BANNERMAN
RESOURCES

2018 ANNUAL REPORT

CORPORATE DIRECTORY

NON-EXECUTIVE CHAIRMAN
Ronnie Beevor

CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR
Brandon Munro

NON-EXECUTIVE DIRECTORS
Ian Burvill
Clive Jones
Mike Leech

PRINCIPAL & REGISTERED OFFICE
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Telephone: +61 (8) 9381 1436
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SHARE REGISTRAR
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STOCK EXCHANGE LISTINGS
Australian Securities Exchange (ASX Code: BMN)
Namibian Stock Exchange (NSX Code: BMN)

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ABOUT BANNERMAN RESOURCES LIMITED

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 and an optimisation 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.

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Fellow Shareholder,

As a result of a productive and disciplined year in which both the Etango Project and your Company's balance sheet has strengthened, I am pleased to report that Bannerman is very well positioned to benefit from the early stages of a recovery in the uranium sector.

The uranium sector has benefitted from several significant developments over the last year, precipitated by decade low prices caused by persistent annual surpluses in the uranium market. Cameco's MacArthur River (the world's largest uranium mine) was placed into indefinite care and maintenance shortly after Paladin Energy put the Langer Heinrich Mine into care and maintenance. KazAtomProm, the world's largest uranium producer, announced a 20% reduction in forecast production. Further, Orano announced supply reductions in Niger and domestic uranium production in the United States has declined dramatically. The combined effect is forecast to put the uranium market into a deficit in 2019 and is expected to have a significant impact on uranium prices in the next year as the reduction in supply starts to take effect.

Demand for uranium continues to strengthen with Japan restarting further reactors and China announcing the intention to commence construction of 6-8 additional reactors during 2018. In the short term, demand has strengthened as financial buyers enter the market, the most notable of which was Yellow Cake plc listing on London's Alternative Investment Market and using the proceeds to acquire 8.1.million pounds of U308 from KazAtomProm.

Your Company has remained productive, further enhancing the quality and value of the Etango Project through the ongoing Definitive Feasibility Study (DFS) Update. The Company identified, through its Processing Optimisation Study, estimated capital cost savings of US$73m, along with significant potential operating cost savings enabling a DFS Improvement target of US$3+/lb U_3O_8, compared with the operating costs published in the 2015 Optimisation Study.

The DFS Update will continue in the next year. A number of optimisation opportunities are being prioritised and the Company will progressively undertake enhancement studies that have the potential to be NPV accretive through reducing anticipated capital expenditure and/or operating costs. The first of these studies was the Membrane Study, successfully completed in January 2018. Once the optimisation phase is completed, the Company will conclude the DFS Update by undertaking definitive level engineering to incorporate identified project enhancements and update the procurement process.

Our Etango project continued to enjoy the support of the Namibian Ministry of Mines and Energy. Exclusive Prospecting Licence 3345 was renewed during the year and in October 2017 we announced the grant of Mineral Deposit Retention Licence 3345 with a five year, extendable term. The Retention Licence provides long term security of tenure and covers the Etango Deposit, all future mine infrastructure and our two satellite deposits at Hyena and Ondjamba.

Your Company has also remained disciplined, eliminating unnecessary costs and successfully undertaking a capital raising which saw more than a dozen new institutions enter the register. The offer, which raised $8 million before costs, was undertaken at more than a 50% premium to our previous raising in 2016. The institutional presence on Bannerman's register grew further as a result of private equity substantial shareholder, Resource Capital Funds, disposing in full of its shareholding to Australian and overseas institutions, including specialist uranium investor Tribeca Investment Partners.

Bannerman has operated without incurring a lost time injury since 2009, a record that culminated in Bannerman winning the relevant category of the Namibian Chamber of Mines 2018 Safety Competition. The health and safety of all persons operating at our various places of work continue to be of the highest priority to Bannerman's directors and management.

I am proud to say that your Company has a remarkable reputation for corporate social responsibility and effective community engagement, which continues to add value to the Company's assets. Highlights of the year include endorsement by the Namibian Chamber of Environment for the highest environmental standards and transparency, and reaching a milestone of 2,000 school children benefitting from the Bannerman Learner Assistance Scheme.

CHAIRMAN'S LETTER TO SHAREHOLDERS

My sincere thanks to all of our stakeholders including the Namibian government, the One Economy Foundation (who hold a 5% ownership of the Etango Project) and our supportive host community in Namibia. Finally, I would like to recognise the exceptional talent and dedication of the people in Australia and Namibia working on behalf of the Company.

I look forward to meeting with you at the upcoming Annual General Meeting.

Yours sincerely,

Ronnie Beevor
Chairman

BOARD OF DIRECTORS

Ronald (Ronnie) Beevor

B.A. (Hons)

Non-Executive Chairman

Term of Office

Director since 27 July 2009, Chairman since 21 November 2012

Independent: Yes

Skills, experience and expertise

Ronnie has more than 30 years of experience in investment banking, including being the Head of Investment Banking at NM Rothschild & Sons (Australia) Limited between 1997 and 2002. During his career, Ronnie has had an extensive involvement in the natural resources industry, both in Australia and internationally. Amongst a broad range of former mining company directorships, Ronnie was a director of Oxiana Limited which successfully developed the Sepon gold-copper project in Laos as well as the Prominent Hill copper-gold project in South Australia.

Ronnie has an Honours Degree in Philosophy, Politics and Economics from Oxford University (UK) and qualified as a chartered accountant in London in 1972.

Special Responsibilities

Member of the Audit Committee

Member of the Remuneration, Nomination and Corporate Governance Committee

Current ASX listed directorships

Wolf Minerals Limited (appointed 20 September 2013)

MZI Resources Limited (appointed 15 April 2016)

Former ASX listed directorships over the past three years

Unity Mining Limited (1 November 2002 to 18 November 2015)

Brandon Munro

LLB, B.Econ, GAICD, F Fin

Chief Executive Officer (CEO) and Managing Director

Term of Office:

CEO and Managing Director since 9 March 2016

Independent: No

Skills, experience and expertise

Brandon is a quantitative economist and lawyer with 20 years of experience as a corporate lawyer and resources executive, including serving as Bannerman's General Manager between 2009-2011, based in Namibia. Before joining Bannerman as CEO/Managing Director, Brandon was Managing Director of ASX-listed Kunene Resources Ltd, a base metals explorer that discovered the Opuwo Cobalt Project in Namibia.

Brandon lived in Namibia between 2009-2015, where he served as Governance Advisor to the Namibian Uranium Association and Strategic Advisor – Mining Charter to the Namibian Chamber of Mines. Brandon's voluntary roles include as Trustee of Save the Rhino Trust Namibia, a high profile Namibian NGO, and Board member of the Murdoch University Art Collection. He is a non-executive director of ASX-listed Novatti Group Ltd

Special Responsibilities

Managing Director

Current ASX listed directorships

Novatti Group Limited (appointed 12 October 2015)

Former ASX listed directorships over the past three years

Kunene Resources Limited (4 April 2014 to 18 December 2015)

Rewardle Holdings Limited (25 March 2014 to 30 May 2017)

Ian Burvill

BEng (Mech), MBA, MIEAust, CPEng, M.AusIMM, GAICD

Non-Executive Director

Term of Office

Director since 14 June 2012

Independent Yes

Skills, experience and expertise

Ian has over 30 years of mining industry experience. He started his career as a mechanical engineer, then worked as a merchant banker before becoming a senior executive in private equity. He is a former Partner of Resource Capital Funds (RCF) and a past Associate Director of Rothschild Australia Limited. Ian has sat on the boards of nine mining companies, two mining services groups, a mining venture capital firm and a leading mining private equity firm. He was nominated to Bannerman's board by RCF. Ian is classified as an Independent Director as RCF reduced its shareholding to nil in September 2018.

Special Responsibilities

Chairman of the Remuneration, Nomination and Corporate Governance Committee

Member of the Audit Committee

Current ASX listed directorships

Nil

Other current listed directorships

Nil

Former ASX listed directorships over the past three years

Nil

Clive Jones

B.App.Sc(Geol), M.AusIMM

Non-Executive Director

Term of Office

Director since 12 January 2007

Independent No

Skills, experience and expertise

Clive has more than 25 years of experience in mineral exploration, across a diverse range of commodities including gold, base metals, mineral sands, uranium and iron ore. Clive is the original vendor of the Company's Etango Project in Namibia.

Special Responsibilities

Chairman of the Health, Safety, Environment and Community Committee

Member of the Remuneration, Nomination and Corporate Governance Committee

Current ASX listed directorships

Cazaly Resources Limited (Joint Managing Director) (appointed 15 September 2003)

Corazon Mining Limited (Chairman) (appointed 10 February 2005)

Former ASX listed directorships over the past three years

Unity Mining Limited (Chairman) (10 January 2013 to 1 June 2016)

David Tucker

BSc.Geol (Hons), MSc(Mining and Exploration Geology), M.AusIMM, FAICD

Non-Executive Director

Term of Office

18 March 2008 to 23 November 2017

Independent Yes

Skills, experience and expertise

David has more than 40 years of experience in mining and exploration, including 20 years working as an exploration geologist, the first 10 years of which were in the uranium sector with United Uranium NL, Noranda Australia, the Australian Atomic Energy Commission and Esso Australia Limited. David was formerly responsible for business development, public affairs and investor relations at Homestake Gold of Australia, Director of Corporate Affairs at Barrick Australia Pacific and a director of Homestake's Australian subsidiaries, Barrick Mining Company (Australia) and Barrick Gold of Australia.

Special Responsibilities

Chairman of the Health, Safety, Environment and Community Committee

Chairman of the Audit Committee

Current ASX listed directorships

Nil

Former ASX listed directorships over the past three years

Nil

Mike Leech

FCIS (Accountancy)

Non-Executive Director

Term of Office

Director since 12 April 2017

Independent Yes

Skills, experience and expertise

Mike is a respected statesman of the Namibian mining industry. He is a former Managing Director of Rössing Uranium Ltd, past president of the Namibian Chamber of Mines and past Chairman of the Namibian Uranium Association. His career with Rio Tinto started in 1982 when he joined Rössing as an accountant and included a posting as Administration Director of Anglesey Aluminium before returning to Rössing in 1997 as Chief Financial Officer. Mike was Managing Director of Rössing, then the largest open pit uranium mine in the world, for 6 years until he retired in 2011. Since retirement Mike has consulted to the uranium sector and served as a non-executive director of ASX-listed Kunene Resources Ltd, a base metals explorer that discovered the Opuwo Cobalt Project in Namibia.

Mike's commitment to corporate social responsibility in Namibia is well known, including as Trustee of Save the Rhino Trust Namibia and having served for 18 years as Trustee of the Rössing Foundation.

Mike was named an honorary life member of the Namibian Uranium Association in recognition of his singular service to the uranium industry.

Special Responsibilities

Chairman of Bannerman's 95% owned Namibian subsidiary, Bannerman Mining Resources (Namibia) (Pty) Ltd

Chairman of the Audit Committee

Member of the Health, Safety, Environment and Community Committee

Current ASX listed directorships

Nil

Former ASX listed directorships over the past three years

Kunene Resources Limited (4 November 2013 to 17 September 2015)

COMPANY SECRETARY

Robert Dalton

BA (Hons), FCCA, AGIA, ACIS, ATI

Term of Office
Company Secretary since 17 September 2014

Skills, experience and expertise
Robert has more than 15 years of experience in auditing, accounting and secretarial roles. He commenced his career at an international accounting firm and has had significant exposure to the resources sector. His most recent appointment was that of Chief Financial Officer and Company Secretary at Tangiers Petroleum Ltd.

EXECUTIVE

Werner Ewald

BSc (Elect), MBA (Stellenbosch)
Managing Director, Bannerman Mining Resources (Namibia) (Pty) Ltd

Term of Office
Since 24 June 2010

Skills, experience and expertise
Werner joined Bannerman in June 2010 as the Etango Project Co-ordinator following 22 years with Rio Tinto which included 20 years at the Rössing Uranium Mine in Namibia and 2 years at the Tarong Coal Mine in Queensland, Australia. He held numerous operational roles at Rössing including Engineering Manager, Mine Operations Manager and Business Improvement Manager. Prior to Rio Tinto he worked with the De Beers Group at their underground operations near Kimberly, South Africa and the Namdeb alluvial operations in Namibia.

The directors present their report on the consolidated entity comprising Bannerman Resources Limited ("**Bannerman**" or the "**Company**") and its controlled entities (the "**Group**") for the year ended 30 June 2018 ("**the financial year**"). Bannerman is a company limited by shares that is incorporated and domiciled in Australia.

BOARD OF DIRECTORS

The directors of Bannerman in office during the financial year and up to the date of this report were:

Name	Position	Independent	Appointed / Resigned
Ronnie Beevor	Non-Executive Chairman	Yes	27 July 2009
Brandon Munro	Chief Executive Officer	No	9 March 2016
Ian Burvill	Non-Executive Director	Yes[(i)]	14 June 2012
Clive Jones	Non-Executive Director	No	12 January 2007
David Tucker	Non-Executive Director	Yes	Resigned 23 November 2017
Mike Leech	Non-Executive Director	Yes	12 April 2017

(i) Ian Burvill is classified as an Independent Director. Until September 2018 he was a nominee of RCF and therefore was not independent at 30 June 2018 (RCF had the right to appoint up to two nominee directors whilst the shareholding of each of RCFIV and RCFVI each remained above 5%). RCF's appointment right fell away when RCF sold its entire shareholding on 5 September 2018. Ian wishes to remain on the board in an independent capacity, with the full support of the other members of the Board.

COMPANY SECRETARY

The company secretary of Bannerman in office during the financial year and up to the date of this report was:

Name	Appointed
Robert Dalton	17 September 2014

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

Particulars on the skills, experience, expertise and responsibilities of each director and the company secretary at the date of this report, including all directorships of other companies listed on the Australian Securities Exchange, held or previously held by a director at any time in the past three years, are set out on pages 2 to 5 of this report.

BOARD MEETING ATTENDANCE

Particulars of the number of meetings of the Board of directors of Bannerman and each Board committee of directors held and attended by each director during the 12 months ended 30 June 2018 are set out in Table 1 below.

Table 1. Directors in Office and attendance at Board and Board Committee Meetings during 2017/2018

	Board meetings		Board committee meetings					
			Audit Committee		Remuneration, Nomination & Corp. Governance Committee		HSEC Committee	
	A	B	A	B	A	B	A	B
Ronnie Beevor	9	9	3	3	3	3	1*	-
Brandon Munro	9	9	3*	-	3*	-	2*	-
Ian Burvill	9	9	3	3	3	3	-	-
Clive Jones	9	9	3*	-	3	3	2	2
David Tucker	4	4	2	2	1*	-	1	1
Mike Leech	9	9	3	3	1*	-	2	2

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the relevant committee during the year.
***** Indicates that a Director attended some or all meetings by invitation whilst not being a member of a specific committee.

DIRECTORS' INTERESTS IN SECURITIES IN BANNERMAN

As at the date of this report, the relevant interests of each director in the ordinary shares and share options in Bannerman, as notified to the Australian Securities Exchange in accordance with s205G(1) of the Corporations Act 2001, are as follows:

	Fully Paid Ordinary Shares		Share Options		Performance Rights	
	Beneficial, private company or trust	Own name	Beneficial, private company or trust	Own name	Beneficial, private company or trust	Own name
Ronnie Beevor	1,601,543	719,100	-	16,475,200	-	-
Brandon Munro	2,000,000	-	20,000,000	-	14,378,800	-
Ian Burvill	-	-	-	5,194,800	-	-
Clive Jones	77,207,668	-	8,237,600	-	-	-
Mike Leech	-	-	-	3,839,000	-	-

PRINCIPAL ACTIVITIES

Bannerman Resources Limited is an 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 southwest of Rio Tinto's Rössing uranium mine and CGNPC's Husab Mine and to the north west of Paladin Energy's Langer-Heinrich mine. Etango is one of the world's largest undeveloped uranium deposits. Bannerman is focused on the development of a large open pit uranium operation at Etango.

OPERATING AND FINANCIAL REVIEW

CORPORATE

Successful A$8 million Capital Raising

In June 2018, Bannerman successfully completed a heavily oversubscribed A$8 million private placement to institutional and sophisticated investors, through the issue of 173,913,043 new Bannerman shares at an issue price of A$0.046 per share.
Funds raised from the Placement will be used to progress the current Definitive Feasibility Study (DFS) Update by furthering optimisation opportunities at the Etango Project, continue product marketing and for general working capital and corporate purposes (including financing and offtake initiatives).

