



BANNERMAN
RESOURCES

2019 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

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STOCK EXCHANGE LISTINGS

Australian Securities Exchange (ASX Code: BMN)

Namibian Stock Exchange (NSX Code: BMN)

OTC Markets (OTCQB Code: BNNLF)

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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 the 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,

I am pleased to convey a sense of confidence when reflecting on the past year, a period in which our industry has received abundant positive news. Whilst I believe that the coming year will be an exciting time for Bannerman shareholders, 2019 has been a challenging year for equity markets including the uranium sector. I am confident that your Company has a sound strategy for preserving shareholder value during this difficult period and positioning your investment well for the next phase of the uranium cycle.

Production cuts by the world's three largest uranium producers, Kazatomprom, Cameco and Orano, have led to a substantial supply deficit which has been temporarily addressed through inventory draw down. Whilst we have not yet experienced a turnaround in the uranium price, there has been a dramatic increase in the conversion price (the price of converting U3O8 into UF6 gas) after supply shortages arose from the Metropolis conversion plant being placed into care and maintenance. This price response has provided a strong indicator of the consequence of ongoing uranium supply shortages.

Meanwhile, we are witnessing strong projected growth in nuclear demand led by China, India and Russia. The United States' nuclear power sector is enjoying the early stages of a revival, driven by government support and a push for the development of Small Modular Reactors. Nuclear energy is finally earning rightful recognition for its clean energy credentials in the context of climate mitigation policy, with inclusion in various policy documents including the Inter-governmental Panel on Climate Change.

The above trends are prominent in the World Nuclear Association's Nuclear Fuel Report 2019, a biennial report that considers three nuclear demand scenarios and the availability of supply across the nuclear fuel cycle: uranium, conversion, enrichment, fabrication and secondary supply. Your CEO, Brandon Munro, played an important role as Co-Chair of the working group that determines the uranium demand projections. The report – in its 19th edition – was widely praised as the best in many years. The report has forecast increased demand for uranium in all three scenarios (the first improvement in demand since 2011) and provides a more realistic picture of the supply challenges facing the industry. I am proud to say that this reflects very well on Bannerman and has maintained your Company's profile within the nuclear energy industry.

Despite the good news, shareholders of most uranium companies have endured a challenging year. The US s232 trade investigation into uranium imports muted investment activity for much of the last 12 months. Further, its resolution in July triggered a sell-off of US uranium equities, dragging down the sector despite the resolution being a positive result for the uranium industry. The uranium spot price has drifted for most of 2019 on low volumes. Broader equity markets have been volatile because of global macro concerns stemming from trade disputes and other geo-political tensions.

Bannerman's strategy is focused on generating shareholder value through maintaining financial resilience, enhancing the value of our flagship Etango uranium project in Namibia and positioning the company for the expected recovery in the uranium price.

We have been rewarded for our financial resilience, at a time when many of our peers have faced dilutive capital raisings in a difficult equities market. We have achieved this through continuing fiscal discipline that has reduced our burn rate and maintained a healthy cash balance of \$6.27m at 30 June 2019.

Management is focused on preserving and enhancing the value of our Etango uranium project. To this end we have maintained the retention licence over Etango (MDRL 3345) and extended the environmental approvals for the proposed Etango mine and all associated external infrastructure. During the year we undertook reconnaissance drilling on Exclusive Prospecting Licence 3345 that identified the potential for additional satellite ore feed within 7km of the proposed Etango crusher and renewed the tenure of EPL 3345. Bannerman has continued to build the foundations of a strong social licence, through best-in-class environmental performance and innovative investments in education, conservation and community in Namibia.

Further, the Etango project DFS Update will continue in the next year. Our team is working through prioritised enhancement studies that have the potential to be NPV accretive through reducing anticipated capital expenditure and operating costs. Once the optimisation phase is completed, and we have the market signals to develop the

CHAIRMAN'S LETTER TO SHAREHOLDERS

Etango mine, the Company will conclude the DFS Update by undertaking definitive level engineering to incorporate identified project enhancements and update the procurement process.

I believe that Bannerman is now exceptionally well positioned to respond positively to the uranium recovery. Brandon Munro has an enviable profile as an international uranium expert and his role within World Nuclear Association has built relationships with future industry partners. The unique advantages of Etango are understood by an increasing number of investors, in the context of the vital importance of African uranium to the future world market. We are fortunate to maintain significant uranium expertise within our small team. In fact, for a small company we can claim exceptional uranium and nuclear sector experience from Mike Leech, Werner Ewald, Dustin Garrow and Brandon Munro, all of whom are also well-versed in Namibia. This ensures we have the key executives in place from which a development team can be built when we have the right market signals.

