sources. The focus on nuclear energy at COP28 has notably increased demand expectations for uranium.

The medium-term outlook for uranium demand continues to improve, driven by new construction and extensions of existing nuclear facilities. However, supply responses to date, such as restarts and expansions planned for 2024/2025, may not fully match this rising demand. Notable is the uncertainty around anticipated greenfield developments in Niger and a lack of new large-scale greenfield projects, suggesting a continued deficit in uranium supply.

The short-term supply of uranium is currently very tight, particularly following Kazatomprom's January 2024 announcement that intended production expansions in 2024 and 2025 are in doubt. This situation is exacerbated by the sparse availability of spot supplies, leading to predictions of further price pressure if significant spot market demand arises. This tight supply scenario is reflected in the substantial rise in uranium prices, reaching levels not seen in the past 16 years.

Financial buyers have started to re-enter the uranium market, representing further upside risk to current prices. Most notably the Sprott Physical Uranium Trust has recently revised its shelf prospectus to enable an at-the-market raising capacity of US\$1.5 billion and confirmed that its physical uranium holdings will not be redeemed or sold.

The uranium spot price increased during the quarter from US\$73/lb to US\$91/lb, subsequently passing through US\$100/lb in early January 2024. The price appreciation is generally regarded within the industry as fundamentals driven - with only a minor role played by financial investors thus far and is therefore seen as unlikely to be short-lived. As a result of very strong sector fundamentals, including the above factors, most industry analysts and consultants anticipate conditions that support continued price growth in 2024.

Against the backdrop of multi-lateral support for nuclear energy, the geopolitical landscape around uranium supply remains complex and evolving. Most notably, the potential enactment of the Prohibiting Russian Uranium Imports Act by the United States Congress is attracting investor attention due to its potential to disrupt the uranium market.

In summary, the uranium market is currently characterised by a significant surge in demand expectations spurred by growing global commitments to nuclear energy expansion. This is set against a backdrop of tight short-term supply, doubts over the medium-term supply response, plus significant ongoing interest from financial buyers. These factors collectively favour an ongoing positive market outlook for uranium in 2024.

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

Brandon Munro, Managing Director and Chief Executive Officer

24 January 2024

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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.

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

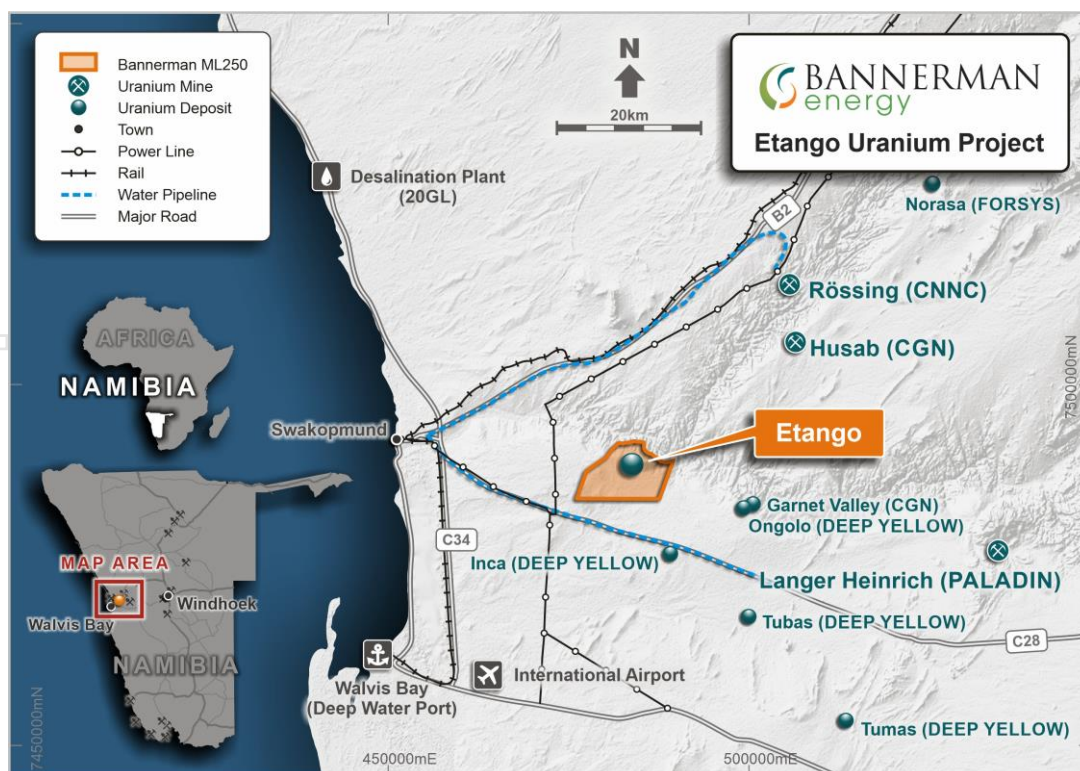
Bannerman Energy Ltd is a uranium development business listed on the Australian and Namibian stock exchanges and traded on the OTCQX Market in the US. Its flagship asset is the advanced Etango Uranium Project located in the Erongo Region of Namibia.

Etango has benefited from extensive exploration and feasibility activity over the past 15 years. The Etango tenement possesses a globally large-scale uranium mineral resource¹. 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 U₃O₈). Bannerman previously completed advanced studies on an alternative, larger development pathway – a 20Mtpa development at Etango.

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.

Forward Looking Statements

The information in this announcement is not intended to guide any investment decisions in Bannerman Energy Ltd. This material contains certain forecasts and forward-looking information, including possible or assumed future performance, costs, production levels or rates, reserves and resources, prices and valuations and industry growth and other trends. Such forecasts and information are not a guarantee of future performance and involve many risks and uncertainties, as well as other factors. Actual results and developments may differ materially from those implied or expressed by these statements and are dependent on a variety of factors. The Company believes that it has a reasonable basis for making the forward-looking statements in the announcement, based on the information contained in this and previous ASX announcements.

Bannerman is not aware of any new information or data that materially affects the information included in this ASX release, and Bannerman confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the estimates in this release continue to apply and have not materially changed.

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 Energy Ltd 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 Energy Ltd.

Listing Rule 5.3.3 Tenement Schedule:

BANNERMAN ENERGY LTD CONSOLIDATED BASIS				
SCHEDULE OF INTERESTS IN MINING TENEMENTS				
Project	Mining tenements held	Location of tenements	Beneficial % interest at end of the quarter	Change in the quarter

Etango	Mining Licence (ML) 250	Namibia	95%	-
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