Director Resignation

Mr David Tucker stepped down as a Non-Executive Director at the Company's Annual General Meeting in November 2017. Mr Tucker has served Bannerman in this role since March 2008. Over this time his combined 40 years of experience as an exploration geologist and in senior corporate affairs roles has provided critical insights for the Company to the benefit of all stakeholders. Mr Tucker was also instrumental in laying a strong foundation for the Company in Namibia by providing hands-on assistance with community relations and instilling the open and transparent approach to community engagement for which Bannerman remains well regarded.

Issued Securities

At the date of this report, the Company has on issue 1,030,805,705 ordinary shares, 35,319,739 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.

ETANGO URANIUM PROJECT (BANNERMAN 95%)

Overview

The Etango Project is one of the world's largest undeveloped uranium deposits, located in the Erongo uranium mining region of Namibia which hosts the Rössing, Husab and Langer-Heinrich mines. Etango is 73km by road from Walvis Bay, one of southern Africa's busiest deep-water ports through which uranium has been exported for over 35 years. Road, rail, electricity and water networks are all located nearby.

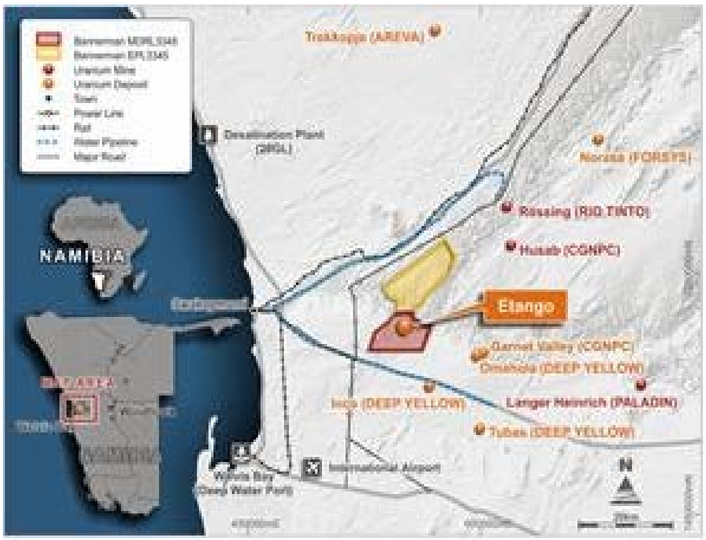

Figure 1 – The Etango Project showing MDRL 3345 and EPL 3345

DFS (completed in 2012)

Bannerman completed the DFS and Environmental and Social Impact Assessment ("**ESIA**") on the Etango project in 2012. The respective studies, as announced to the market on 10 April 2012, confirmed the technical, economic and environmental viability of the project at historical term uranium prices.

DFS Update Progressed – Processing Optimisation Study Successfully completed

Bannerman's 95%-owned Etango Project is one of the largest and most advanced uranium projects globally. Etango is located within the Erongo uranium province of Namibia, which also hosts the Rössing (Rio Tinto), Langer Heinrich (Paladin Energy) and Husab (China General Nuclear) uranium mines.

Bannerman commenced the Etango Processing Optimisation Study (Processing OS) in the March 2017 quarter with the objective of incorporating the favourable results obtained in the Heap Leach Demonstration Plant Program and evaluating the application of recent processing technological advances since the 2012 Definitive Feasibility Study (DFS) was completed. The results and recommendations from the Processing OS will be incorporated into the DFS Update, in conjunction with definitive level procurement aimed at capturing the broader cost deflation that has occurred in the resources sector since 2012.

In November 2017 AMEC Foster Wheeler issued a detailed report following completion of the Processing OS. The announcement in November 2017 demonstrated the success of the study, the potential for nano-filtration to benefit the project (discussed below) and identified a number of areas where further potential capital and operating cost savings may be confirmed by the work to be undertaken during completion of the DFS Update.

Estimated Capital Cost Savings of US73m (+/-30%)

The Processing OS was undertaken with the primary objective of reducing the capital cost associated with the comminution circuit and processing plant design, without simply "trading off" reduced capital costs against increased operating costs. In addition to substantially reducing estimated pre-production capital by US$73 million without an operating cost trade-off, the Processing OS identified further capital and operating cost reduction opportunities that can be evaluated during definitive level engineering and procurement to be completed under the DFS Update.

Identified capital savings were supported by revised budget quotations for new equipment and revised layouts and basic arrangements layouts. Civil, structural, electrical and instrument costs were benchmarked against current projects.

The most significant estimated capital cost savings resulted from the following:

- Simplifying the crushing, stockpiling and screening circuit;
- Confirmation that Ion Exchange is favourable to Solvent Exchange for both economic and operational reasons;
- Removing pinned bed clarifiers after the Heap Leach Demonstration Plant program confirmed the low suspended solids content of the PLS in the Etango solution; and
- The use of a single agglomeration unit.

The aggregate impact is an overall simplification of the Etango flowsheet that delivers an estimated US$73 million savings, with a level of accuracy of +/- 30%.

Improvement in Operating Cost

The Processing OS identifies significant potential operating cost savings and has led to the Company formulating a DFS Update improvement target of US$3+/lb U_3O_8, compared with the operating costs published in the 2015 Optimisation Study. The most significant estimated operating cost savings resulted from the following:

- Testwork confirmed a 40% reduction in the binder required for the agglomeration process. Stacking tests and hydrodynamic column tests were performed at Mintek laboratories in South Africa with varying binder levels. The testwork concluded that a binder dosage of 150 grams per tonne of ore (as compared to the 250 g/t in the DFS) is sufficient for the target heap height and irrigation flow. This reduction in binder reduces the forecast operating cost by approximately US$0.75/lb.
- The Heap Leach Demonstration Plant testwork over two years has consistently shown a final recovery of approximately 93% against the DFS projection for a scaled-up heap of 86.9%. The testwork results, which included 280 tonnes of ore, were used by AMEC Foster Wheeler to project a scaled-up processing recovery of 87.8%. This improved recovery reduces the forecast operating cost by approximately US$0.40/lb.
- The Heap Leach Demonstration Plant testwork also consistently showed acid consumption averaging 14.4kg/tonne compared to the DFS projection of 17.6 kg/tonne. The scaled-up acid consumption was reduced to a level of 16.8 kg/tonne. Further detailed engineering work will be done in the DFS Update to accurately reflect the operating savings achieved with this lower acid consumption and other opportunities to reduce acid costs such as membrane acid recovery.
- The operating savings obtained from the simplified comminution circuit will also be reflected in the DFS Update.

A range of further potential operating cost saving opportunities, such as reduced maintenance assumptions associated with capital reductions and the operating benefits of a simplified processing circuit, will be considered during the definitive level engineering and procurement to be conducted under the DFS Update.

Accordingly, further operating cost improvements are anticipated and the Company targets improvements of US$3+/lb U_3O_8 across the life of mine.

Continued technical enhancement of Etango

The Processing OS identified the opportunity to incorporate nano-filtration technology in the processing circuit. A subsequent desk-top study by the Australian equipment vendors confirmed this potential after reviewing analytical data from the Etango Heap Leach Demonstration Plant. 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 Demonstration Plant. An IX process was then used to make concentrated eluate solution which was also used in the test work. The initial test work was completed by April 2018.

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 ion-exchange (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 Ion Exchange (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.

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 continued technical enhancement since the 2012 DFS repositions Etango and has confirmed the technical robustness of the project metrics. The Mining and Processing Optimisation studies and the extensive confirmatory testwork conducted at the Etango Demonstration Plant and external laboratories places Etango at the forefront of the global development pipeline of projects with targeted annual production at or above 2 Mlbs U_3O_8 per annum.

DFS Update to continue with funding for optimisation opportunities

With a strong cash balance (A$8.3 million at year end), the Company is well funded to continue the Etango Project Definitive Feasibility Study (DFS) Update. A number of optimisation opportunities are being prioritised and the Company will progressively undertake optimisation studies that have the potential to be NPV accretive through reducing anticipated capital expenditure and/or operating costs. Once the optimisation phase is completed, the Company will conclude the DFS Update by undertaking definitive level engineering to incorporate identified project enhancements and update the procurement process.

Regulatory Approvals

On 2 October 2017, Bannerman announced that the Namibian Ministry of Mines and Energy had granted a Mineral Deposit Retention Licence with a five year extendable term (Retention Licence) over Bannerman's 95%-owned Etango Uranium Project.

The Retention Licence covers an area of 7,295 hectares, which includes the Etango ore body, two satellite deposits at Hyena and Ondjamba and all planned mine infrastructure (see Figure 2 below). Accordingly, 100% of the project's uranium resources are now secured under long term tenure.

The Retention Licence provides strong and exclusive rights to tenure and the right (without obligation) to continue with exploration or development work, enabling the DFS Update work program to continue.

Under the Namibian Minerals (Prospecting and Mining) Act 1992, a Mineral Deposit Retention Licence may be granted to a project where all feasibility and other work has been completed to enable mining, however the commodity price does not currently support the profitable development of the project. The applicant must demonstrate that the relevant commodity price is expected to improve sufficiently to enable profitable mining.

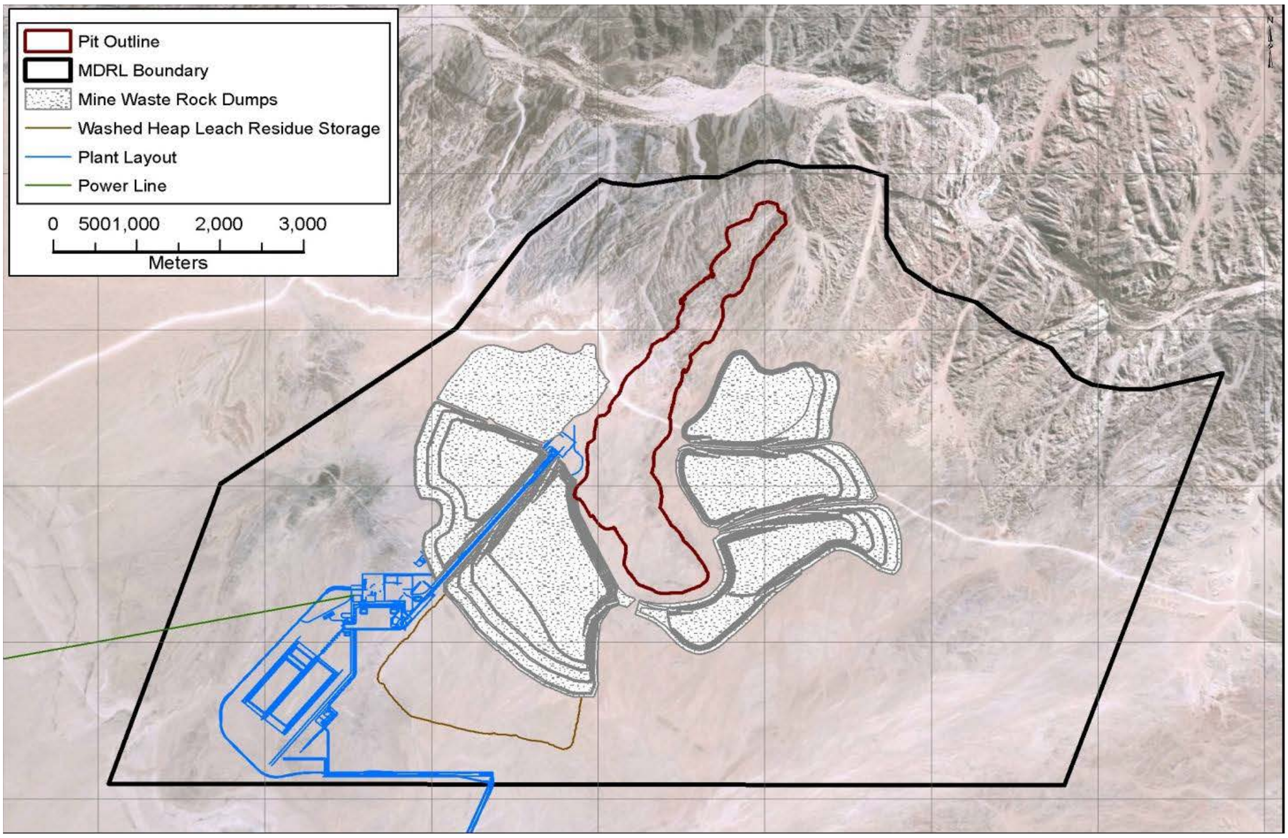

Figure 2 - MDRL 3345 (outline shown in black) covers an area of 7,295 hectares and, as can be seen above, the Licence area includes all planned mine infrastructure.

Bannerman also holds Exclusive Prospecting Licence 3345 in Namibia (see Figure 1), which is valid until 25 April 2019 and thereafter subject to renew by the Namibian Ministry of Mines and Energy.

The Ministry of Environment and Tourism granted Bannerman initial Environmental Clearances for the Etango Project in 2010 and for the project's Linear Infrastructure in 2012, both of which are important pre-requisites for a Mining Licence. A renewal for the Etango Project Environmental Clearance was granted in November 2015 for a further 3 years while the renewal for the project's Linear Infrastructure Environmental Clearance was granted in May 2016 also for a further 3 years.

The Company also announced on 4 July 2016 that correspondence had been received from the MME stating that the Honourable Minister intends to refuse the application for the Etango project Mining Licence, which was applied for in December 2009, citing the current low uranium price. The refusal was communicated formally on 3 September 2018. The Honourable Minister's decision was not unexpected and Bannerman retains the right to re-apply for a mining licence when the uranium market recovers.

CONSOLIDATED RESULTS

The consolidated net loss after tax for the 12 months ending 30 June 2018 was $2,478,000 (2017: $2,696,000) was attributable primarily to corporate and administrative expenses, and non-cash share-based compensation expenses.

Corporate, administration, personnel and other expenses for the reporting period were $2,511,000 (2017: $3,092,000), including employee and director share-based payment expense of $769,000 (2017 expense: $785,000). Refer to the Remuneration Report and Note 20 of the financial report for further details on share-based payments.

Income for the reporting period included interest income of $31,000 (2017: $41,000).

Capitalised exploration and evaluation expenditure was $54,933,000 as at 30 June 2018 (2017: $54,883,000) reflecting the capitalisation of costs relating to the Etango Project heap leach demonstration plan construction and operation, feasibility study, resource definition drilling and assaying, and other exploration and evaluation costs, net of foreign currency translation movements and sale of a royalty. Total additions for the year amounted to $900,000 (2017: $1,215,000). A foreign exchange translation reduction of $850,000 (2017: increase of $4,909,000), resulting in an increase in carrying value, was also recorded for the year. This adjustment reflects the strengthening of the Australian $ against the Namibian $ over the year.

Cash Position

Cash and cash equivalents were $8,325,000 as at 30 June 2018 (2017: $3,420,000).

Cash outflow from operating activities during the year amounted to $1,590,000 (2017: $1,371,000).

Cash outflow from investing activities during the year amounted to $1,018,000 (2017: $651,000), related primarily to the operation heap leach demonstration plant and DFS update expenditure.

Cash inflow from financing activities during the year amounted to $7,508,000 (2017: $3,841,000), related to the $8,000,000 share placements undertaken during the year.

Issued Capital

Issued capital at the end of the financial year amounted to $140,983,000 (2017: $133,475,000). The increase of $7,508,000 (2017: $3,841,000) related to the issue of 173,913,043 shares in relation to the $8,000,000 share placements (2017: $4,060,000).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than items already noted elsewhere in this report, there were no additional significant changes in the state of affairs of the Group during the financial year.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Group are set out in the "Etango Uranium Project" on page 8 - 11 of this report.

Disclosure of any further information has not been included in this report, because, in the reasonable opinion of the Directors, to do so would be likely to prejudice the business activities of the Group.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

SHARE OPTIONS / PERFORMANCE RIGHTS

Share Options / Performance Rights on Issue

Details of share options and performance rights in Bannerman as at the date of this report are set out below:

Security Type	Number	Exercise price	Expiry date
Share Options	7,846,000	$0.044	15 November 2018
Share Options	8,300,000	$0.045	25 July 2019
Share Options	10,200,000	$0.057	25 July 2019
Share Options	10,200,000	$0.07	25 July 2019
Share Options	19,598,200	$0.042	15 November 2019
Share Options	13,731,200	$0.069	15 November 2020
Security Type	**Number**	**Exercise price**	**Vesting date**
Performance Rights	8,432,121	n/a	15 November 2018
Performance Rights	16,300,218	n/a	15 November 2019
Performance Rights	10,587,400	n/a	15 November 2020

Share Options and Performance Rights issued

During the financial year 16,931,200 share options (2017: 25,098,200) and 14,973,900 performance rights (2017: 25,000,700) were issued.