I am delighted to note that specialist uranium funds – including our largest shareholder Tribeca Investment Partners - collectively hold approximately 25% of the shares in your Company. Those funds are managed by some of the brightest uranium minds in the world – and their investment provides a tremendous vote of confidence in Bannerman's Etango project, board and management and corporate strategy.

The next year holds a great deal of promise for the uranium sector and your investment in Bannerman. The last few weeks have provided signals that the uranium spot price is recovering and uranium buyers are becoming increasingly aware of supply/demand imbalances as production discipline is enforced in the context of growing nuclear demand.

I would like to extend our thanks to all Bannerman 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. I would also like to recognise the effectiveness and dedication of the Bannerman team in Australia and Namibia.

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

Yours sincerely,



Ronnie Beevor
Chairman

BOARD OF DIRECTORS AND EXECUTIVES

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

Nil

Former ASX listed directorships over the past three years

MZI Resources Limited (15 April 2016 to 16 April 2019)

Wolf Minerals Limited (20 September 2013 to 18 October 2018)

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. He currently serves as Chair of the Demand Working Group for the World Nuclear Association's Nuclear Fuel Report. 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 and chairman of Scandivanadium Ltd.

Special Responsibilities

Managing Director

Current ASX listed directorships

Scandivanadium Limited (appointed 13 November 2018)

Novatti Group Limited (appointed 12 October 2015)

Former ASX listed directorships over the past three years

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

Scandivanadium Limited (appointed 13 November 2018)

Former ASX listed directorships over the past three years

Nil

BOARD OF DIRECTORS AND EXECUTIVES

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 (appointed 10 February 2005)

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 a former Trustee of Save the Rhino Trust Namibia and 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

Nil

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.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

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 2019 (“**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
Ronnie Beevor	Non-Executive Chairman	Yes	27 July 2009
Brandon Munro	Chief Executive Officer	No	9 March 2016
Ian Burvill	Non-Executive Director	Yes	14 June 2012
Clive Jones	Non-Executive Director	No	12 January 2007
Mike Leech	Non-Executive Director	Yes	12 April 2017

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 4 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 2019 are set out in Table 1 below.

Table 1. Directors in Office and attendance at Board and Board Committee Meetings during 2018/2019

	Board meetings		Board committee meetings					
			Audit Committee		Remuneration, Nomination & Corp. Governance Committee		Health, Safety, Environment and Community Committee	
	A	B	A	B	A	B	A	B
Ronnie Beevor	6	6	2	2	3	3	1*	-
Brandon Munro	6	6	2*	-	3*	-	2*	-
Ian Burvill	6	6	2	2	3	3	1*	-
Clive Jones	6	6	2*	-	3	3	2	2
Mike Leech	6	6	2	2	-	-	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' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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	6,243,643	-	-	14,917,500	-	-
Brandon Munro	2,500,000	-	-	-	21,045,500	-
Ian Burvill	-	-	-	6,377,400	-	-
Clive Jones	77,207,668	-	7,458,700	-	-	-
Mike Leech	-	-	-	5,705,900	-	-

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 CNNC'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

Exercise of Director Options

During the year, the Company's Chairman, Mr Ronnie Beevor, exercised 3,923,000 options at an exercise price of A\$0.044 and their exercise generated a cash inflow of A\$172,612.

Issued Securities

At the date of this report, the Company has on issue 1,041,587,214 ordinary shares, 41,652,934 performance and share rights and 41,926,800 unlisted share options. The share rights and share options are subject to various performance targets and continuous employment periods.

Employee Incentive Plan

The Company has implemented changes to streamline its Employee Incentive Plan ("EIP"), to optimise the functioning of and reduce the administrative cost of managing the EIP. One of these measures is an alignment of share price performance with the Company's financial year by setting the 20 trading day Volume Weighted Average Price to 30 June each year, instead of the 20 trading days ending on the day of the Company's AGM in November.

The baseline price for the 2019 EIP Performance Rights is therefore 4.5 cents per share, being the Volume Weighted Average Price for the 20 trading days ended 28 June 2019 (as there was no trading on 29 or 30 June 2019).

