

Quarterly Activities Report

FOR THE PERIOD ENDED 30 JUNE 2024

Bannerman Energy Ltd (ASX: BMN, OTCQX: BNNLF, NSX: BMN) (Bannerman or the Company) is pleased to report on strong progress during the quarter, including the completion of Front-End Engineering and Design (**FEED**) and Control Budget Estimate (**CBE**) processes for the Etango-8 Project, and the successful raising of A\$85 million in new equity to fund early works and long-lead items. These advancements, along with the commencement of detailed design and early works construction, position the Company well as it targets a positive Final Investment Decision (**FID**) during the second half of 2024.

HIGHLIGHTS

- **Completion of FEED and CBE processes for the Etango-8 Project, refining December 2022 DFS outcomes.**
- **Successful two-tranche equity placement to raise A\$85 million (before costs), funding early works and procurement of long-lead items for the Etango-8 Project.**
- **Detailed design activities commenced, focusing on bulk earthworks and civil engineering, with early works construction underway and advancing well.**
- **Strategic finance and offtake marketing workstreams progressing, targeting a positive FID on Etango-8 during H2 2024.**
- **Substantial cash balance of A\$24.0M at quarter end (plus first-tranche placement proceeds of A\$75.7M (before costs) received in early July) and zero debt.**
- **Long-term uranium price reached a 15-year high of US\$80/lb U₃O₈ during the quarter, reflecting ongoing positive market outlook for uranium in 2024.**

Bannerman Executive Chairman, Brandon Munro, said:

"We steadily built project momentum throughout the June quarter, further positioning Bannerman as a forerunner amongst the small group of companies in advanced development of uranium mines globally. The completion of FEED and CBE processes this quarter represents a significant milestone in the de-risking and advancement of the Etango-8 Project. Our successful capital raise strengthens our financial position, enabling us to progress with detailed design and early works construction. We remain focused on achieving a positive Final Investment Decision later this year, leveraging an improving market outlook for uranium and the underlying quality of the Etango resource to meet growing demand."

Etango Uranium Project (Bannerman 95%)

FEED Completion and Control Budget Estimate (CBE)

Bannerman announced the completion of the FEED and CBE processes for the Etango-8 Project during the quarter. These advancements refined the outcomes of the Definitive Feasibility Study (DFS) undertaken in late 2022 (refer to Bannerman's ASX release dated 6 December 2022), delivering enhanced accuracy and recency to key cost estimates.

Scope

The Etango-8 CBE was undertaken concurrently with the FEED process to further increase the estimation accuracy of the capital and operating cost forecasts in the December 2022 DFS and to update those forecasts to current market conditions.

The CBE process incorporated the following:

- Changes in scope and design identified during FEED Phases 1 and 2;
- Variances in market pricing attributable to supply and inflationary pressures experienced over the 18+ months since DFS estimates were compiled;
- Movements in foreign exchange (FX) rates; and
- Variances in the underlying cost of consumables (e.g. diesel, water, power).

To obtain revised capital and operating cost estimates, updated Requests for Quotation (RFQs) were sought from all contractors, vendors and suppliers identified during the DFS and FEED processes. All parties were asked to submit quotations, incorporating any scope and/or design revisions.

The following consultants assisted with the CBE:

- **Wood plc:** Processing Plant
- **Qubeka Mining Consultants:** Mining
- **CREO Engineering Solutions:** External Infrastructure and Owner's General and Administration (G&A).

Pre-production capital cost (CBE: US\$353.5M, +11.3%)

The progress from DFS to CBE resulted in increases in pre-production capital costs, with the DFS pre-production capital estimate of US\$317.5M increasing by US\$36.0M, or 11.3%, to US\$353.5M.

Scope changes (+US\$21.6M)

Key design improvements and de-bottlenecking initiatives implemented based on insights from the FEED process, including a dynamic simulation study, include:

- **Freshwater Storage:** Increased onsite freshwater storage from two 17,000m³ ponds to two 33,000m³ ponds for 10 days' requirements (up from 5 days), ensuring resilience to water supply interruptions.
- **Primary Crusher:** The primary crusher structure was sunk 10m into the ground, lowering the haulage gradient to the ROM pad to reduce diesel usage and maintenance costs.
- **Secondary Crusher Circuit:** Redesigned with two smaller secondary cone crushers to address changes in ROM particle size and prevent bottlenecks.
- **Ripios Disposal System:** Upgraded from a single truck feeder to a conveying and spreading system to eliminate potential bottlenecks.
- **Surge Capacity:** Combined emergency and coarse ore stockpiles into a single 30,000t (21hrs) coarse ore stockpile, reducing conveyor lengths and increasing surge capacity.