No share option or performance rights holder has any right under the share options or rights to participate in any other share issue of the Company or any other entity.

Share options exercised

During or since the end of the financial year, no share options (2017: nil) were exercised.

Performance Rights vested

During or since the end of the financial year, 7,265,040 performance rights (2017: 5,319,896) vested.

Share Options and Performance Rights forfeited or cancelled

During or since the end of the financial year, no share options (2017: nil) and 10,295,214 performance rights (2017: 9,328,740) were forfeited or cancelled.

Share Options expired or lapsed

During or since the end of the financial year, 3,664,400 share options (2017: 4,504,000) have expired or lapsed.

ENVIRONMENTAL DISCLOSURE

The Group is subject to various laws governing the protection of the environment in matters such as air and water quality, waste emission and disposal, environmental impact assessments, mine rehabilitation and access to, and the use of, ground water. In particular, some activities are required to be licensed under environmental protection legislation of the jurisdiction in which they are located and such licenses include requirements specific to the subject site.

So far as the directors are aware, there have been no material breaches of the Company's licence conditions, and all exploration activities have been undertaken in compliance with the relevant environmental regulations.

INDEMNITIES AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid a premium to insure the directors and officers of the Group against liabilities incurred in the performance of their duties. Under the terms and conditions of the insurance contract, the nature of liabilities insured against and the premium paid cannot be disclosed.

The officers of the Group covered by the insurance policy include any person acting in the course of duties for the Group who is, or was, a director, executive officer, company secretary or a senior manager within the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers, in their capacity as officers, of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

PROCEEDINGS ON BEHALF OF THE GROUP

At the date of this report, there are no leave applications or proceedings brought on behalf of the Group under s237 of the *Corporations Act 2001*.

DIVIDENDS

No dividend has been declared or paid during the year (2017: nil).

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable and where noted ($'000)) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the Class Order applies.

NON-AUDIT SERVICES

In accordance with the Company's External Auditor Policy, the Company may decide to engage the external audit firm on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the auditor, Ernst & Young, for audit and non-audit services provided during the financial year are set out in Note 5 of the financial report.

The Board of directors, in accordance with advice received from the Audit Committee, is satisfied that the provision of the non-audit services detailed in Note 5 of the financial report is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are also satisfied that the provision of these non-audit services did not compromise the auditor independence requirements of the *Corporations Act 2001* because:

- they have no reason to question the veracity of the auditor's independence declaration referred to in the section immediately following this section of the report; and
- the nature of the non-audit services provided is consistent with those requirements.

AUDITOR'S INDEPENDENCE DECLARATION

Ernst & Young continues as external auditor in accordance with s327 of the *Corporations Act 2001*. The auditor's independence declaration as required under s307C of the *Corporations Act 2001* is set out below and forms part of this report.

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

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Auditor's independence declaration to the Directors of Bannerman Resources Limited

As lead auditor for the audit of Bannerman Resources Limited for the year ended 30 June 2018, I declare to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Bannerman Resources Limited and the entities it controlled during the financial period.

Ernst & Young

Robert A Kirkby
Partner
28 September 2018

REMUNERATION REPORT (AUDITED)

INTRODUCTION AND REMUNERATION STRATEGY

The Board of Bannerman is committed to providing a remuneration framework that is designed to attract, motivate and maintain appropriately qualified and experienced individuals whilst balancing the expectations of shareholders. The Company's remuneration policies are structured to ensure a link between Company performance and appropriate rewards, and remuneration for executives involves a combination of both fixed and variable ("at risk") remuneration, including long term incentives to drive the Company's desired results.

In developing the Company's remuneration policy, the Board remains focussed on competitive remuneration packages and long term equity plans, which reward executives for delivering satisfactory performance to shareholders. In this regard, Bannerman has developed equity rewards based on performance hurdles that deliver returns for shareholders.

SUMMARY

The remuneration report summarises the remuneration arrangements for the reporting period 1 July 2017 to 30 June 2018 for the directors and executives of Bannerman and the Group in office during the financial year.

The information provided in this remuneration report has been audited as required by s308(3C) of the *Corporations Act 2001*.

KEY MANAGEMENT PERSONNEL

For the purpose of this report, key management personnel of the Group (as defined in AASB 124 *Related Party Disclosures*) are those persons identified in this section who have authority and responsibility for planning, directing and controlling the activities of the Group, whether directly or indirectly, including any director (whether executive or otherwise) of the parent entity.

The directors and executives considered to be key management personnel of the Group up to the date of this report are the directors and executives set out in Table 1 below.

Table 1 - Key management personnel

Name	Position	Period
Non-Executive Directors		
Ronnie Beevor	Non-Executive Chairman	Full
Ian Burvill	Non-Executive Director	Full
Clive Jones	Non-Executive Director	Full
David Tucker	Non-Executive Director	Up to 23 November 2017
Mike Leech	Non-Executive Director	Full
Executive Director		
Brandon Munro	Chief Executive Officer and Managing Director	Full
Other Executive Personnel		
Werner Ewald	Managing Director - Namibia	Full

1. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Board Remuneration, Nomination and Corporate Governance Committee

The Remuneration Committee assists the Board to fulfil its responsibilities to shareholders by ensuring the Group has remuneration policies that fairly and competitively reward executives and the broader Bannerman workforce. The Remuneration Committee's decisions on reward structures are based on the current competitive environment, remuneration packages for executives and employees in the resources industry and the size and complexity of the Group.

The Remuneration Committee's responsibilities include reviewing the Company's remuneration framework and evaluating the performance of the CEO and monitoring the performance of the executive team.

Independent remuneration consultants are engaged by the Remuneration Committee from time to time to ensure the Company's remuneration system and reward practices are consistent with market practices. No remuneration consultants were used in the current year.

Directors' remuneration policy and structure

Bannerman's non-executive director remuneration policy aims to reward non-executive directors fairly and responsibly having regard to the:

- level of fees paid to directors relative to other comparatively sized exploration and mining companies;
- size and complexity of Bannerman's operations; and
- responsibilities and work requirements of individual Board members.

Fees paid to the non-executive directors of Bannerman are usually reviewed annually by the Remuneration Committee, and based on periodic advice from external remuneration consultants. The Board decided that in light of the operating environment it was appropriate that non-executive director remuneration remained unchanged for the current year.

Directors' remuneration limits

Non-executive directors' fees are determined within an aggregated directors' annual fee limit of $750,000, which was last approved by shareholders on 17 September 2008.

Directors' remuneration framework

Non-executive directors' remuneration consists of base fees (inclusive of superannuation); annual grants of share rights or share options; and audit committee chairman fees, details of which are set out in Table 2 below. Non-executive directors may also receive an initial grant of share rights or share options at the time of joining the Board. Board fees are not paid to the executive director as the time spent on Board work and the responsibilities of Board membership are considered in determining the remuneration package provided as part of his normal employment conditions. In April 2016 the Board decided to introduce a temporary measure whereby 40% of cash board fees would be paid in Share Options/Share Rights in order to preserve the Company's cash in an environment where capital raising was challenging. From 1 July 2018 the Board remuneration structure has reverted to the fees payable prior to April 2016, as shown in Table 2.

Table 2 – Annual Board and committee fees payable to non-executive directors

Position	Year ended 30 June 2017		Year ended 30 June 2018		Year ending 30 June 2019	
	Cash $	Share Options / Share Rights $	Cash $	Share Options / Share Rights $	Cash $	Share Options / Share Rights $
Chairman of the Board	60,000	90,000	60,000	90,000	100,000	50,000
Non-Executive Director	30,000	45,000	30,000	45,000	50,000	25,000
Additional fees for:						
Chairman of the Audit Committee	6,000	4,000	6,000	4,000	10,000	-

Note:
- Share options and rights issued to non-executive directors vest after a 12 month period.
- No fees are payable for being a member of a committee or for being the Chairman of a committee other than the Chairman of the Audit Committee.

No retirement benefits are paid other than the statutory superannuation contributions of 9.5% required under Australian superannuation guarantee legislation.

The Non-Executive Director Share Incentive Plan ("**NEDSIP**"), as approved by shareholders on 23 November 2017, allows for the provision of either share rights or share options to non-executive directors. Under the NEDSIP, the Company's non-executive directors will receive 60% of their FY18 director's fees in the form of either share rights or share options. The directors consider that the issue of share rights or share options to non-executive directors as part of their remuneration package is reasonable and appropriate given:

(a) it is a cost effective and efficient reward for service. The issue of share rights or share options in lieu of cash payments preserves the Company's cash resources and reduces on-going costs which is a significant aspect while the Company remains in a development phase; and
(b) in part, it aligns remuneration with the future growth and prospects of the Company and the interests of shareholders by encouraging non-executive director share ownership.

Refer to Table 7 in Section 4 for details of the number and value of share options and share rights issued to non-executive directors during the year.

As part of the Company's Securities Trading Policy, the Company prohibits directors from entering into arrangements to protect the value of unvested incentive awards. This includes entering into contracts to hedge exposure to share options, share rights or shares granted as part of their remuneration packages.

The Board assesses the appropriateness, nature and amount of remuneration paid to non-executive directors on a periodic basis, including the granting of equity based payments, and considers it appropriate to grant share options or share rights to non-executive directors with the overall objective of retaining a high quality Board whilst preserving cash reserves.

Executive remuneration policy and structure

Bannerman's executive remuneration policy is designed to reward the CEO and other senior executives. The main principles underlying Bannerman's executive remuneration policy are to:

- provide competitive rewards to attract, retain and motivate executives;
- set levels of performance which are clearly linked to an executive's remuneration;
- structure remuneration at a level which reflects the executive's duties and accountabilities;
- set a competitive level of remuneration that is sufficient and reasonable;
- align executive incentive rewards with the creation of value for shareholders; and
- comply with applicable legal requirements and appropriate standards of governance.

Executive remuneration structure

Bannerman's remuneration structure for the CEO and senior executives for the year ended 30 June 2018 was divided into two principal components:

- base pay and benefits, including superannuation; and
- variable annual reward, or "at risk" component, by way of the issue of long term share-based incentives.

Performance reviews for all senior executives are conducted on an annual basis. The performance of each senior executive is measured against pre-determined key performance indicators. The most recent performance reviews were completed in June 2018.

Base pay

The base pay component of executive remuneration comprises base salary, statutory superannuation contributions and other allowances where applicable. It is determined by the scope of each executive's role, working location, level of knowledge, skill and experience along with the executive's individual performance. There is no guarantee of base pay increases included in any executive's contract.

Bannerman benchmarks this component of executive remuneration against appropriate market comparisons using information from similar companies and, where applicable, advice from external consultants.

Short-term incentive component (STI)

During the year there were no STI awards granted.

Long-term incentive component (LTI)

The LTI awards are aimed specifically at creating long term shareholder value and the retention of employees. The Company has implemented an Employee Incentive Plan ("**EIP**") which enables the provision of share options or performance rights to executives and employees.

During the 2018 financial year, performance rights which will vest subject to pre-defined performance hurdles were allocated to all executives. The grant of performance rights aims to reward executives in a manner that aligns remuneration with the creation of shareholder wealth. Refer to Table 7 in Section 4 for the number and value of performance rights issued to executives during the year.

Performance measures to determine vesting

The vesting of half of the performance rights is subject to the Company's relative Total Shareholder Return ("**TSR**") as measured by share price performance (allowing for the reinvestment of dividends) over the life of the performance rights, versus a comparator group of uranium development companies. The vesting of the other half is subject to the attainment of defined individual and group performance criteria, chosen to align the interests of employees with shareholders, representing key drivers for delivering long term value. Group and individual performance measures are weighted and specify performance required to meet or exceed expectations. The performance measures for the 2018 performance rights related to:

- Safety - total recordable incidents and significant environmental incidents.
- Operational – execution of company development and operational plans.
- Capital - maintaining adequate working capital and achieving operating budgets.
- Regulatory - obtaining timely renewal of licences.
- Corporate - execution of transactions mandated by the Board.

Relative TSR was selected as a LTI performance measure given it ensures an alignment between comparative shareholder return and reward for executives, and minimises the effects of market cycles and commodity price changes.

The comparator group includes the following uranium development companies:

A-Cap Resources	Deep Yellow Limited	Mega Uranium Limited	U3O8 Corp.
Azarga Uranium Corp.	Energy Fuels Inc.	Peninsula Energy Limited	Ur-Energy Inc.
Berkeley Resources Limited	Forsys Metals Corp.	Toro Energy Limited	Vimy Resources Limited
Boss Resources Limited	Laramide Resources Limited		

The Board has updated, in 2018, the members of the comparator group to ensure it is reflective of the Company's peers. The limitation to uranium-focused development companies seeks to ensure that the TSR calculation is not materially impacted by price movements of other commodities.

The comparator group is composed of Australian and foreign uranium development companies chosen to reflect the Group's competitors for capital and talent. The Group's performance against the measure is determined according to Bannerman's ranking against the companies in the TSR group over the performance period. The vesting schedule is as follows:

Table 3 – TSR Vesting Schedule

Relative TSR performance outcome	Percentage of award that will vest
Below or at the 25th percentile	0%
Between the 25th and 75th percentile	Scale applicable whereby every 1 percentile equates to 2% vesting
At or above the 75th percentile	100%

Termination and change of control provisions

Where an executive ceases employment prior to the vesting of an award, the incentives are forfeited unless the Board applies its discretion to allow vesting at or post cessation of employment in appropriate circumstances.

In the event of a change of control of the Group, the performance period end date will generally be brought forward to the date of the change of control and the share options and rights will vest in full, subject to ultimate Board discretion.

No hedging of LTIs

As part of the Company's Securities Trading Policy, the Company prohibits executives from entering into arrangements to protect the value of unvested LTI awards. This includes entering into contracts to hedge exposure to share options, performance rights or shares granted as part of their remuneration package.

2. DETAILS OF REMUNERATION

Non-Executive Directors' Remuneration

Details of the nature and amount of remuneration of Bannerman's non-executive directors for the year ended 30 June 2018 are as follows:

Table 4 – Non-executive director remuneration

		Short-term		Post Employment	Sub-total	Share Based Payments	Total	Performance Related
	Year	Base Fees $	Other $	Superannuation $	$	Options / Rights $	$	%
Non-Executive Directors								
Ronnie Beevor	2018	60,000	-	-	60,000	117,547	177,547	-
	2017	60,000	-	-	60,000	83,218	143,218	-
Ian Burvill (i)	2018	4,800	-	25,200	30,000	52,618	82,618	-
	2017	2,800	-	14,700	17,500	33,835	51,335	-
Clive Jones	2018	27,397	-	2,603	30,000	58,177	88,177	-
	2017	27,397	-	2,603	30,000	41,619	71,619	-
David Tucker (ii)	2018	9,077	2,333	2,944	14,354	51,731	66,085	-
	2017	22,800	6,000	7,200	36,000	33,835	69,835	-
Mike Leech (iii)	2018	66,136	3,667	-	69,803	65,549	135,352	-
	2017	14,489	-	-	14,489	-	14,489	-
Total	**2018**	**167,410**	**6,000**	**30,747**	**204,157**	**345,622**	**549,779**	-
	2017	127,486	6,000	24,503	157,989	192,507	350,496	-

(i) Mr Ian Burvill elected to receive the cash component of his fee effective 1 December 2016.
(ii) Mr David Tucker resigned on 23 November 2017.
(iii) Mr Mike Leech receives remuneration for his role as a Non-Executive Director of Bannerman and for his role as Chairman of Bannerman's 95% owned Namibian subsidiary, Bannerman Mining Resources (Namibia) (Pty) Ltd and therefore his remuneration is split between Australian (A$33,660) and Namibian dollars (N$360,000), which are received for his role as Chairman of Bannerman's Namibian subsidiary.

The category of "Other" includes payments for Chairman of the Audit Committee as well as extra services and consultancy fees for specific duties, as approved by the Board.

Executive Remuneration

Details on the nature and amount of remuneration of Bannerman's executives for the year ended 30 June 2018 are as follows.