There is no change to the planned timing of issuance of Performance Rights to employees, which remains set for November each year. Shareholder approval is required at the Company's AGM for any offer of Performance Rights to Bannerman's Chief Executive Officer.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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.

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.

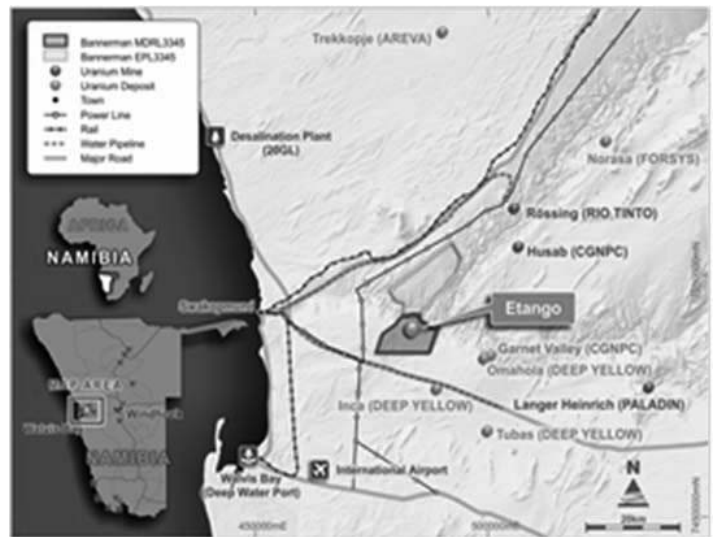


Figure 1 – The Etango Project showing MDRL 3345 and EPL 3345

DFS Update to continue with funding for optimisation opportunities

With a strong cash balance (A\$6.3 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

Exclusive Prospecting Licence 3345 (EPL 3345) was renewed for a further 2 year term. EPL 3345 is situated immediately north of Bannerman's Mineral Deposit Retention Licence 3345, on which the Etango Uranium Project and all proposed mine infrastructure is located.

The renewal of the Environmental Clearance Certificate for the Linear Infrastructure of the Etango Project was received from the Ministry of Environment & Tourism. This approval includes the external infrastructure for the Etango mine, such as power and water lines and transport infrastructure, and is valid for a further 3 years.