- **Fine Ore Bin:** Replaced fine ore bin with a 6,000t (4.5hrs) concrete silo to increase storage and reduce disruptions during maintenance of the crushing circuit.

A decision was made to bus construction staff to site rather than build a construction camp (as per the DFS). This approach will reduce environmental impacts and upfront expenditure, whilst simplifying the construction timetable.

Inflation (+US\$35.1M)

Before the application of FX savings, cost increases attributable to inflation, including escalation of contractor rates and inflation in the price of key materials (e.g. steel), account for a US\$35.1M increase in pre-production capital costs.

FX impacts (-US\$20.6M)

The long-term FX forecasts were revised to reflect changes in exchange rates over the last 18 months and updates to long-term forward contracts and consensus pricing, with the primary impact arising from changes to the Namibian Dollar exchange rate (which is pegged to the South African Rand). The revised long-term USD:NAD assumption of 19.28 represents a modest weakening of 9.8% against the previous estimate (USD:NAD 17.56).

Contingency (unchanged, US\$27.3M)

The CBE continues to apply the total DFS contingency of US\$27.3M, noting that the estimation accuracy has improved to +/-10% (from DFS +/-15%). This estimation accuracy reflects a high degree of rigour in obtaining cost estimates, including utilising adjudicated offers received from competitive tendering for over 80% of the total pre-production capital costs.

Operating cost (CBE All-In-Sustaining-Cost (AISC): US\$39.09/lb, +2.6%)

Mining costs

Total mining operating cost based on competitive contract tenders decreased by 2.1% from US\$2.36/t material mined in the DFS (US\$857M Life of Mine 'LOM') to US\$2.31/t material mined in the CBE (US\$839M LOM). The tender quotations accounted for updated costs of mining consumables including diesel.

Processing costs

Total processing operating costs increased 2.8% from US\$6.92/t (US\$785M LOM) in the DFS to US\$7.11/t (US\$807M LOM) in the CBE.

The dominant factors affecting variable processing costs, post-FX movement, from the DFS to the CBE were:

- Acid costs increased by 1.0%, due to a revised acid consumption rate. DFS acid price assumptions were confirmed and have not changed.
- Other consumables costs increased by 9.6%.
- Power costs increased by 24.1%, including a 26.5% increase in the underlying quoted cost of grid power (no change in solar power) and a 7.7% increase in total power consumption.
- Water costs increased by 15.0%, including a 14.0% increase in the water costs quotation and an 8.6% increase in water consumption.
- Maintenance costs increased by 62.1%, primarily attributable to maintenance associated with servicing/replacing the ripios conveyor (following the design change from ripios trucking to conveying).
- Diesel costs increased by 232%, driven by a 213% rise in diesel consumption and a 5.7% increase in the underlying cost per litre. The significant increase in consumption is attributed to

the expansion of the mobile plant fleet, primarily related to the dozing of conveyed ripios in the disposal area.

- Fixed processing costs were reduced overall, with increases in labour costs offset by other reductions, including removing ripios trucking costs (following the design change from ripios trucking to conveying).

G&A and external infrastructure costs

Total owner's G&A and external infrastructure costs increased by 26.0%, due largely to additional access road dust suppression and general inflation.

Closure costs

Closure costs decreased by 3.7%.

All-in-sustaining-cost (AISC)

In line with this net increase to operating costs and sustaining capital, the forecast AISC increased by US\$1.0/lb U₃O₈, or 2.6%, from US\$38.09/lb (DFS) to US\$39.09/lb (CBE).