Table 5 – Executive remuneration

	Year	Short–term			Post Employment	Sub-total	Share Based Payments	Total	Performance Related
		Salary & Fees $	Accrued Annual Leave (ii) $	Other $	Superannuation $	$	Options / Performance Rights $	$	%
Executive Director									
Brandon Munro	2018	251,141	14,016	-	23,858	289,015	121,295	410,310	29.6
	2017	223,683	694	-	21,250	245,627	173,975	419,602	41.5
Other Executive Personnel									
Werner Ewald (i)	2018	199,935	(1,801)	52,866	47,535	298,535	147,847	446,382	33.1
	2017	186,195	(30,861)	52,864	41,498	249,696	125,236	374,932	33.4
Total	**2018**	**451,076**	**12,215**	**52,866**	**71,393**	**587,550**	**269,142**	**856,692**	
	2017	409,878	(30,167)	52,864	62,747	495,323	299,211	794,534	

(i) Mr Ewald's contract is denominated in Namibian dollars.
(ii) Annual leave has been separately categorised and is measured on an accrual basis and reflects the movement in the accrual over the twelve-month period. Any reduction in accrued leave reflects more leave taken or cashed out than that which accrued in the period.

3. SERVICE AGREEMENTS

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation.

Remuneration and other terms of employment for the CEO and the other executives are also formalised in service agreements. Major provisions of the agreements relating to remuneration are summarised below.

Remuneration of the Chief Executive Officer(s)

Mr Munro was appointed on 9 March 2016 as CEO and Managing Director. Under the employment contract with Mr Munro, he is entitled to receive an annual salary, superannuation, and LTI awards (grant of share options or performance rights, which are subject to performance hurdles). Details of Mr Munro's contract and remuneration are follows:

Annual Salary

Mr Munro's annual salary is $300,000 per annum inclusive of 9.5% superannuation. Prior to 9 March 2017, Mr Munro's annual salary was $220,000 per annum inclusive of 9.5% superannuation.

Short term incentives

No short term incentive is payable.

Long term incentives

During the year, Mr Munro was granted 6,521,700 performance rights subject to shareholder approval, which was obtained in November 2017. The performance rights were offered and the terms and conditions were agreed to and accepted by Mr Munro. The rights were subject to performance hurdles and lapsed if Mr Munro left the employment of the Group and immediately vest in the event of a change of control. Refer to Table 7 in section 4.

Termination Benefits

Mr Munro is entitled to 6 months' annual salary if his employment is terminated other than for cause, plus statutory entitlements for annual leave. The contract also provides that Mr Munro's employment may be terminated with three months' notice by either party.

Contracts for executives – employed in the Group as at 30 June 2018

A summary of the key contractual provisions for each of the current key management personnel is set out in Table 6 below.

Table 6 - Contractual provisions for executives engaged as at 30 June 2018

Name and job title	Employing company	Contract duration	Notice period company	Notice period employee	Termination provision
Brandon Munro – CEO & Managing Director	Bannerman Resources Limited	No fixed term	3 months	3 months	6 months base salary and accrued leave entitlements if terminated by the Company.
Werner Ewald – Managing Director Namibia	Bannerman Mining Resources (Namibia) (Pty) Ltd	No fixed term	3 months	3 months	6 months base salary and accrued leave entitlements if terminated by the Company.

4. SHARE-BASED COMPENSATION

Key management personnel are eligible to participate in the company's NEDSIP or EIP.

Long Term Incentives

The details of share options and performance rights over Bannerman shares issued and/or vested pursuant to the NEDSIP and EIP during the year which affects the remuneration of the key management personnel in office at the end of the reporting period are set out in Table 7 below. The performance hurdles for the performance rights issued to executives relate to the Company's relative TSR and defined individual and group performance targets, including operational targets and safety performance.

Share options and performance rights do not carry any voting or dividend rights and can be exercised once the vesting conditions have been met until their expiry date.

Table 7 – Key terms over share options and share rights issued, vested and lapsed to key management personnel during the year ended 30 June 2018

Name	Year	Grant date (i)	Type of Award	No. Granted	Exercise price	Accounting fair value per right / share option at grant date	Performance Hurdles	Vesting date	Expiry date	No. vested during the year	No. lapsed during the year
Non-Executive Directors											
Ronnie Beevor	2018	19-Dec-17	Share Options	4,442,600	$0.069	$0.0286	-	15-Nov-18	15-Nov-20	-	-
	2017	21-Dec-16	Share Options	-	$0.042	$0.0123	-	15-Nov-17	-	8,109,600	-
	2015	18-Dec-14	Share Options	-	$0.089	$0.0273	-	15-Nov-15	-	-	1,832,200
Ian Burvill	2018	19-Dec-17	Share Options	2,221,300	$0.069	$0.0286	-	15-Nov-18	15-Nov-20	-	-
	2017	21-Dec-16	Share Options	-	$0.042	$0.0123	-	15-Nov-17	-	2,973,500	-
	2015	18-Dec-14	Share Options	-	$0.089	$0.0273	-	15-Nov-15	-	-	916,100
Clive Jones	2018	19-Dec-17	Share Options	2,221,300	$0.069	$0.0286	-	15-Nov-18	15-Nov-20	-	-
	2017	21-Dec-16	Share Options	-	$0.042	$0.0123	-	15-Nov-17	-	4,045,800	-
	2015	18-Dec-14	Share Options	-	$0.089	$0.0273	-	15-Nov-15	-	-	916,100
Mike Leech	2018	19-Dec-17	Share Options	3,839,000	$0.069	$0.0286	-	15-Nov-18	15-Nov-20	-	-
David Tucker	2018	19-Dec-17	Share Options	1,007,000	$0.069	$0.0286	-	19-Dec-17	15-Nov-20	1,007,000	-
	2017	21-Dec-16	Share Options	-	$0.042	$0.0123	-	15-Nov-16	-	4,460,300	-

Share options and share rights granted to non-executive directors are not subject to performance hurdles but are subject to continuous service. They have been issued as a cost effective and efficient reward for service and in part aligns remuneration with the future growth of the Company.

Table 7 (continued) – Key terms over share options and performance rights issued, vested and lapsed to key management personnel during the year ended 30 June 2018

Name	Year	Grant date (i)	Type of Award	No. Granted	Exercise price	Accounting fair value per right / share option at grant date	Performance Hurdles	Vesting date	Expiry date	No. vested during the year	No. lapsed during the year
Executive Director											
Brandon Munro	2018	19-Dec-17	Performance Rights	6,521,700	N/A	3,260,850 @ A$0.053	Relative TSR	15-Nov-20	15-Nov-20	-	-
				-	N/A	3,260,850 @A$0.058	Operational targets	15-Nov-20	15-Nov-20	-	-
	2016	25-Jul-16	Share Options	-	A$0.07	A$0.008	Continuous employment	8-Mar-18	25-Jul-19	7,500,000	-
Executive											
Werner Ewald	2018	19-Dec-17	Performance Rights	3,514,000	N/A	1,757,000 @ A$0.055	Relative TSR	15-Nov-20	15-Nov-20	-	-
				-	N/A	1,757,000 @A$0.06	Operational targets	15-Nov-20	15-Nov-20	-	-
	2017	12-Dec-16	Performance Rights	-	N/A	A$0.031	Operational targets	15-Nov-19	-	-	331,692
	2015	18-Dec-14	Performance Rights	-	N/A	A$0.076	Relative TSR	15-Nov-17	-	735,656	210,282
				-	N/A	A$0.08	Operational targets	15-Nov-17	-	832,425	-

(i) The grant date in the table above refers to the actual issue date of the share options or rights; however for accounting purposes the grant date is recognised as the date that the Company's obligation for the share options or rights arose.
(ii) Operational targets refer to the performance measures discussed on page 18 of this report.

All unvested share options and rights lapse on cessation of employment, unless otherwise approved by the Board or under special circumstances such as retirement or redundancy. All share options and rights issued to key management personnel vest immediately in the event of a change of control in Bannerman.

Other remuneration information

Further details relating to share options and rights and the proportion of key management personnel remuneration related to equity compensation during the year are tabulated below.

Table 8 – Value of share options and performance rights issued and exercised during the year ended 30 June 2018

	Type	Proportion of remuneration consisting of options / rights for the year(1) %	Value of options / rights granted during the year(2) $	Value of options exercised / rights vested during the year(3) $
Directors				
Ronnie Beevor	Share Options	66%	127,058	-
Brandon Munro	Share Options	30%	361,954	-
Ian Burvill	Share Options	64%	63,529	-
Clive Jones	Share Options	66%	63,539	-
David Tucker	Share Options	78%	28,800	-
Mike Leech	Share Options	48%	109,795	-
Executives				
Werner Ewald	Performance Rights	33%	202,055	73,699

(1) Calculated based on Tables 4 and 5 as the share-based expense for the year as a percentage of total remuneration. The percentage of total remuneration varies among each director given the impact of consulting or other fees paid during the financial year.
(2) Based on fair value at time of grant per AASB 2. For details on the valuation of the options and rights, including models and assumptions used, refer to Note 20.
(3) Calculated based on the fair value of the Company's shares on date of vesting.

Other than detailed above in Table 7 there were no other alterations to the terms and conditions of the share options / rights awarded as remuneration since their award date.

Table 9 – Share options and performance rights holdings of key management personnel (i)

30 June 2018	Type	Opening Balance 1 July 2017	Granted as Remuneration	Exercised / converted / lapsed	Net Change Other	Closing Balance 30 June 2018	Vested at 30 June 2018 Total	Exercisable	Not exercisable
Directors									
Ronnie Beevor	Options	13,864,800	4,442,600	(1,832,200)	-	16,475,200	12,032,600	12,032,600	-
Brandon Munro	Options/ Rights	27,857,100	6,521,700	-	-	34,378,800	20,000,000	20,000,000	-
Ian Burvill (ii)	Options	5,851,100	2,221,300	(916,100)	-	7,156,300	4,935,000	4,935,000	-
Clive Jones	Options	6,932,400	2,221,300	(916,100)	-	8,237,600	6,016,300	6,016,300	-
David Tucker	Options	4,460,300	1,007,000	-	-	5,467,300	5,467,300	5,467,300	-
Mike Leech	Options	-	3,839,000	-	-	3,839,000	-	-	-
		58,965,700	20,252,900	(3,664,400)	-	75,554,200	48,451,200	48,451,200	-
Executives									
Werner Ewald	Rights	11,785,071	3,514,000	(1,568,081)	(541,974)	13,189,016	-	-	-
		11,785,071	3,514,000	(1,568,081)	(541,974)	13,189,016	-	-	-

(i) Includes share options and performance rights held directly, indirectly and beneficially by key management personnel.
(ii) 1,961,500 of these share options are held by Resource Capital Funds Management Pty Ltd, and are noted above against the relevant RCF representative director during the year. Until September 2018 he was a nominee of RCF and therefore was not independent at 30 June 2018 (RCF had the right to appoint up to two nominee directors whilst the shareholding of each of RCFIV and RCFVI each remained above 5%). RCF's appointment right fell away when RCF sold its entire shareholding on 14 September 2018.

Table 10 – Shareholdings of key management personnel (i)

30 June 2017	Opening Balance 1 July 2017	Granted as Remuneration	Received on Exercise of Share options / conversion of rights	(Sales) Purchases	Net Change Other	Closing Balance 30 June 2018
Directors						
Ronnie Beevor	2,320,643	-	-	-	-	2,320,643
Brandon Munro	2,000,000	-	-	-	-	2,000,000
Ian Burvill	-	-	-	-	-	-
Clive Jones	77,207,668	-	-	-	-	77,207,668
David Tucker	3,175,375	-	-	-	-	3,175,375
Mike Leech	-	-	-	-	-	-
Executives						
Werner Ewald	4,545,202	-	1,568,081	(4,545,202)	-	1,568,081
	89,248,888	-	1,568,081	(4,545,202)	-	86,271,767

(i) Includes shares held directly, indirectly and beneficially by key management personnel.

All equity transactions with key management personnel other than those arising from the exercise of remuneration share options or asset acquisition share options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length

Table 11 – Shares issued on exercise of performance rights during the year ended 30 June 2018

	Shares issued #	Paid per share $	Unpaid per share $
Executives			
Werner Ewald	1,568,081	-	-

5. ADDITIONAL INFORMATION

Performance over the Past 5 Years

The objective of the LTI program is to reward and incentivise non-executive directors and executives in a manner which aligns with the creation of shareholder wealth. Bannerman's performance during 2017/18 and the previous four financial years are tabulated in Table 12 below:

Table 12 – Bannerman's performance for the past five years

Year ended 30 June	2018	2017	2016	2015	2014
Net loss after tax ($'000)	(2,478)	(2,696)	(152)	(4,241)	(2,421)
Net assets ($'000)	62,776	57,847	50,610	53,117	51,086
Market capitalisation ($ '000's) at 30 June	56,000	26,000	19,000	19,000	23,000
Closing share price ($)	$0.054	$0.03	$0.027	$0.049	$0.07

END OF REMUNERATION REPORT (AUDITED)

This report is made in accordance with a resolution of the directors.

Brandon Munro
CEO and Managing Director
Perth, 28 September 2018

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, including its Annual Information Form available on the SEDAR website, sedar.com. 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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

(EXPRESSED IN AUSTRALIAN DOLLARS)

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000
Interest revenue	2	31	41
Other income	3	2	96
Employee benefits	4(a)	(1,617)	(1,574)
Compliance and regulatory expenses		(172)	(179)
Depreciation expense		(23)	(38)
Other expenses	4(b)	(699)	(1,301)
Loss before income tax		**(2,478)**	**(2,955)**
Income tax benefit	6	-	259
Net loss for the year		**(2,478)**	**(2,696)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	14(b)	(870)	4,927
Other comprehensive income for the year		**(870)**	**4,927**
Total comprehensive income/(loss)		**(3,348)**	**2,231**
Loss is attributable to:			
Equity holders of Bannerman Resources Limited		(2,446)	(2,687)
Non-controlling interest		(32)	(9)
		(2,478)	**(2,696)**
Total comprehensive income/(loss) is attributable to:			
Equity holders of Bannerman Resources Limited		(3,314)	2,237
Non-controlling interest	26	(34)	(6)
		(3,348)	**2,231**
Basic and diluted loss per share to the ordinary equity holders of the Company (cents per share):	17	**(0.29)**	**(0.34)**

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 30 June 2018
(Expressed in Australian dollars)

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000
CURRENT ASSETS			
Cash and cash equivalents	7	8,325	3,420
Other receivables	8	124	57
Other		43	54
TOTAL CURRENT ASSETS		8,492	3,531
NON CURRENT ASSETS			
Other receivables	8	8	15
Property, plant and equipment	9	127	149
Exploration and evaluation expenditure	10	54,933	54,883
TOTAL NON CURRENT ASSETS		55,068	55,047
TOTAL ASSETS		**63,560**	**58,578**
CURRENT LIABILITIES			
Trade and other payables	11	143	158
Provisions		167	133
TOTAL CURRENT LIABILITIES		310	291
NON CURRENT LIABILITIES			
Provisions	12	474	440
TOTAL NON CURRENT LIABILITIES		474	440
TOTAL LIABILITIES		**784**	**731**
NET ASSETS		**62,776**	**57,847**
EQUITY			
Contributed equity	13	140,983	133,475
Reserves	14	28,080	28,179
Accumulated losses		(105,993)	(103,547)
TOTAL PARENT ENTITY INTEREST		**63,070**	**58,107**
Non-controlling interest	26	(294)	(260)
TOTAL EQUITY		**62,776**	**57,847**

The above statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement

For the year ended 30 June 2018
(Expressed in Australian dollars)

	Note	Consolidated 2018 $'000	2017 $'000
Cash Flows from Operating Activities			
Payments to suppliers and employees		(1,621)	(1,671)
Interest received		31	41
R&D tax incentive received		-	259
Net cash flows used in operating activities	18	(1,590)	(1,371)
Cash Flows From Investing Activities			
Payments for exploration and evaluation		(1,016)	(1,339)
Purchase of property, plant & equipment		(3)	(12)
Proceeds from disposal of property, plant & equipment		1	700
Net cash flows used in investing activities		(1,018)	(651)
Cash Flows from Financing Activities			
Proceeds from issue of shares		8,000	4,060
Transaction costs of financing		(492)	(219)
Net cash flows provided by financing activities		7,508	3,841
Net increase / (decrease) in cash and cash equivalents		4,900	1,819
Cash and cash equivalents at beginning of year		3,420	1,600
Net foreign exchange differences		5	1
Cash and cash equivalents at end of year	7	**8,325**	**3,420**