Reconnaissance Drilling

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

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

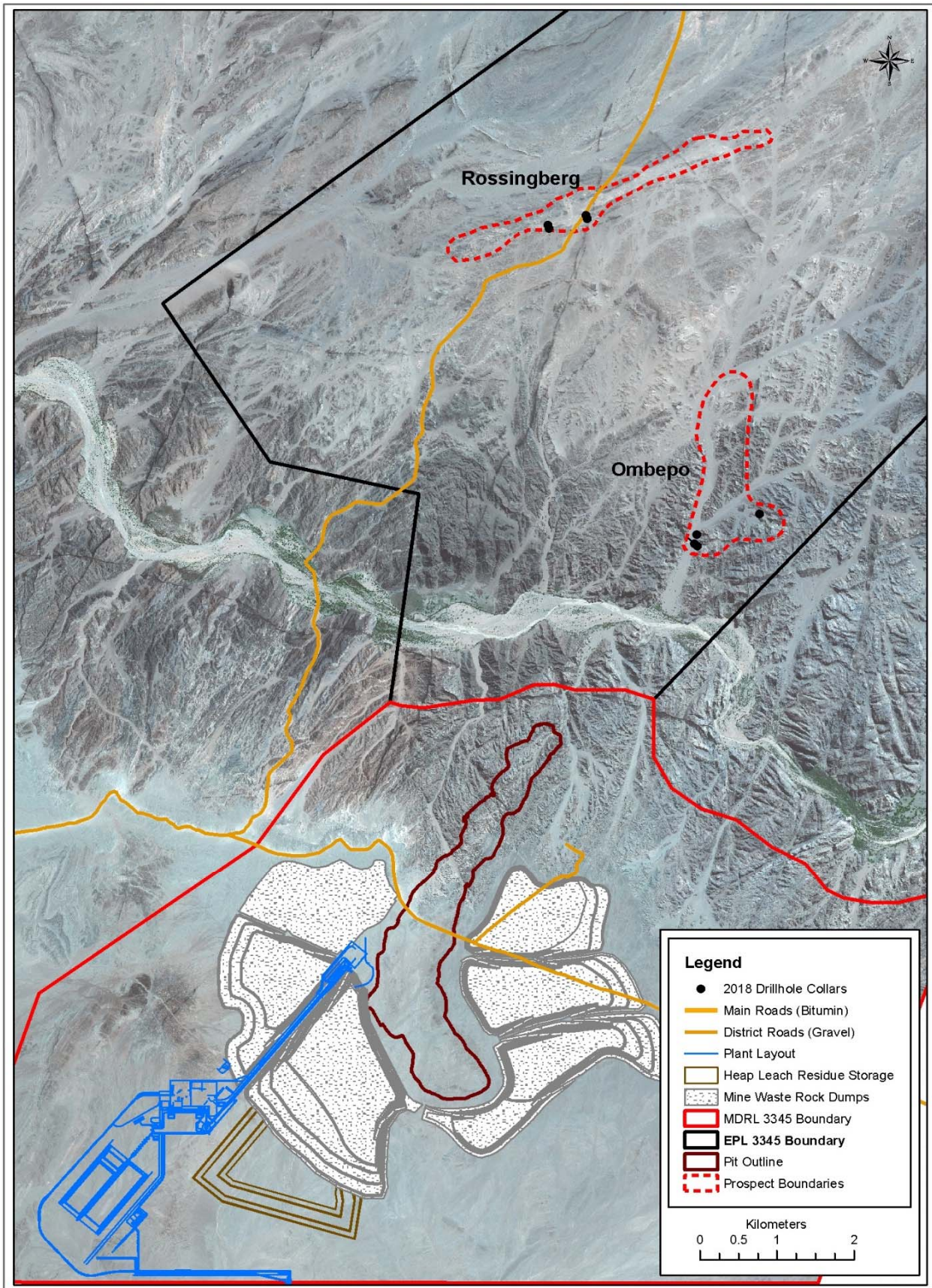


Figure 2: Target locations and drillhole collars relative to the proposed mine infrastructure at Etango



DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

Ombepo Prospect

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

Drillholes GOBRC0007 and GOBRC0008 were drilled on the same section line 50m apart (see Figure 3). These drillholes intersected the continuation of the alaskite bodies with associated uranium mineralisation at depth (see Figure 4). The alaskite body, as well as the uranium mineralisation, extends on this section line from drillhole GOBRC0007 down-dip to drillhole GOBRC0008.