Table 1: Etango Key Operating Cost Estimates (DFS to CBE)

PROJECT AISC & CASH COST	Unit	CBE	DFS	\$ Change	% Change
Total operating cost (incl-selling, ex-royalties/levies)	US\$M	1,882	1,842	40.1	2.2%
All-In-Sustaining-Cost (AISC)	US\$/lb U ₃ O ₈	39.1	38.1	1.0	2.6%
Cash operating cost (ex-royalties/levies)	US\$/lb U ₃ O ₈	35.8	35.0	0.8	2.2%

Detailed design works commenced

Bannerman has now commenced the first stage of detailed design for Etango-8, with Wood (Etango's lead engineering consultant) and CREO (the Namibian technical owner's team consultant) proceeding with finalising the bulk earthworks design.

Early works on the Etango access road and construction water pipelines are proceeding well, with both due for completion in July. These two contracts are seen as natural enablers for the subsequent placement of the bulk earthworks contract.

Detailed Design and Early Works

The first stage of detailed design for Etango-8 has now commenced, focusing initially on bulk earthworks. Early works on the Etango access road and construction water pipelines are also progressing well and scheduled for completion in late July.

Following completion of the first-tranche of its recent placement in early July, Bannerman also commenced placing orders post quarter end for further site early works, detailed design and long-lead items.

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 is 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

During the quarter, Bannerman advanced its product marketing initiatives, including 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.

Key Bannerman personnel attended two major nuclear fuel market conferences during the quarter: the World Nuclear Fuel Cycle in Almaty, Kazakhstan, in April and the World Nuclear Fuel Market in Atlanta, USA, in June. At these events, the Company met with utilities, financial institutions, traders, and other key market participants.

Corporate

A\$85 Million Placement

On 28 June 2024, Bannerman announced that it successfully raised A\$85 million (before costs) through a two-tranche placement to new and existing institutional and sophisticated investors at A\$3.30 per share:

- Tranche 1, consisting of 22,927,010 new shares valued at approximately A\$75.7 million, was allocated and settled in early July.
- Tranche 2, comprising 2,830,765 new shares valued at approximately A\$9.3 million, is subject to shareholder approval at a general meeting to be held on 12 August 2024, with settlement expected on or about 14 August 2024.

The raised funds are to be allocated towards developing the Etango-8 Project, including detailed design, early works such as construction infrastructure and earthworks, and procuring long-lead items. This capital injection supports Bannerman's targeted objective of achieving a positive FID on Etango-8 during the second half of 2024.

Upon completion of the placement, Bannerman's cash reserves are expected to be approximately A\$100 million, ensuring a robust financial position from which to continue advancing the Etango-8 Project towards development and production.

Strong Liquidity

Bannerman's cash balance at 30 June 2024 was A\$24.0 million (31 March 2024: A\$31.7 million). This was supplemented in early July by receipt of the Tranche 1 placement proceeds of A\$75.7 million (before costs).

The Company has no debt (other than typical creditor balances) or convertible instruments.

The total exploration and development expenditure for the quarter was A\$6.54 million, which included FEED and early works on the Etango Project.

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\$229,957) were comprised of directors' fees and salary.

Cancellation and Issue of Securities

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

- 275 Employee Unlisted Performance Rights were vested in accordance with the terms of the shareholder-approved Employee Incentive Plan (EIP).
- 5,700 Employee Options were vested in accordance with the terms of the EIP.

Issued Securities

At the date of this report, the Company has 175,773,746 fully paid ordinary shares, 2,150,515 unlisted performance rights, and 2,045,164 unlisted options on issue. The performance rights and options are subject to various performance targets and continuous employment periods.

Uranium Market

The June 2024 quarter saw enactment in the United States of the *Prohibiting Russian Uranium Imports Act* (H.R. 1042), which limits the importation of Russian nuclear fuel into the United States. Uranium buyers quickly shifted their focus from immediate transactions to the long-term effects of the ban. Many utilities are seeking waiver applications and adjusting their conversion and enrichment strategies to avoid supply interruptions if the waivers are not approved. Additionally, depending on which entities receive waivers, and the quantity and duration of these waivers, there could be significant changes to future uranium requirements for many market participants.