The above cash flow statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2018

(Expressed in Australian dollars)

	Issued Capital Note 13	Accumulated Losses	Share Based Payment Reserve Note 14(a)	Foreign Currency Reserve Note 14(b)	Asset Revaluation Reserve Note 14(c)	Convertible Note Reserve Note 14 (d)	Equity Reserve Note 14 (e)	Non-controlling Interest Note 26	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2017	**133,475**	**(103,547)**	**55,383**	**(26,274)**	**-**	**4,038**	**(4,968)**	**(260)**	**57,847**
Loss for the period	-	(2,446)	-	-	-	-	-	(32)	(2,478)
Other comprehensive income	-	-	-	(868)	-	-	-	(2)	(870)
Total comprehensive income for the period	-	(2,446)	-	(868)	-	-	-	(34)	(3,348)
Shares issued during the period	8,000	-	-	-	-	-	-	-	8,000
Cost of share issue	(492)	-	-	-	-	-	-	-	(492)
Share-based payments	-	-	769	-	-	-	-	-	769
Total Equity at 30 June 2018	**140,983**	**(105,993)**	**56,152**	**(27,142)**	**-**	**4,038**	**(4,968)**	**(294)**	**62,776**

	Issued Capital Note 13	Accumulated Losses	Share Based Payment Reserve Note 14(a)	Foreign Currency Reserve Note 14(b)	Asset Revaluation Reserve Note 14(c)	Convertible Note Reserve Note 14 (d)	Equity Reserve Note 14 (e)	Non-controlling Interest Note 26	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2016	**129,634**	**(101,027)**	**54,598**	**(31,198)**	**167**	**4,038**	**(5,602)**	**-**	**50,610**
Loss for the period	-	(2,687)	-	-	-	-	-	(9)	(2,696)
Other comprehensive income	-	-	-	4,924	-	-	-	3	4,927
Total comprehensive income for the period	-	(2,687)	-	4,924	-	-	-	(6)	2,231
Disposal of Non-controlling interest	-	-	-	-	-	-	254	(254)	-
Sale of Land and Buildings	-	167	-	-	(167)	-	-	-	-
Shares issued during the period	4,060	-	-	-	-	-	-	-	4,060
Cost of share issue	(219)	-	-	-	-	-	-	-	(219)
Share-based payments	-	-	785	-	-	-	380	-	1,165
Total Equity at 30 June 2017	**133,475**	**(103,547)**	**55,383**	**(26,274)**	**-**	**4,038**	**(4,968)**	**(260)**	**57,847**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Corporate Information

This financial report of Bannerman for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the directors on 25 September 2018.

Bannerman is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange and the Namibian Stock Exchange.

Basis of Preparation and Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report has also been prepared on an historical cost basis, except for land and buildings which has been measured at fair value.

The financial report covers the consolidated entity comprising Bannerman and its controlled entities (the "**Group**").

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Company under Australian Securities and Investments Commission (ASIC) Class Order 2016/191. The Company is an entity to which the Class Order applies.

For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Statement of Compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

New Accounting Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except as follows:

From 1 July 2017, the Group has adopted all the Standards and Interpretations mandatory for annual periods beginning on 1 July 2017. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Group.

The Group has not elected to early adopt any new Standards or Interpretations.

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2017:

Reference	Title	Summary
AASB 2016-1	*Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]*	This Standard amends AASB 112 Income Taxes to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.

(EXPRESSED IN AUSTRALIAN DOLLARS)

AASB 2016-2	*Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*	The amendments to AASB 107 Statement of Cash Flows are part of the IASB's Disclosure Initiative and help users of financial statements better understand changes in an entity's debt. The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).
AASB 2017-2	*Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle*	This Standard clarifies the scope of AASB 12 *Disclosure of Interests in Other Entities* by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale or discontinued operations in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Australian Accounting Standards and interpretations which have recently been issued or amended but are not yet effective and have not been early-adopted by the Group for the annual reporting period ending 30 June 2018. These standards and interpretations are tabulated below:

Reference	Title	Summary	Application date of standard	Application date for Group	Impact on Group Accounting Policies
AASB 9	*Financial Instruments*	AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement. Except for certain trade receivables, an entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss(FVTPL), transaction costs. Debt instruments are subsequently measured at FVTPL, amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss. For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss. All other AASB 139 classification and measurement requirements for financial liabilities have been carried forward into AASB9, including the embedded derivative separation rules and the criteria for using the FVO. The incurred credit loss model in AASB 139 has been replaced with an expected credit loss model in AASB 9. The requirements for hedge accounting have been amended to more closely align hedge accounting with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies in the hedge accounting model in AASB 139.	1 Jan 2018	1 Jul 2018	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.

(EXPRESSED IN AUSTRALIAN DOLLARS)

Reference	Title	Summary	Application date of standard	Application date for Group	Impact on Group Accounting Policies
AASB 15	*Revenue from Contracts with Customers*	AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB Interpretation 13 *Customer Loyalty Programmes*, AASB Interpretation 15 *Agreements for the Construction of Real* Estate, AASB Interpretation 18 *Transfers of Assets from Customers* and AASB Interpretation 131 *Revenue – Barter Transactions Involving Advertising Services*) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 (or AASB 16 Leases, once applied). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps: • Step 1: Identify the contract(s) with a customer • Step 2: Identify the performance obligations in the contract • Step 3: Determine the transaction price • Step 4: Allocate the transaction price to the performance obligations in the contract • Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.	1 Jan 2018	1 Jul 2018	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.
AASB 2016-5	*Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*	This Standard amends AASB 2 *Share-based Payment*, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: • The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments • Share-based payment transactions with a net settlement feature for withholding tax obligations • A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.	1 Jan 2018	1 Jul 2018	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.
AASB 2017-1	*Amendments to Australian Accounting Standards – Transfers of Investments Property, Annual Improvements 2014-2016 Cycle and Other Amendments*	The amendments clarify certain requirements in: • AASB 1 *First-time Adoption of Australian Accounting Standards* – deletion of exemptions for first-time adopters and addition of an exemption arising from AASB Interpretation 22 *Foreign Currency Transactions and Advance Consideration* • AASB 12 *Disclosure of Interests in Other Entities* – clarification of scope • AASB 128 *Investments in Associates and Joint Ventures* – measuring an associate or joint venture at fair value • AASB 140 *Investment Property* – change in use.	1 Jan 2018	1 Jul 2018	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.
AASB Interpretation 22	*Foreign Currency Transactions and Advance Consideration*	The Interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.	1 Jan 2018	1 Jul 2018	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.

(EXPRESSED IN AUSTRALIAN DOLLARS)

Reference	Title	Summary	Application date of standard	Application date for Group	Impact on Group Accounting Policies
AASB 16	*Leases*	AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.	1 Jan 2019	1 Jul 2019	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.
AASB 2017-6	*Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation*	This Standard amends AASB 9 *Financial Instruments* to permit entities to measure at amortised cost or fair value through other comprehensive income particular financial assets that would otherwise have contractual cash flows that are solely payments of principal and interest but do not meet that condition only as a result of a prepayment feature. This is subject to meeting other conditions, such as the nature of the business model relevant to the financial asset. Otherwise, the financial assets would be measured at fair value through profit or loss. The Standard also clarifies in the Basis for Conclusion that, under AASB 9, gains and losses arising on modifications of financial liabilities that do not result in derecognition should be recognised in profit or loss.	1 Jan 2019	1 Jul 2019	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.
AASB 2017-7	*Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures*	This Standard amends AASB 128 *Investments in Associates and Joint Ventures* to clarify that an entity is required to account for long term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture but to which the equity method is not applied, using AASB 9 Financial Instruments before applying the loss allocation and impairment requirements in AASB 128.	1 Jan 2019	1 Jul 2019	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.
AASB 2018-1	*Annual Improvements to IFRS Standards 2015- 2017 Cycle*	The amendments clarify certain requirements in: • AASB3 Business Combinations and AASB11 Joint Arrangements-previously held interest in a joint operation • AASB112 Income Taxes-income tax consequences of payments on financial instruments classified as equity • AASB123 Borrowing Costs-borrowing costs eligible for capitalisation.	1 Jan 2019	1 Jul 2019	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.

(EXPRESSED IN AUSTRALIAN DOLLARS)

Reference	Title	Summary	Application date of standard	Application date for Group	Impact on Group Accounting Policies
AASB 2018-2	*Amendments to Australian Accounting Standards –Plan Amendment, Curtailment or Settlement*	This Standard amends AASB 119 *Employee Benefits* to specific how an entity accounts for defined benefit plans when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments: • Require entities to use the updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after such an event occurs • Clarify that when such an event occurs, an entity recognises the past service cost or a gain or loss on settlement separately from its assessment of the asset ceiling.	1 Jan 2019	1 Jul 2019	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.
AASB Interpretation 23, and relevant amending standards	*Uncertainty over Income Tax Treatments*	The Interpretation clarifies the application of the recognition and measurement criteria in IAS 12 *Income Taxes* when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: • Whether an entity considers uncertain tax treatments separately • The assumptions an entity makes about the examination of tax treatments by taxation authorities • How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates • How an entity considers changes in facts and circumstances.	1 Jan 2019	1 Jul 2019	The Group has yet to fully assess the impact of these amendments on the financial statements.
AASB 2014-10	*Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. AASB 2015-10 deferred the mandatory effective date (application date) of AASB2014-10 so that the amendments were required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. AASB 2017-5further defers the effective date of the amendments made in AASB 2014-10 to periods beginning on or after 1 January 2022	1 Jan 2022	1 Jul 2022	The amendments to this standard are not expected to have a significant impact on the Group's financial results or balance sheet in the initial year of application.

Accounting Policies

a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

b) Income and Other Taxes

Income taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences, the carry-forward of unused tax assets and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST/VAT except:

- when the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expenses item as applicable; and
- receivables and payables, which are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the relevant taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST/VAT component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the relevant taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, the relevant taxation authority.

c) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

(i) such costs are expected to be recouped through successful development, exploitation or sale of the area; or

(ii) exploration and evaluation activities in the area have not, at balance date, reached a stage which permit a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Accumulated costs in respect of areas of interest which are abandoned or assessed as not having economically recoverable reserves are written off in full against profit in the year in which the decision to abandon the area is made.

(EXPRESSED IN AUSTRALIAN DOLLARS)

A periodic review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

d) Property, Plant and Equipment

Plant and equipment are measured at historical cost less accumulated depreciation and any accumulated impairment costs.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over the useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**	
	2018	**2017**
Buildings	2.0%	2.0%
Plant and equipment	33.3%	33.3%
Office Furniture & Equipment	33.3%	33.3%
Vehicles	33.3%	33.3%

An asset's residual value, useful life and amortisation method are reviewed, and adjusted if appropriate, at each financial year end.

Gains or losses on disposals are determined by comparing proceeds with the net carrying amount. These are included in the statement of comprehensive income.

e) Fair value measurement

The Group measures non-financial assets such as land and buildings at fair value less accumulated depreciation on buildings at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The valuation committee decides, after discussions with the Group’s external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group’s accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Group’s external valuers, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, Management and the Group’s external valuers present the valuation results to the audit committee and the Group’s independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the lessee, are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the statement of comprehensive income.

Leased assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

g) Basic Earnings/Loss Per Share

Basic earnings/loss per share is calculated by dividing the net profit / loss attributable to members of the parent for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Group, adjusted for any bonus issue.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

h) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

i) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand, cash on call and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as described, net of outstanding bank overdrafts.

j) Impairment of Assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indication of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value (less costs to sell) and value-in-use. It is determined for an individual asset, unless the asset's value-in-use cannot be estimated to be close to its fair value (less costs to sell) and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.
In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

k) Payables

Trade and other payables are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in the respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

l) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outlay of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when a reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date using a discounted cash flow methodology. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. Any increase in the provision due to the passage of time is recognised as a finance cost.

Rehabilitation Provision

Rehabilitation costs will be incurred by the Group either while operating, or at the end of the operating life of, the Group's facilities. The Group assesses its rehabilitation provision at each reporting date. The Group recognises a rehabilitation provision where it has a legal and constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. The nature of these restoration activities includes: dismantling and removing structures; dismantling operating facilities; closing plant and waste sites; and restoring, reclaiming and revegetating affected areas.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the operation's location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related assets to the extent that it was incurred. Additional disturbances which arise due to further development/construction at the mine are recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur.

Changes in the estimated timing of rehabilitation or changes to the estimated future costs are dealt with prospectively by recognising an adjustment to the rehabilitation liability and a corresponding adjustment to the asset to which it relates, if the initial estimate was originally recognised as part of an asset measured in accordance with AASB 6.

Any reduction in the rehabilitation liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the statement of profit or loss and other comprehensive income.

If the change in estimate results in an increase in the rehabilitation liability and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment. If, for mature mines, the estimate for the revised mine assets net of rehabilitation provisions exceeds the recoverable value that portion of the increase is charged directly to expense.

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability.

m) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date.

Contributions are made by the Group to employee superannuation and pension funds and are charged as expenses when incurred.

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

n) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or share options are shown in equity as a deduction, net of tax, from the proceeds.

o) Share-based Payment Transactions

The Group provides benefits to employees and directors of the Group, acquires assets and settles expenses through consideration in the form of share-based payment transactions, whereby employees render services, assets are acquired and expenses are settled in exchange for shares or rights over shares ("**equity-settled transactions**").
There is currently a Non-Executive Director Share Option Plan and an Employee Incentive Plan which enables the provision of benefits to directors, executives and staff.

The cost of these equity-settled transactions with employees and directors is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black Scholes option pricing model. A Monte Carlo simulation is applied to fair value the Total Shareholder Return element of the EIP incentives. Further details of which are disclosed in Note 20.

In valuing equity-settled transactions, no account is taken of any vesting condition, other than (if applicable):

- Non-vesting conditions that do not determine whether the Group or Company receives the services that entitle the employees to receive payment in equity or cash; or
- Conditions that are linked to the price of the shares of Bannerman Resources Limited (market conditions).

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent report date until vesting, the cumulative charge to the statement of comprehensive income is the product of:

(i) The grant date fair value of the award;
(ii) The current best estimate of the number of the awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and
(iii) The expired portion of the vesting period.

The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above, less the amounts already charged in previous periods. There is a corresponding entry to equity.

Equity-settled awards granted by Bannerman to employees of subsidiaries are recognised in the parent's separate financial statements as an additional investment in the subsidiary with the corresponding credit to equity. As a result, the expense recognised by Bannerman in relation to equity-settled awards only represents the expenses associated with grants to employees of the parent. The expense recognised by the Group is the total expense associated with all such awards.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market conditions or non-vesting conditions is considered to vest irrespective of whether or not that market condition or non-vesting is fulfilled, provided that all other conditions are satisfied.

p) Foreign Currency Translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("**functional currency**"). The consolidated financial statements are presented in Australian dollars, which is Bannerman's functional and presentation currency.

(ii) Transactions and balances
Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date and any gains or losses are recognised in the statement of comprehensive income.

(iii) Group companies
For all Group entities with a functional currency other than Australian dollars, the functional currency has been translated into Australian dollars for presentation purposes. Assets and liabilities are translated using exchange rates prevailing at the reporting date; revenues and expenses are translated using average exchange rates prevailing for the statement of comprehensive income year; and equity transactions are translated at exchange rates prevailing at the dates of transactions. The resulting difference from translation is recognised in a foreign currency translation reserve.

(iv) Subsidiary company loans
All subsidiary company loans from the parent company are translated into Australian dollars, on a monthly basis, using the exchange rates prevailing at the end of each month. The resulting difference from translation is recognised in the statement of comprehensive income of the parent company and on consolidation the foreign exchange differences are recognised in a foreign currency translation reserve as the loan represents a net investment in a foreign entity.

q) Receivables

Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. VAT receivables relating to Namibian expenditure generally have a 90+ day term.

Collectability of receivables is reviewed on an on-going basis. Individual debts that are known to be uncollectible are written off when identified. An impairment allowance is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, and default payments or debts more than 90 days overdue (apart from GST/VAT), are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

r) Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operation results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers being the executive management team.

The operations of the Group represent one operating segment under AASB 8 Operating Segments. The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial report.

s) Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash, receivables, payables, convertible instruments, finance leases, cash and short term deposits.