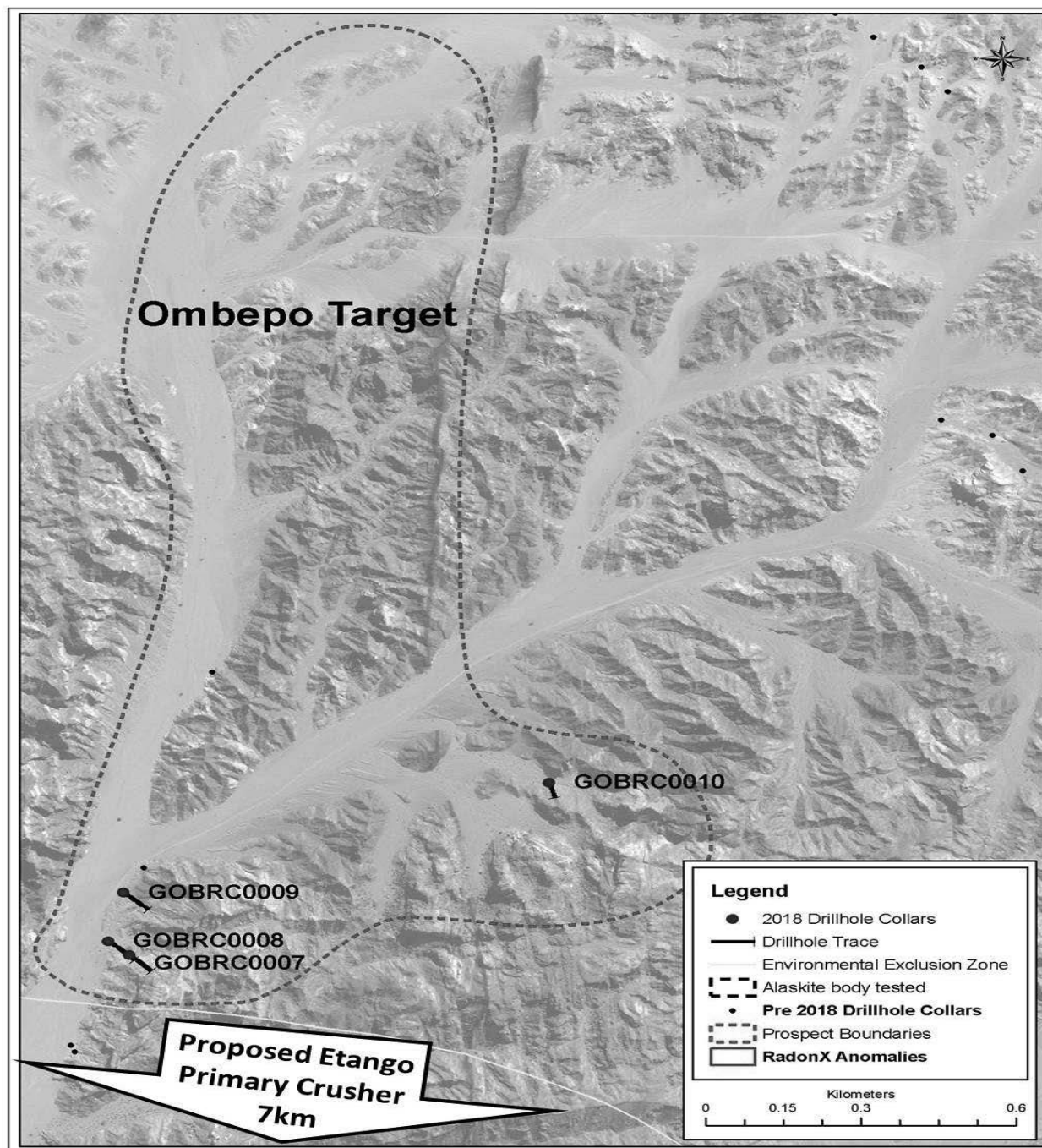


Figure 3: Drillhole collars at Ombepo target

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

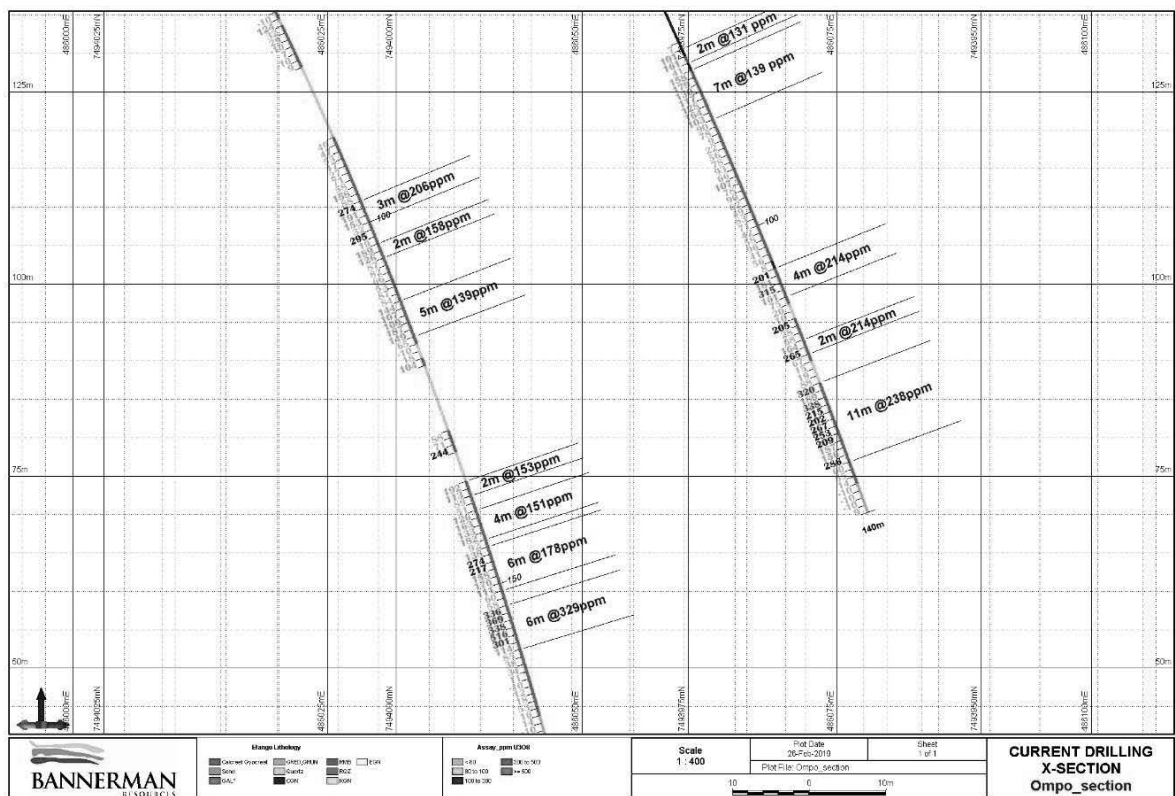


Figure 4: Section line showing Ombepo drillholes GOBRC0007 and GOBRC0008

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

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

Rössingberg Prospect