In early July, the Government of the Republic of Kazakhstan introduced amendments to the Tax Code, including changes to the Mineral Extraction Tax (MET) rate for uranium. MET is paid by mining entities on revenue and will see a significant increase from the current level of 6%. This is expected to affect uranium prices in the mid to long run, in addition to the scarcity of uranium supply, geopolitical tensions, and transportation issues. Concerns about long-term uranium supplies have also intensified due to recent actions by the Niger government, which has reclaimed mining permits from Western companies.

As of 30 June 2024, TradeTech's Spot U₃O₈ Price Indicator shows a 52% increase year-to-date at US\$85.00/lb, while the Long-Term U₃O₈ Price Indicator has increased by 43% year-to-date, remaining at its 15-year high of US\$80.00/lb.

Policy and financial support for nuclear energy continues to accelerate, in particular resulting from rapidly expanding power consumption from AI and data centre applications. Underlying demand fundamentals also continue to improve, driven by extensions of service life for existing reactors, approval for constructing new reactors, including Small Modular Reactors (SMRs), and investments in new and emerging technologies.

The uranium market outlook for 2024 remains strong, driven by increased demand from global commitments to nuclear energy expansion and tight short-term supply. The long-term outlook is also positive, driven by the ongoing global push for clean energy and increasing demand from emerging markets.

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

Brandon Munro, Executive Chairman

26 July 2024

Contact

Investors:

Brandon Munro
Executive Chairman
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.

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

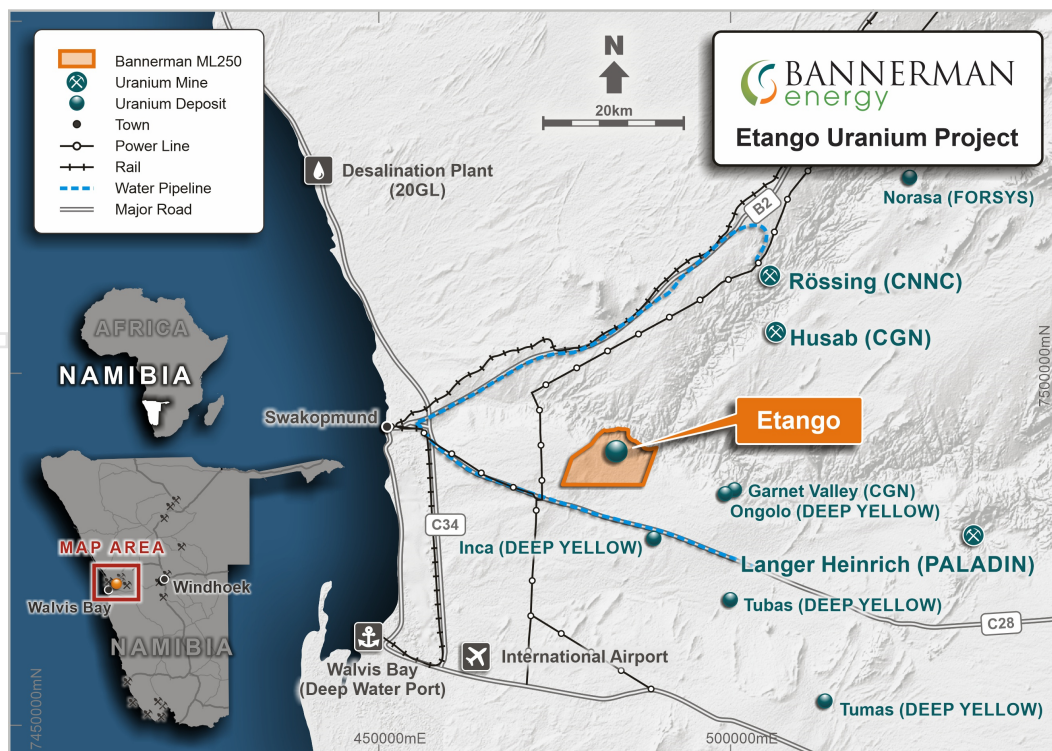
Bannerman Energy Ltd is a uranium development business listed on the Australian and Namibian stock exchanges and traded on the OTCQX Market in the US. Its flagship asset is the advanced Etango Uranium Project located in the Erongo Region of Namibia.

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). In March 2024, a scoping study³ demonstrated the capacity to expand annual production to 6.7 Mlbs U₃O₈.

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*.

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%	-
---------------	----------------------------	---------	-----	---