The Group manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Group's financial risk management strategy. The objective of the strategy is to support the delivery of the Group's financial targets whilst protecting future financial security.

t) Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenues and expenses. Management bases its judgements and estimates on historical experience and on other various factors believed to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the critical accounting policies detailed below for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements. The carrying amounts of certain assets and liabilities are often determined based on judgements, estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related mineral title itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of measured, indicated and inferred mineral resources, proven and probable ore reserves, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations), changes to commodity prices, ability to finance, renewal of the exclusive prospecting licence and the issue of a mining licence.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted and taking into consideration the likelihood of non-market based conditions occurring. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 20.

Rehabilitation provision

The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial result. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

	Consolidated 2018 $'000	Consolidated 2017 $'000

2. INTEREST REVENUE

	2018 $'000	2017 $'000
Interest revenue	31	41
	31	41

3. OTHER INCOME

	2018 $'000	2017 $'000
Profit on disposal of land and buildings	-	90
Other	2	6
	2	96

4. EXPENSES

(a) Employee Benefits

	2018 $'000	2017 $'000
Salaries and wages	594	573
Superannuation	42	43
Employee share-based payment expense	423	592
Other	8	15
Directors' fees	204	158
Directors' share-based payment expense	346	193
	1,617	1,574

(b) Other Expenses

	2018 $'000	2017 $'000
Corporate and overheads	302	285
Consulting – fees	170	260
Legal	40	50
Travel	21	98
Employer related taxes	5	54
Occupancy	108	121
Insurance	53	53
Share-based payment expense	-	380
	699	1,301
Included in the above expenses are operating lease payments of the following amounts:		
Minimum lease payments	54	61

	Consolidated 2018	2017

5. AUDITOR'S REMUNERATION

The auditor of the Group is Ernst & Young.

Amounts received or due and receivable by Ernst & Young (Australia) for:

	$	$
Auditing or reviewing the financial report	41,000	46,516
Audit related	-	-
Taxation services	15,990	40,000
	56,990	86,516

Amounts received or due and receivable by related practices of Ernst & Young (Australia) for:

Auditing or reviewing the financial report	20,787	10,326
Taxation services	4,451	2,164
	25,238	12,490

6. INCOME TAX BENEFIT

	$'000	$'000
The components of income tax benefit comprise:		
Current income tax benefit	-	(259)
Deferred income tax benefit	-	-
Income tax benefit reported in the consolidated statement of comprehensive income	-	(259)
Income tax expense recognised in equity	-	-

Accounting loss before tax	(2,478)	(2,955)
At the parent company statutory income tax rate of 27.5%	(681)	(886)
Other non-deductible expenditure for income tax purposes	195	569
Effect of different tax rate for overseas subsidiary	(49)	(63)
Prior year adjustment – current tax on R&D tax offset	-	(259)
(Recognised) / Unrecognised tax losses	535	380
Income tax benefit reported in the consolidated statement of comprehensive income	-	(259)

	Consolidated 2018 $'000	Consolidated 2017 $'000
Carried forward revenue losses	11,852	12,201
Share issue costs	152	70
Provisions and accruals	246	181
Other	-	-
Gross deferred tax asset	12,250	12,452
Offset against deferred tax liability	(6)	(6)
Unrecognised deferred tax assets	12,244	12,446
Deferred tax liabilities		
Other	6	6
Gross deferred tax liability	6	6
Offset against deferred tax asset	(6)	(6)
Net deferred tax liability	-	-

The carried forward tax losses for Bannerman Resources Limited at 30 June 2018 are $40,298,505. The carried forward tax losses for Bannerman Mining Resources (Namibia) (Pty) Ltd at 30 June 2018 are $3,472,748. These tax losses do not expire and may not be used to offset taxable income elsewhere in the Group. The Group neither has any taxable temporary differences nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

The Group has not elected to form a tax consolidated group.

7. CASH AND CASH EQUIVALENTS

	2018	2017
Cash at bank and on call (interest bearing)	8,305	3,400
Short-term deposits (interest bearing)	20	20
	8,325	3,420

The effective interest rate on short-term bank deposits was 2.30% (2017: 1.90%). These deposits have an average maturity of 90 days (2017: 90 days).

8. OTHER RECEIVABLES

	2018	2017
Current		
GST/VAT	124	57
	124	57
Non-Current		
Restricted cash	8	15
	8	15

Restricted cash reflects collateral for a third party bank guarantee for the occupancy of office premises.

Fair value and credit risk

Due to the short term nature of current receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of the receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities.

As at 30 June 2018, the ageing analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired		
			61-90 days	91-120 days	>120 days
	$'000	$'000	$'000	$'000	$'000
2018	124	124	-	-	-
2017	57	57	-	-	-

Foreign exchange and interest rate risk

Detail regarding foreign exchange and interest rate risk exposure is disclosed in Note 15(a) and (b).

9. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Lab & Field Equipment	Sundry	Vehicles	Land & Buildings [(i)]	Total
30 June 2018	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Opening net book value	62	17	40	30	0	149
Additions	3	-	-	-	-	3
Disposals	(1)	-	-	-	-	(1)
Exchange difference	(1)	-	-	-	-	(1)
Depreciation charge	(9)	-	(8)	(6)	-	(23)
Closing net book value	54	17	32	24	-	127
At 30 June 2018						
Cost or fair value	335	129	451	198	-	1,113
Accumulated depreciation and impairment	(281)	(112)	(419)	(174)	-	(986)
Net book value	54	17	32	24	-	127
30 June 2017	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Opening net book value	64	16	50	34	558	722
Additions	11	-	-	-	-	11
Disposals	-	-	-	-	(609)	(609)
Exchange difference	4	1	2	3	53	63
Depreciation charge	(17)	-	(12)	(7)	(2)	(38)
Closing net book value	62	17	40	30	-	149
At 30 June 2017						
Cost or fair value	336	130	453	201	-	1,120
Accumulated depreciation and impairment	(274)	(113)	(413)	(171)	-	(971)
Net book value	62	17	40	30	-	149

In December 2016, the Group sold its Land and Buildings in Swakopmund for approximately A$700,000, net of selling costs. Land and Buildings had a net book value of A$609,000 at the date of disposal, and therefore the Group recognised a profit on disposal of A$90,000 (refer Note 3).

10. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2018 $'000	2017 $'000
Opening balance	54,883	48,759
Expenditure incurred during the year	900	1,215
Foreign currency translation movements	(850)	4,909
Closing balance	54,933	54,883

Expenditure incurred during the period comprises expenditure on geological, feasibility and associated activities.

The value of the Company's interest in exploration and evaluation expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the results of pre-development activities; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

Etango Uranium Project – Bannerman 95%

The Etango Uranium Project is situated near Rio Tinto's Rössing uranium mine, Paladin's Langer Heinrich uranium mine and CGNPC's Husab uranium mine. Bannerman, in 2012, completed a Definitive Feasibility Study ("**DFS**") on a 7-9 million pounds U_3O_8 per annum open pit mining and heap leach processing operation at Etango. The DFS 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.

Bannerman announced on 2 February 2017 that it had commenced DFS Update in conjunction with our key consultants, AMEC Foster Wheeler. This process is targeting substantial capital and operating cost improvements through incorporating the results from the Etango Demonstration Plant and evaluating other value accretive opportunities in processing, mining and infrastructure that have been developed through internal engineering undertaken by the Bannerman team.

The DFS update is focussing on the key results obtained from the Demonstration Plant and other processing optimisation opportunities.

Bannerman currently holds Exclusive Prospecting Licence 3345 (EPL 3345) in Namibia, which is valid until 25 April 2019 and thereafter subject to renew by the Namibian Ministry of Mines and Energy. Bannerman also holds a Mineral Deposit Retention Licence 3345 (MDRL 3345) in Namibia, which is valid until 6 August 2022 and thereafter subject to renewal by the Namibian Ministry of Mines and Energy.

	Consolidated	
Exploration & Evaluation Expenditure for the Etango Project	30 June 2018 $'000	30 June 2017 $'000
Opening balance	**54,883**	**48,759**
Assays and freight	-	1
Salaries and wages	496	692
Consultants and contractors	95	142
Demonstration plant construction cost	10	10
Demonstration plant change in rehabilitation provision	27	35
Demonstration plant operational cost	205	266
Other	67	69
Total expenditure for the period	**900**	**1,215**
Foreign currency translation movements	(850)	4,909
Closing balance	**54,933**	**54,883**

11. TRADE AND OTHER PAYABLES

	Consolidated 30 June 2018 $'000	Consolidated 30 June 2017 $'000
Trade payables	105	120
Other payables and accruals	38	38
	143	158

Trade payables are non-interest bearing and are normally settled on 30 day terms (or less). Other payables are non-interest bearing and have an average term of 60 days.

Fair value
Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

12. PROVISIONS – NON-CURRENT

	Consolidated 2018 $'000	Consolidated 2017 $'000
Rehabilitation provision	440	440
Opening balance	440	370
Unwinding of discount	27	35
Foreign exchange translation movements	7	35
Closing balance	474	440

The Group makes full provision for the future cost of the environmental rehabilitation obligations relating to the heap leach demonstration plant on a discounted basis at the time of the activity.

The rehabilitation provision, based on the Group's internal estimates, represents the present value of the future rehabilitation costs relating to the heap leach demonstration plant. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of the rehabilitation is likely to depend on when the pre-development activities cease.

13. CONTRIBUTED EQUITY

(a) Issued and outstanding:

	June 2018	June 2017	June 2018	June 2017
	Number of Shares		Amount	
	'000	'000	$'000	$'000
Ordinary shares				
Issued and fully paid	1,029,871	849,627	140,983	133,475

Movements in ordinary shares on issue	Number of Shares '000	Amount $'000
Balance 1 July 2016	709,974	129,634
- Issue of shares (i)	2,000	60
- Issue of shares (ii)	116,666	3,500
- Issue of shares (iii)	16,667	500
- Issue of shares (iv)	3,320	-
- Cost of share issues	-	(219)
Balance 30 June 2017	**849,627**	**133,475**
Balance 1 July 2017	849,627	133,475
- Issue of shares (v)	6,331	-
- Issue of shares (vi)	173,913	8,000
- Cost of share issues	-	(492)
Balance 30 June 2018	**1,029,871**	**140,983**

(EXPRESSED IN AUSTRALIAN DOLLARS)

(i) On 15 August 2016, 2,000,000 shares were issued to Brandon Munro pursuant to a A$60,000 placement at $0.03 per share.

(ii) On 3 November 2016, 116,666,666 shares were issued to sophisticated and professional investors pursuant to a A$3.5 million placement at $0.03 per share.

(iii) On 2 February 2017, 16,666,667 shares were issued RCFVI pursuant to a A$0.5 million placement at $0.03 as approved by shareholders on 10 January 2017.

(iv) The following shares were issued upon vesting of performance rights
  a. On 24 November 2016, 3,569,896 ordinary shares were issued upon vesting of share and performance rights in accordance with the terms of the Non-Executive Director Share Incentive Plan and Employee Incentive Plan.
  b. On 2 February 2017, 500,000 ordinary shares were issued upon vesting of performance rights in accordance with the terms of the Employee Incentive Plan.
  c. On 24 March 2017, 250,000 ordinary shares were issued upon vesting of performance rights in accordance with the terms of the Employee Incentive Plan.

(v) The following shares were issued upon vesting of performance rights
  a. On 10 November 2017, 1,000,000 ordinary shares were issued upon vesting of performance rights in accordance with the terms of the Employee Incentive Plan.
  b. On 24 November 2017, 4,730,682 ordinary shares were issued upon vesting of performance rights in accordance with the terms of the Employee Incentive Plan.
  c. On 16 March 2018, 600,000 ordinary shares were issued upon vesting of performance rights in accordance with the terms of the Employee Incentive Plan.

(vi) On 18 June 2018, 173,913,043 shares were issued to sophisticated and professional investors pursuant to a A$8 million placement at $0.046 per share.

(b) Share options on issue:

The movements in share options during the year were as follows:

Expiry Dates	Exercise Price	Balance 1 Jul 17	Granted	Exercised	Expired / Cancelled	Balance 30 Jun 18	Vested 30 Jun 18
15 November 2017	A$0.089	3,664,400	-	-	(3,664,400)	-	-
15 November 2018	A$0.044	7,846,000	-	-	-	7,846,000	7,846,000
25 July 2019	A$0.045	7,500,000	800,000	-	-	8,300,000	8,300,000
25 July 2019	A$0.057	9,000,000	1,200,000	-	-	10,200,000	10,200,000
25 July 2019	A$0.07	9,000,000	1,200,000	-	-	10,200,000	10,200,000
15 November 2019	A$0.042	19,598,200	-	-	-	19,598,200	19,598,200
15 November 2020	A$0.069	-	13,731,200	-	-	13,731,200	1,007,000
		56,608,600	16,931,200	-	(3,664,400)	69,875,400	57,151,000
Weighted average exercise price ($)		0.05	0.07	-	0.089	0.05	0.05
Average life to expiry (years)		1.77	2.45	-	-	1.42	1.11

The remaining unvested share options above have performance hurdles linked to minimum service periods.

Directors held 60,168,400 share options as at 30 June 2018 with an average exercise price of $0.05 per share and an average life to expiry of 1.55 years.

(c) Performance Rights on issue

The performance rights on issue as at 30 June 2018 were as follows:

Vesting Dates	Balance 1 Jul 17	Granted	Vested	Cancelled / Forfeited	Balance 30 Jun 18
1 July 2017	750,000	-	(750,000)	-	-
15 November 2017	6,623,793	-	(4,730,682)	(1,893,111)	-
1 January 2018	-	600,000	(600,000)	-	-
1 July 2018	-	276,000	-	(276,000)	-
15 November 2018	12,540,500	245,900	-	(3,218,085)	9,568,315
15 November 2019	17,741,800	3,264,600	-	(3,853,082)	17,153,318
15 November 2020	-	10,587,400	-	-	10,587,400
	37,656,093	14,973,900	(6,080,682)	(9,240,278)	37,309,033
Average life to vesting (years)	0.45	1.48	-	-	0.96

Note: Performance rights have no exercise price.

The performance rights have been issued in accordance with the shareholder-approved EIP and NEDSIP, and vest into shares for no consideration on the completion of minimum service periods and, in certain cases, the achievement of specified vesting hurdles related to the Company's relative share price performance, internal business targets and/or personal performance.

Directors held 14,378,800 performance rights as at 30 June 2018 with an average life to vesting of 1.88 years.

Terms of Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. At shareholders' meetings, each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. When managing capital, management's objective is to ensure the entity continues as a going concern as well as to obtain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure which assists to ensure the lowest appropriate cost of capital available to the Company.

14. RESERVES

		Consolidated	
		2018 $'000	2017 $'000
Share-based payment reserve	(a)	56, 152	55,383
Foreign currency translation reserve	(b)	(27,142)	(26,274)
Asset revaluation reserve	(c)	-	-
Convertible note reserve	(d)	4,038	4,038
Equity reserve	(e)	(4,968)	(4,968)
TOTAL RESERVES		**28,080**	**28,179**

(a) Share-based Payment Reserve		
Balance at the beginning of the reporting period	**55,383**	**54,598**
Share-based payment vesting expense during the period	769	785
Balance at the end of the reporting period	**56,152**	**55,383**

The Share-based Payment Reserve is used to recognise the value of equity-settled share-based payment transactions for the acquisition of project interests and the provision of share-based incentives to directors, employees and consultants.

(b) Foreign Currency translation reserve		
Reserves at the beginning of the reporting period	**(26,274)**	**(31,198)**
Currency translation differences arising during the year	(868)	4,924
Balance at the end of the reporting period	**(27,142)**	**(26,274)**

The Foreign Currency Translation Reserve is used to record exchange differences arising on translation of the Group entities that do not have a functional currency of Australian dollars and have been translated into Australian dollars for presentation purposes.

As per the Statement of Comprehensive Income, the foreign currency translation difference arising for the year ended 30 June 2018 amounted to $870,000 (2017: $4,927,000), allocated between non-controlling interests of $2,000 (2017: $3,000) and the Group of $868,000 (2016: $4,924,000). Over the year, the Australian dollar strengthened against the Namibian dollar, with a movement of approximately 1% from the rate as at 30 June 2017 (A$1.00:N$10.04) to the rate as at 30 June 2018 (A$1.00:N$10.19).