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

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

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

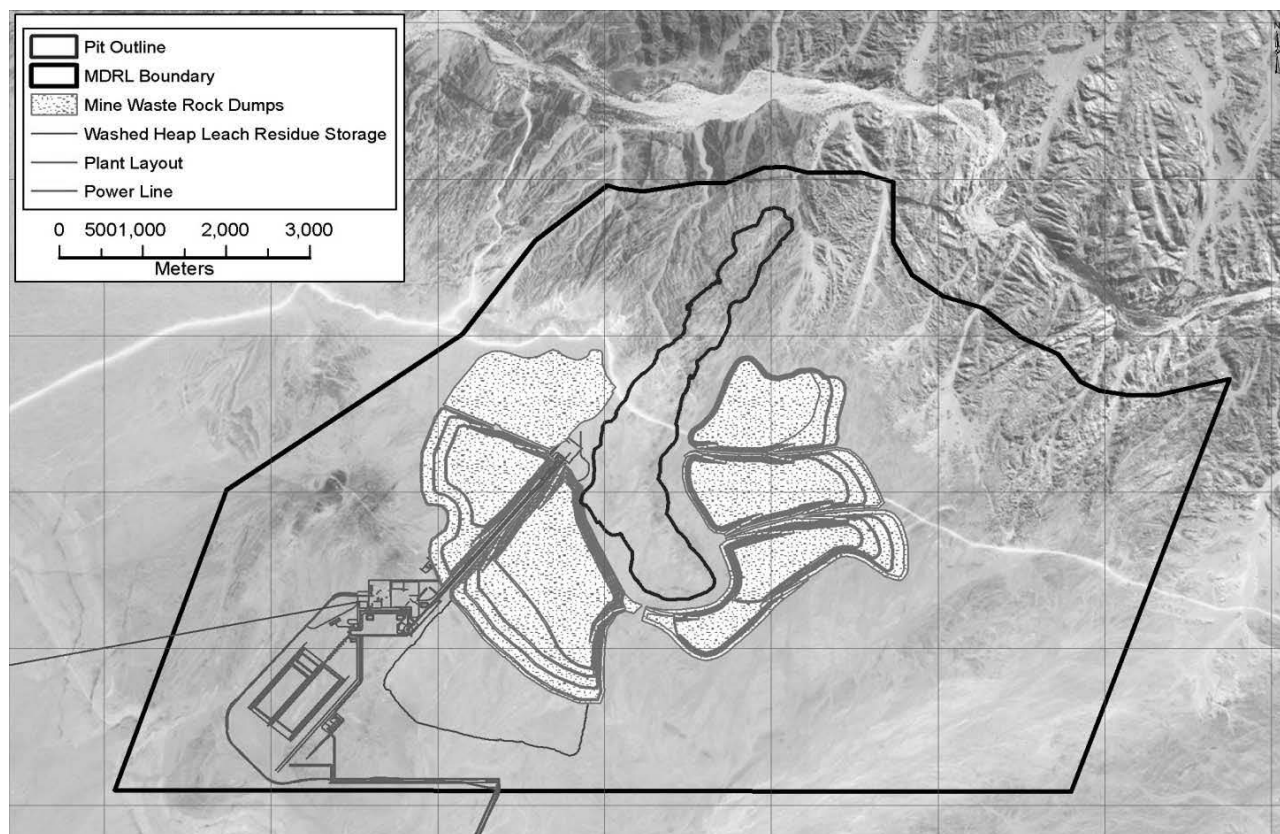


Figure 5 - MDRL 3345 (outline shown in black) covers an area of 7,295 hectares and, as can be seen above, the Licence area includes all planned mine infrastructure.