(c) Asset Revaluation reserve		
Reserves at the beginning of the reporting period	**-**	**167**
Sale of Land and Buildings	**-**	**(167)**
Balance at the end of the reporting period	**-**	**-**

The Asset Revaluation Reserve is used to record increases and decreases (to the extent that such decrease relates to an increase on the same asset previously recognised in equity) in the fair value of land and buildings. The Land and Buildings, which the asset revaluation reserve was attributable to, was sold in December 2016.

(d) Convertible Note reserve		
Reserves at the beginning of the reporting period	**4,038**	**4,038**
Balance at the end of the reporting period	**4,038**	**4,038**

The convertible note reserve records the equity portion of the RCFIV convertible note issued on 16 December 2008, refinanced on 31 March 2012 and 22 November 2013, and the RCFVI convertible note issued on 19 June 2014. The convertible notes were extinguished on 31 December 2015.

(e) Equity reserve		
Reserves at the beginning of the reporting period	**(4,968)**	**(5,602)**
Non-controlling interest disposed of during the period	**-**	**634**
Balance at the end of the reporting period	**(4,968)**	**(4,968)**

In March 2017, the Company entered into a Subscription Agreement with the One Economy Foundation to become a 5% loan-carried shareholder in the Etango Project. As part of the Subscription Agreement, Bannerman Mining Resources (Namibia) (Pty) Ltd (BMRN) issued 5% of its ordinary share capital to the One Economy Foundation for par (nominal) value. The One Economy Foundation will be loan carried for all future project expenditure including pre-construction and development expenditure, with the loan capital and accrued interest repayable from future dividends.

The issue of shares to the One Economy Foundation has been treated as a share based payment in accordance with the accounting standards. The shares were fair valued as at the date of signing the Subscription Agreement at the market price of the Company's shares. The valuation took into consideration other input parameters including the effect on current intercompany loans. The fair value of the shares was recognised in the profit and loss account

The group recognised an increase in non-controlling interests of A$254,000, and an increase in equity attributable to the owners of the parent of A$634,000. The effect on the equity attributable to the owners of the Group during the prior period is summarised as follows:

	$'000
Carrying amount of non-controlling interest acquired	254
Fair value of share based payment to non-controlling interests	380
Excess of consideration paid recognised in equity	**634**

As part of the Agreement and structure of the loan funding to BMRN, BMRN is required to issue 5% of its share capital to One Economy Foundation and 95% to Bannerman Resources Nominees (UK) Limited for each intercompany loan payment made by the Company to BMRN.

The issue of shares to the One Economy Foundation are treated as a share based payment in accordance with the accounting standards. The fair value of the shares is recognised in the profit and loss account. The shares issued during the year were fair valued as at the date that each intercompany loan payment is made by the Company to BMRN. The shares were valued using an option pricing model, which takes into account future dividends that One Economy Foundation will forego until the loan funding provided by the Group is settled. The key input is the share price which is based on the Company's market capitalisation and then adjusted to take into effect the difference between the intercompany loan balance and the market capitalisation of the Company. Seven intercompany loan payments were made during the year, and at each time the intercompany loan balance was higher than the market capitalisation of the Company which resulted in the share based payments being valued at nil.

15. FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise cash and short term deposits, receivables, payables, convertible notes and finance leases.

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the Group as at 30 June 2018.

	Consolidated	
	2018	2017
Financial assets	$'000	$'000
Trade and other receivables	8	15
Total non-current	**8**	**15**
Cash and cash equivalents	8,325	3,420
Trade and other receivables	124	57
Total current	**8,449**	**3,477**
Total	**8,457**	**3,492**
Financial liabilities		
Trade and other payables	143	158
Total	**143**	**158**

Fair Values

The carrying value and net fair values of financial assets and liabilities at balance date are:

	2018		2017	
	Carrying Amount $'000	Net fair Value $'000	Carrying Amount $'000	Net fair Value $'000
Financial assets				
Trade and other receivables	8	8	15	15
Total non-current	**8**	**8**	**15**	**15**
Cash and cash equivalents	8,325	8,325	3,420	3,420
Trade and other receivables	124	124	57	57
Total current	**8,449**	**8,449**	**3,477**	**3,477**
Total	**8,457**	**8,457**	**3,492**	**3,492**
Financial liabilities				
Trade and other payables	143	143	158	158
Total current	**143**	**143**	**158**	**158**
Total	**143**	**143**	**158**	**158**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Management assessed that cash and short-term deposits, trade receivables, other current receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2018, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

Financial risk management objectives and policies

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include the monitoring of levels of exposure to interest rates and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Liquidity risk is monitored through the development of future rolling cash flow forecasts and financing plans.

The Board reviews and agrees policies for managing each of the above risks and they are summarised below:

(a) Interest Rate Risk

Interest rate risk is managed by obtaining competitive commercial deposit interest rates available in the market from major Australian financial institutions.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rate for each class of financial assets and financial liabilities, comprises:

Consolidated 2018	Floating Interest Rate $'000	Fixed Interest maturing in 1 year or less $'000	Fixed Interest maturing over 1 to 5 years $'000	Total $'000
Financial assets				
Cash	8,305	20	-	8,325
	8,305	20	-	8,325
Weighted average interest rate				0.3%

Consolidated 2017	Floating Interest Rate $'000	Fixed Interest maturing in 1 year or less $'000	Fixed Interest maturing over 1 to 5 years $'000	Total $'000
Financial assets				
Cash	3,400	20	-	3,420
	3,400	20	-	3,420
Weighted average interest rate				0.3%

The following table summarises the impact of reasonably possible changes in interest rates for the Group at 30 June 2018. The sensitivity analysis is based on the assumption that interest rates change by 1% with all other variables remaining constant. The 1% sensitivity is based on reasonably possible changes over a financial year, using the observed range of actual historical rates for the preceding 5 year period and management's expectation of short term future interest rates.

	Consolidated	
Impact on post-tax gain/(loss):	2018 $'000	2017 $'000
1% increase	83	32
1% decrease	(83)	(32)

There is no impact on other reserves in equity for the Group.

(b) Foreign Currency Risk

Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency of the relevant Group company.

The Group's deposits are largely denominated in Australian dollars. Currently there are no foreign exchange hedge programs in place. The Group manages the purchase of foreign currency to meet operational requirements.

The impact of reasonably possible changes in foreign exchange rates for the Group is not material.

(c) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of dealing only with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk. For the remaining financial assets, there are no significant concentrations of credit risk within the Group and financial instruments are being spread amongst highly rated financial institutions and related parties to minimise the risk of default of counterparties.

(d) Liquidity

Liquidity is monitored through the development of monthly expenditure and rolling cash flow forecasts. Short term liquidity is managed on a day to day basis by the finance management team including the use of weekly cash forecasts.

The risk implied from the values shown in the table below reflects a balanced view of cash outflows:

Financial Liabilities	**<6 months $'000**	**6-12 months $'000**	**1– 5 years $'000**	**Total $'000**
2018				
Trade and other payables	143	-	-	143
Interest bearing liabilities	-	-	-	-
Total	143	-	-	143
2017				
Trade and other payables	158	-	-	158
Interest bearing liabilities	-	-	-	-
Total	158	-	-	158

16. FAIR VALUE MEASUREMENT

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 30 June 2018 and 30 June 2017:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed (Note 15)					
Trade and other receivables					
- Current	30 June 2018	124	-	-	124
- Non-current	30 June 2018	8	-	-	8
- Current	30 June 2017	57	-	-	57
- Non-current	30 June 2017	15	-	-	15
Liabilities measured at fair value					
Liabilities for which fair values are disclosed (Note 15)					
Trade and other payables	30 June 2018	143	-	-	143
Trade and other payables	30 June 2017	158	-	-	158

17. LOSS PER SHARE

	2018	2017
Basic and diluted loss per share to the ordinary equity holders of the Company (cents per share)	(0.29)	(0.34)
	$'000	**$'000**
Loss used in the calculation of weighted average basic and dilutive loss per share	(2,478)	(2,696)
	Number of Shares **'000**	***Number of Shares*** **'000**
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic loss per share	859,474	802,723
Number of share options / performance rights issued that could be potentially dilutive but are not included in diluted EPS as they are anti-dilutive for the periods presented.	69,875	56,646

There have been no other conversions to or subscriptions for ordinary shares or issues of potential ordinary shares since the balance date and before the completion of this report.

18. CASH FLOW INFORMATION

	Consolidated 2018 $'000	Consolidated 2017 $'000
(a) Reconciliation from the net loss after tax to the net cash flow from operating activities		
Loss after income tax	(2,478)	(2,696)
Non-cash flows in operating loss		
Depreciation	23	38
Share-based payments	769	1,165
(Loss)/profit on sale of land and buildings	(2)	90
Changes in assets and liabilities		
(Increase) / decrease in receivables and prepayments	(59)	57
Increase / (decrease) in trade and other creditors and accruals	89	(138)
Increase in provisions	68	113
Net cash outflows from Operating Activities	(1,590)	(1,371)

19. COMMITMENTS

a) Exploration and evaluation expenditure

Bannerman currently holds Exclusive Prospecting Licence 3345 (EPL 3345) in Namibia, which is valid until 25 April 2019 and thereafter subject to renew by the Namibian Ministry of Mines and Energy. Bannerman also holds a Mineral Deposit Retention Licence 3345 (MDRL 3345) in Namibia, which is valid until 6 August 2022 and thereafter subject to renewal by the Namibian Ministry of Mines and Energy.

In order to maintain current rights of tenure to mineral licences, the Group has exploration and evaluation expenditure obligations up until the expiry of those licences. The following stated obligations, which are subject to renegotiation upon expiry of the current licences, are not provided for in the financial statements and represent a commitment of the Group:

	Consolidated 2018 $'000	Consolidated 2017 $'000
Not longer than one year	171	82
Longer than one year, but not longer than five years	-	166
Longer than five years	-	-
	171	248

If the Group decides to relinquish certain mineral licences and/or does not meet these minimum expenditure obligations or obtain appropriate waivers, assets recognised in the Statement of Financial Position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

b) Operating lease commitments

The Group has entered into a lease for office premises. This lease has an initial lease term of 2 years.

Not longer than one year	47	85
Longer than one year, but not longer than five years	20	17
Longer than five years	-	-
	67	102

20. SHARE-BASED PAYMENT PLANS

Recognised employee share-based payment expenses

The expense recognised for employee services received during the year are shown in the table below:

	Consolidated	
	2018 $'000	2017 $'000
Total expense arising from employee and director share-based payment transactions	769	785

Types of share-based payment plans

*Employee Incentive Plan ("**EIP**")*

Performance rights are granted to all employees. The EIP is designed to align participants' interest with those of shareholders by enabling employees to access the benefits of an increase in the value of the Company's shares. For grants of performance rights under the EIP, the vesting of half of the performance rights is subject to the Company's relative TSR as measured by share price performance (allowing for the reinvestment of dividends), versus a comparator group of uranium development companies, and the vesting of the other half is subject to the attainment of defined individual and group performance criteria as assessed by the Board in line with the work schedules under the Company's operating plans. The performance measurement date is two years from date of grant for employees and three years from the date of grant for executives.

In assessing whether the relative TSR hurdle for each grant has been met, the Group's TSR growth from the commencement of each grant and that of the pre-selected peer group are ranked. The peer group chosen for comparison is a group of Australian and foreign uranium development companies at the date of grant. This peer group reflects the Group's competitors for capital and talent.

The Group's performance against the hurdle is determined according to Bannerman's ranking against the peer group TSR growth over the performance period:

- When Bannerman is ranked at the 75th percentile, 100% of the performance rights will vest.
- When Bannerman is ranked below the 25th percentile, the performance rights are forfeited.
- For rankings between the 25th and 75th percentile, a sliding scale applies whereby every 1 percentile equates to 2% vesting.

When a participant ceases employment prior to the vesting of their rights, the rights are generally forfeited unless cessation of employment is due to termination initiated by the Group (except for termination with cause) or death. In the event of a change of control, the performance period end date will be bought forward to the date of change of control and rights will vest. The Company prohibits executives from entering into arrangements to protect the value of unvested EIP awards.

*Non-Executive Director Share Incentive Plan ("**NEDSIP**")*

Non-executive directors' remuneration includes initial and annual grants of share options or share rights (under the NEDSIP). Share options and share rights granted to non-executive directors are not subject to performance hurdles. They have been issued as an incentive to attract experienced and skilled personnel to the Board.

Summary of share options granted under NEDSIP and EIP arrangements

	2018 \#	2018 WAEP[1]	2017 \#	2017 WAEP[1]
Outstanding at beginning of the year	31,108,600	0.05	16,014,400	0.06
Granted during the year	13,731,200	0.07	19,598,200	0.04

(EXPRESSED IN AUSTRALIAN DOLLARS)

Exercised during the year	-	-	-	-
Expired during the year	(3,664,400)	0.09	(4,504,000)	0.07
Forfeited during the year	-	-	-	-
Outstanding at end of the year	41,175,400	0.05	31,108,600	0.05

[1] Weighted Average Exercise Price ($/share)

Summary of share options granted outside of NEDSIP and EIP arrangements

	2018 #	2018 WAEP[1]	2017 #	2017 WAEP[1]
Outstanding at beginning of the year	25,500,000	0.06	20,000,000	0.06
Granted during the year	3,200,000	0.06	5,500,000	0.06
Outstanding at end of the year	28,700,000	0.06	25,500,000	0.06

[1] Weighted Average Exercise Price ($/share)

Summary of performance rights granted under NEDSIP and EIP arrangements

	2018 #	2017 #
Outstanding at beginning of the year	37,656,093	19,585,658
Granted during the year	14,973,900	25,000,700
Vested during the year	(6,080,682)	(4,569,896)
Forfeited during the year	(9,240,278)	(2,360,369)
Outstanding at end of the year	37,309,033	37,656,093

Weighted average remaining contractual life

The weighted average remaining contractual life as at 30 June 2018 was:

- Share options 1.42 years (2017: 1.77 years).
- Performance rights 0.96 years (2017: 0.45 years).

Range of exercise price

The range of exercise prices for share options outstanding as at 30 June 2018 was $0.042 - $0.069 (2017: $0.042 - $0.089). The weighted average exercise price for share options outstanding as at 30 June 2018 was $0.05 (2017: $0.05) per share option.

Weighted average fair value

The weighted average fair value for the share options granted during the year was $0.03 (2017: $0.04) per share option. The weighted average fair value for the performance rights granted during the year was $0.03 (2017: $0.03) per performance right.

Share options / performance rights pricing model

Equity-settled transactions

The fair value of the equity-settled share options granted under the NEDSIP and EIP is estimated as at the date of grant using a Black-Scholes option price calculation method taking into account the terms and conditions upon which the share options/rights were granted. A Monte Carlo simulation is applied to fair value the TSR element. In accordance with the rules of the EIP, the model simulates the Company's TSR and compares it against the peer group over the two year period of each grant made to employees and the three year period of each grant made to executives. The model takes into account the historic dividends, share price volatilities and co-variances of the Company and each comparator company to produce a theoretical predicted distribution of relative share performance. This is applied to the grant to give an expected value of the TSR element.

Pricing model inputs used for the year ended 30 June 2018:

	NEDSIP	OTHER (i)	EIP	OTHER (i)
	Annual Grant Share Options	Annual Grant Rights	Annual Grant Rights	Options
Dividend Yield (%)	0%	0%	0%	0%
Expected volatility (%)	82%	82%	85%	83%
Risk- Free interest rate (%)	1.75%	1.75%	1.91% - 2.04%	1.98%
Expected life of Share Options / Rights (years)	3 years	1 year	2 - 3 years	2 year
Share price at measurement date ($)	0.058	0.058	0.058 - 0.06	0.058

(i) Share Options/Rights issued under separate terms and conditions and not issued as part of any formal plan.

Pricing model inputs used for the year ended 30 June 2017:

	NEDSIP	OTHER (i)	EIP	OTHER (i)
	Annual Grant Share Options	Annual Grant Rights	Annual Grant Rights	Options
Dividend Yield (%)	0%	0%	0%	0%
Expected volatility (%)	82%	82%	85%	83%
Risk- Free interest rate (%)	1.75%	1.75%	1.88% - 2.00%	1.72%
Expected life of Share Options / Rights (years)	3 years	1 year	2 - 3 years	3 year
Share price at measurement date ($)	0.028	0.028	0.026 - 0.031	0.026

(ii) Share Options/Rights issued under separate terms and conditions and not issued as part of any formal plan.

21. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the CEO and the management team in assessing performance and in determining the allocation of resources.

The Group is undertaking development studies and exploring for uranium resources in southern Africa, and hence the operations of the Group represent one operating segment.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements. The Group considers the segment assets and liabilities to be consistent with those disclosed in the financial statements.

The analysis of the location of non current assets other than financial instruments is as follows:

	Consolidated	
	2018 $'000	2017 $'000
Australia	39	43
Namibia	55,029	54,989
Total Non-current Assets	55,068	55,032

22. EVENTS SUBSEQUENT TO REPORTING DATE

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

23. RELATED PARTY INFORMATION

Subsidiaries
The consolidated financial statements include the financial statements of Bannerman Resources Limited and the subsidiaries listed in the following table:

Name	Country of incorporation	% Equity Interest 2018	% Equity Interest 2017
Bannerman Mining Resources (Namibia) (Pty) Ltd	Namibia	95	95
Elfort Nominees Pty Ltd	Australia	100	100
Bannerman Resources Nominees (UK) Limited	United Kingdom	100	100

Ultimate Parent
Bannerman Resources Limited is the ultimate Australian parent entity and the ultimate parent of the Group.

Compensation of Key Management Personnel by Category:

	2018 $'000	2017 $'000
Short-term employee benefits	689,567	566,062
Post-employment benefits	101,940	87,250
Share-based payments	614,764	491,718
	1,406,271	1,145,030

Transactions with related entities:
Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

24. CONTINGENCIES

On 17 December 2008, the Company entered into a settlement agreement with Savanna Marble CC ("**Savanna**") relating to Savanna's legal challenge to the Company's rights to the Etango Project Exclusive Prospecting Licence. Under the terms of the Savanna settlement agreement, in consideration for the termination of proceedings, Savanna was entitled to receive $3.5 million cash and 9.5 million fully paid ordinary shares in Bannerman. The first tranche payment of $3.0 million and 5.5 million shares was made in early 2009. The second and final tranche payment of $500,000 and 4.0 million ordinary shares is due to Savanna upon receipt of the Etango Project mining licence. The mining licence application was lodged in December 2009, and further supplementary information has since been lodged in support of the application. In July 2016, the Company announced that it had received correspondence from the MME stating the Honourable Minster intends to refuse the application for the Etango Project Mining Licence, citing the current low uranium price. Bannerman retains the right to re-apply for a mining licence when the uranium market recovers. As at 30 June 2018, the probability and timing of the grant of a mining licence is uncertain. Due to this uncertainty, the second tranche payment has been disclosed as a contingent liability and not as a provision as at 30 June 2018.

25. PARENT ENTITY INFORMATION

a. Information relating to Bannerman Resources Limited:	**2018** **$'000**	**2017** **$'000**
Current assets	8,321	3,300
Total assets	12,138	7,021
Current liabilities	266	271
Total liabilities	279	271
Issued capital	140,983	133,475
Accumulated loss	(189,314)	(186,146)
Option Reserve	56,152	55,383
Convertible Note Reserve	4,038	4,038
Total shareholders' equity	11,859	6,750
(Loss)/profit of the parent entity	(3,168)	(3,049)
Total comprehensive (loss)/income of the parent entity	(3,168)	(3,049)

b. Details of any guarantees entered into by the parent entity in relation to the debts of its subsidiaries

There are no guarantees entered into to provide for debts of the Company's subsidiaries. The parent entity has provided a letter to BMRN evidencing the parent's intent to meet the financial obligations of BMRN for the period 1 July 2017 to 30 June 2018.

c. Details of any contingent liabilities of the parent entity

Refer to Note 24 for details relating to contingent liabilities.

d. Details of any contractual commitments by the parent entity for the acquisition of property, plant or equipment

There are no contractual commitments by the parent entity for the acquisition of property, plant and equipment as at reporting date.

26. MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests are provided below:

Proportion of equity interest held by non-controlling interests:

Name	**Country of incorporation**	**2018**	**2017**
Bannerman Mining Resources (Namibia) (Pty) Ltd	Namibia	5%	5%

Accumulated balances of material non-controlling interest:	**$'000**	**$'000**
Bannerman Mining Resources (Namibia) (Pty) Ltd	(294)	(260)
Loss allocated to material non-controlling interest:		
Bannerman Mining Resources (Namibia) (Pty) Ltd	(34)	(6)

In March 2017, the Company entered into a Subscription Agreement with the One Economy Foundation to become a 5% loan-carried shareholder in the Etango Project. As part of the Subscription Agreement, Bannerman Mining Resources (Namibia) (Pty) Ltd (BMRN) issued 5% of its ordinary share capital to the One Economy Foundation for par (nominal) value. The One Economy Foundation will be loan carried for all future project expenditure including pre-construction and development expenditure, with the loan capital and accrued interest repayable from future dividends.

The summarised financial information of the subsidiary is provided below. This information is based on amounts before inter-company eliminations and up to the date of acquisition of the non-controlling interest.

Bannerman Mining Resources (Namibia) (Pty) Ltd	**2018**	**2017**
Summarised statement of comprehensive income:	**$'000**	**$'000**
Other income	15	111
Administrative expenses	(672)	(977)
Loss before tax	**(657)**	**(866)**
Income tax	-	-
Loss for the year	**(657)**	**(866)**
Total comprehensive loss	**(657)**	**(866)**
Attributable to non-controlling interests	-	-
Summarised statement of financial position:		
Cash and bank balances and receivables (current)	239	231
Property, plant and equipment (non current)	96	106
Exploration and evaluation expenditure (non current)	54,602	54,635
Trade and other payables (current)	(152)	(128)
Other payables (non current)	(45,402)	(60,155)
Total equity	**9,383**	**(5,311)**
Attributable to:		
Equity holders of parent	8,914	(5,060)
Non-Controlling interest	469	(254)
Summarised cash flow information:		
Operating	(421)	(397)
Investing	(789)	(104)
Financing	1,113	661
Net (decrease) / increase in cash and cash equivalents	**(97)**	**160**

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Bannerman Resources Limited, I state that:

1. In the opinion of the directors:

(a) The financial statements, notes and additional disclosures included in the directors' report designated as audited, of the Group are in accordance with the Corporations Act 2001, including:

- i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and its performance for the year ended on that date.
- ii) Complying with Accounting Standards and Corporations Regulations 2001.

(b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with s295A of the Corporations Act 2001 for the financial year ended 30 June 2018.

On behalf of the Board

Brandon Munro
Managing Director & CEO
Perth, 28 September 2018

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Independent auditor's report to the members of Bannerman Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Bannerman Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Carrying value of capitalised exploration and evaluation

Why significant	How our audit addressed the key audit matter
The carrying value of exploration and evaluation assets is assessed for impairment by the Group when facts and circumstances indicate that an exploration and evaluation asset may exceed its recoverable amount. The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of judgments including whether the Group will be able to maintain tenure, perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. During the year the Group determined that there had been no indicators of impairment. Refer to Note 10 – Exploration and evaluation assets to the financial report for the amount recognised on the consolidated statement of financial position as at 30 June 2018 and related disclosure.	We evaluated the Group's assessment as to whether there were any indicators of impairment to require the carrying value of exploration and evaluation assets to be tested for impairment. In performing our audit procedures, we: ▸ Considered the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as license agreements and correspondence with relevant government agencies; ▸ Considered the Group's intention to carry out significant exploration and evaluation activities in the relevant exploration area which included assessing whether the Group's cash-flow forecasts provided for expenditure for planned exploration and evaluation activities, and enquiring with senior management and Directors as to the intentions and strategy of the Group; and ▸ Considered the Group's assessment of whether the commercial viability of extracting mineral resources had been demonstrated and whether it was appropriate to continue to classify the capitalised expenditure for the area of interest as an exploration and evaluation asset. We also assessed the adequacy of the disclosure in Note 10

2. Share based payments - Performance rights and share options

Why significant	How our audit addressed the key audit matter
In the current year the Group granted share based payments in the form of performance rights and share options. The awards vest subject to the achievement of certain vesting conditions. Due to the complex and judgmental estimates used in determining the valuation of the share based payments and vesting expense, we considered the Group's calculation of the share based payment expense to be a key audit matter. In determining the fair value of the awards and related expense the Group uses assumptions in respect of future market and economic conditions. The Group used the Black Scholes and Monte Carlo Simulation models in valuing the share-based payment awards. Refer to Note 20 to the financial report for the share based payment expenses recognised for the year ended 30 June 2018 and related disclosure.	For awards granted during the year, we performed the following audit procedures: ▸ Involved our valuation specialists to assess the assumptions used in the Group's calculation being the share price of the underlying equity, interest rate, volatility, dividend yield, time to maturity (expected life) and grant date; and ▸ Assessed the use of third party experts engaged by the Group for the purposes of performing an independent actuarial valuation on the performance rights that have total shareholder return vesting conditions. This included assessing the independence, objectivity and capability of the third party expert. We also assessed the adequacy of the disclosure in Note 20.

3. Recognition of settlement obligations

Why significant	How our audit addressed the key audit matter
In December 2008, the Group entered into a settlement agreement in respect of the Etango project. As part of the settlement, the Group is required to make a final settlement payment of $500,000 and issue 4 million ordinary shares if a mining license is issued for the Etango project which has been disclosed as a contingent liability, in Note 24 to the financial report. Determining whether a liability needs to be recognised for the final settlement amount involves judgment, particularly in assessing the probability and timing of whether a mining license will be granted, triggering the settlement amount becoming due and payable. As a result, the assessment of whether liability needs to be recognised at 30 June 2018 is considered a key audit matter.	We evaluated the Group's assessment as to whether a liability should be recognised for the final settlement payment at 30 June 2018. In performing our audit procedures, we: ‣ Considered the current status of the Etango project; and ‣ Considered the Group's strategy to obtain a mining license which included obtaining and assessing supporting documentation such as recent correspondence with relevant government agencies. We also assessed the adequacy of the disclosure in Note 24.

4. One Economy Loan Funding

Why significant	How our audit addressed the key audit matter
A loan agreement with One Economy has been entered in which the Group provides loan funding to One Economy for One Economy's 5% share of exploration, evaluation and development expenditure incurred by subsidiary Bannerman Mining Resources (Namibia) (Pty) Ltd ("Bannerman Namibia"). The Group has determined this transaction to be a share based payment arrangement. Therefore, any additional loan funding provided to Bannerman Namibia on behalf of One Economy during the financial year was being capitalised and shares were issued to One Economy. The Group determined the fair value of the share issued by Bannerman Namibia based on market capitalisation of the Bannerman Group after deducting the intercompany loans. Due to determining the fair value of the shares issued by Bannerman Namibia to One Economy involves judgment, we considered the Group's calculation to be a key audit matter. Refer to Note 14 to the financial report for the related disclosure.	We evaluated the Group's assessment that the transaction with One Economy was a share based payment arrangement and considered the calculation of the resulting share based payment expense for the financial year ended 30 June 2018. In performing our audit procedures, we: ‣ Understood the key terms and conditions of the loan agreement; and ‣ Assessed the key assumptions and inputs in the Group's valuation of the shares issued. We also assessed the adequacy of the disclosure in Note 14.

5. Going Concern assessment

Why significant	How our audit addressed the key audit matter
The Group is not currently generating revenue and is in the exploration and evaluation stage. Accordingly assessing whether the Group has sufficient available funding for the Group to meet its obligations as and when they fall due is a key part of our going concern assessment and therefore a significant aspect of our audit. This assessment is largely based on the expectations of and the estimates made by the Group of future cash flows. The expectations and estimates can be influenced by subjective elements such as estimates of amounts and timing of future cash outflows. The financial report has been prepared on a going concern basis.	Our audit procedures included the following: ▸ Analysed the Group's cash flow forecast and enquired with management to gain an understanding of the inputs and process underpinning the cash flow model prepared for the purpose of the going concern assessment; ▸ Assessed whether the cash flow model accurately reflects the budget that was approved by the Directors; and ▸ Assessed the future cash outflows from exploration expenditure and corporate expenses taking into account our knowledge of the Group's operations, historical spend and future plans.

Information other than the financial report and auditor's report

The directors are responsible for the other information. The other information comprises the information included in the Company's 2018 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

- As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause an entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 16 to 26 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Bannerman Resources Limited for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Robert A Kirkby
Partner
Perth
28 September 2018

ADDITIONAL SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report is set out below. The information was applicable as at 2 October 2018.

Distribution of Equity Securities

There were 561 holders of less than a marketable parcel of ordinary shares. The number of shareholders by size of holding is set out below:

Fully Paid Ordinary Shares

Size of Holding	Number of holders	Number of shares
1 - 1,000	229	63,371
1,001 - 5,000	189	586,873
5,001 - 10,000	268	2,490,517
10,001 - 100,000	1,504	62,530,006
100,001 and over	785	965,134,638
TOTALS	**2,995**	**1,030,805,705**

Unlisted Share options and Performance Rights

	Share options		Performance Rights	
Size of Holding	Number of holders	Number of share options	Number of holders	Number of performance rights
1 - 1,000	-	-	-	-
1,001 - 5,000	-	-	-	-
5,001 - 10,000	-	-	-	-
10,001 - 100,000	-	-	1	37,891
100,001 and over	10	69,875,400	8	35,281,848
TOTALS	**10**	**69,875,400**	**9**	**35,319,739**

Substantial Shareholders

An extract of the Company's register of substantial shareholders (who held 5% or more of the issued capital) is set out below:

Shareholder	Number of shares	Percentage Held	Date of last lodgement
Tribeca Investment Partners	90,000,000	8.73%	27 August 2018
Clive Jones	77,207,668	7.5%	7 November 2016

Optionholders

An extract of the Company's register of optionholders (who held 20% or more of the issued options not issued under an employee incentive scheme) is set out below:

Shareholder	Number of options	Percentage Held
Brandon Munro	20,000,000	49.9%

Top 20 Shareholders

The top 20 largest shareholders are listed below:

Name	Number of Shares	Percentage Held %
Citicorp Nominees Pty Limited	120,814,677	11.72
J P Morgan Nominees Australia Limited	77,002,194	7.47
UBS Nominees Pty Ltd	61,805,799	6.00
Mr Clive Jones <Alyse Investment A/C>	53,212,267	5.16
National Nominees Limited	51,361,140	4.98
Neon Capital Ltd	39,726,236	3.85
Widerange Corporation Pty Ltd	23,995,401	2.33
BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client DRP>	23,288,557	2.26
HSBC Custody Nominees (Australia) Limited	19,854,356	1.93
Retzos Executive Pty Ltd <Retzos Executive S/Fund A/C>	15,000,000	1.46
Mrs Alexandra Maidment Jubber	11,822,487	1.15
CS Fourth Nominees Pty Limited <HSBC Cust Nom AU Ltd 13 A/C>	11,184,476	1.09
CS Third Nominees Pty Limited <HSBC Cust Nom AU Ltd 11 A/C>	10,962,800	1.06
Regent Pacific Group Ltd	10,854,568	1.05
HSBC Custody Nominees (Australia) Limited – A/C 2	8,373,390	0.81
Tierra De Suenos SA	7,905,005	0.77
BT Portfolio Services Limited <Warrell Holdings S/F A/C>	7,000,000	0.68
BNP Paribas Noms Pty Ltd <DRP>	6,953,505	0.67
Motte & Bailey Pty Ltd <Bailey Super Fund A/C>	6,614,779	0.64
Morgan Stanley Australia Securities (Nominee) Pty Limited <No 1 Account>	6,614,165	0.64
TOTAL TOP 20 HOLDERS	**574,345,802**	**55.72**
TOTAL NON-TOP 20 HOLDERS	**456,459,903**	**44.28**
TOTAL	**1,030,805,705**	**100**

Voting Rights

Ordinary Shares

For all ordinary shares, voting rights are on a show of hands whereby every member present in person or by proxy shall have one vote and upon a poll, each share shall have one vote.

Share options and Performance Rights

There are no voting rights attached to share options and performance rights.

Stock Exchanges

Bannerman has a primary listing of its ordinary shares on the Australian Securities Exchange (ASX code: BMN) and has additional listings of its ordinary shares on the Namibian Stock Exchange (NSX code: BMN).

Mineral Licence Schedule

The mineral licence schedule for the Group is tabulated below:

Licence Type/No.	Grant Date	Expiry Date	Holder	Area (Ha)	Country in which the Licence is held
EPL 3345	27-Apr-2006	26-Apr-2019	Bannerman Mining Resources (Namibia) (Pty) Ltd	24,326	Namibia
MDRL 3345	7-Aug-2017	6-Aug-2022	Bannerman Mining Resources (Namibia) (Pty) Ltd	7,295	Namibia

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