CONSOLIDATED RESULTS

The consolidated net loss after tax for the 12 months ending 30 June 2019 was \$2,255,000 (2018: \$2,478,000) 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 \$2,401,000 (2018: \$2,511,000), including employee and director share-based payment expense of \$802,000 (2018: \$769,000). Refer to the Remuneration Report and Note 19 of the financial report for further details on share-based payments.

Income for the reporting period included interest income of \$146,000 (2018: \$31,000).

Capitalised exploration and evaluation expenditure was \$56,893,000 as at 30 June 2019 (2018: \$54,933,000) 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 \$426,000 (2018: \$900,000). A foreign exchange translation increase of \$1,527,000 (2018: reduction of \$850,000), resulting in an increase in carrying value, was also recorded for the year. This adjustment reflects the strengthening of the Namibian \$ against the Australian \$ over the year.

Cash Position

Cash and cash equivalents were \$6,268,000 as at 30 June 2019 (2018: \$8,325,000).

Cash outflow from operating activities during the year amounted to \$1,433,000 (2018: \$1,590,000).

Cash outflow from investing activities during the year amounted to \$796,000 (2018: \$1,018,000), related primarily to drilling activities and DFS update expenditure.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

Cash inflow from financing activities during the year amounted to \$173,000 (2018: \$7,508,000), related to the exercise of Director Options during the year.

Issued Capital

Issued capital at the end of the financial year amounted to \$141,156,000 (2018: \$140,983,000). The increase of \$173,000 (2018: \$7,508,000) related to the issue of 3,923,000 shares in relation to the exercise of Director Options during the year (2018: \$8,000,000 share placement).

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	19,598,200	\$0.042	15 November 2019
Share Options	13,731,200	\$0.069	15 November 2020
Share Options	8,597,400	\$0.072	15 November 2021
Security Type	Number	Exercise price	Vesting date
Performance Rights	16,371,847	n/a	15 November 2019
Performance Rights	15,121,687	n/a	15 November 2020
Performance Rights	10,159,400	n/a	15 November 2021

Share Options and Performance Rights issued

During the financial year 8,597,400 share options (2018: 16,931,200) and 15,125,000 performance rights (2018: 14,973,900) 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, 3,923,000 share options (2018: nil) were exercised.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

Performance Rights vested

During or since the end of the financial year, 7,792,867 performance rights (2018: 7,265,040) vested.

Share Options and Performance Rights forfeited or cancelled

During or since the end of the financial year, no share options (2018: nil) and 2,988,232 performance rights (2018: 10,295,214) were forfeited or cancelled.

Share Options expired or lapsed

During or since the end of the financial year, 32,623,000 share options (2018: 3,664,400) 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*.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

DIVIDENDS

No dividend has been declared or paid during the year (2018: 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.



**Building a better
working world**

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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 2019, 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

Gavin Buckingham
Partner
25 September 2019

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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 2018 to 30 June 2019 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
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.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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 60% of 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 2018		Year ended 30 June 2019		Year ending 30 June 2020	
	Cash \$	Share Options / Share Rights \$	Cash \$	Share Options / Share Rights \$	Cash \$	Share Options / Share Rights \$
Chairman of the Board	60,000	90,000	100,000	50,000	100,000	50,000
Non-Executive Director	30,000	45,000	50,000	25,000	50,000	25,000
<i>Additional fees for:</i>						
Chairman of the Audit Committee	6,000	4,000	10,000	-	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 33% of their FY20 director's fees in the form of either share rights or

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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 2019 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 November 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.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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 2019 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 2019 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	Laramide Resources Limited	Toro Energy Limited
Azarga Uranium Corp.	Energy Fuels Inc.	Marenica Energy Limited	U308 Corp.
Berkeley Resources Limited	Fission Uranium Corp	Mega Uranium Limited	Ur-Energy Inc.
Boss Resources Limited	Forsys Metals Corp.	Peninsula Energy Limited	Vimy Resources Limited

The Board has updated, in 2019, 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 25 th percentile	0%
Between the 25 th and 75 th percentile	Scale applicable whereby every 1 percentile equates to 2% vesting
At or above the 75 th 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.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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 2019 are as follows:

Table 4 – Non-executive director remuneration

Year	Short-term		Post Employment	Sub-total	Share Based Payments	Total	Performance Related	
	Base Fees	Other	Superannuation		Options / Rights		%	
	\$	\$	\$	\$	\$	\$	%	
Non-Executive Directors								
Ronnie Beevor	2019	100,000	-	-	100,000	86,452	186,452	-
	2018	60,000	-	-	60,000	117,547	177,547	-
Ian Burvill	2019	40,063	-	9,937	50,000	43,226	93,226	-
	2018	4,800	-	25,200	30,000	52,618	82,618	-
Clive Jones	2019	45,662	-	4,338	50,000	43,226	93,226	-
	2018	27,397	-	2,603	30,000	58,177	88,177	-
David Tucker (i)	2019	-	-	-	-	-	-	-
	2018	9,077	2,333	2,944	14,354	51,731	66,085	-
Mike Leech (ii)	2019	90,272	6,000	-	96,272	72,068	168,340	-
	2018	66,136	3,667	-	69,803	65,549	135,352	-
Total	2019	275,997	6,000	14,275	296,272	244,972	541,244	-
	2018	167,410	6,000	30,747	204,157	345,622	549,779	-

(i) Mr David Tucker resigned on 23 November 2017.

(ii) 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\$60,000) 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.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

Executive Remuneration

Details on the nature and amount of remuneration of Bannerman's executives for the year ended 30 June 2019 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	2019	259,977	(5,798)	-	24,698	278,877	235,025	513,902	45.7
	2018	251,141	14,016	-	23,858	289,015	121,295	410,310	29.6
Other Executive Personnel									
Werner Ewald (i)	2019	180,675	(7,348)	52,931	40,081	266,339	157,926	424,265	37.2
	2018	199,935	(1,801)	52,866	47,535	298,535	147,847	446,382	33.1
Total	2019	440,652	(13,146)	52,931	64,779	545,217	392,951	938,167	
	2018	451,076	12,215	52,866	71,393	587,550	269,142	856,692	

(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 \$320,000 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 6,666,700 performance rights subject to shareholder approval, which was obtained in November 2018. 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.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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 2019

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 2019

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.

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

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 2019

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	2019	20-Dec-18	Share Options	2,365,300	\$0.072	\$0.0241	-	15-Nov-19	15-Nov-21	-	-	
	2018	19-Dec-17	Share Options	-	\$0.069	\$0.0286	-	15-Nov-18	-	4,442,600	-	
Ian Burvill	2019	20-Dec-18	Share Options	1,182,600	\$0.072	\$0.0241	-	15-Nov-19	15-Nov-21	-	-	
	2018	19-Dec-17	Share Options	-	\$0.069	\$0.0286	-	15-Nov-18	-	2,221,300	-	
	2016	12-Feb-16	Share Options	-	\$0.044	\$0.0127	-	15-Nov-16	-	-	1,961,500	
Clive Jones	2019	20-Dec-18	Share Options	1,182,600	\$0.072	\$0.0241	-	15-Nov-19	15-Nov-21	-	-	
	2018	19-Dec-17	Share Options	-	\$0.069	\$0.0286	-	15-Nov-18	-	2,221,300	-	
	2016	12-Feb-16	Share Options	-	\$0.044	\$0.0127	-	15-Nov-16	-	-	1,961,500	
Mike Leech	2019	20-Dec-18	Share Options	1,866,900	\$0.072	\$0.0241	-	15-Nov-19	15-Nov-21	-	-	
	2018	19-Dec-17	Share Options	-	\$0.069	\$0.0286	-	15-Nov-18	-	3,839,000	-	

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.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

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 2019

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	2019	20-Dec-18	Performance Rights	6,666,700	N/A	3,333,350 @ A\$0.044	Relative TSR	15-Nov-21	15-Nov-21	-	-	
				-	N/A	3,333,350 @A\$0.038	Operational targets	15-Nov-21	15-Nov-21	-	-	
Executive												
Werner Ewald	2019	20-Dec-18	Performance Rights	3,492,700	N/A	1,746,350 @ A\$0.032	Relative TSR	15-Nov-21	15-Nov-21	-	-	
				-	N/A	1,746,350 @A\$0.038	Operational targets	15-Nov-21	15-Nov-21	-	-	
	2018	19-Dec-17	Performance Rights	-	N/A	A\$0.06	Operational targets	15-Nov-20	-	-	140,560	
	2016	12-Feb-16	Performance Rights	-	N/A	A\$0.025	Relative TSR	15-Nov-18	-	1,031,742	1,376,092	
				-	N/A	A\$0.028	Operational targets	15-Nov-18	-	2,070,708	-	

(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.



DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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 2019

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	46%	57,004	196,150
Brandon Munro	Share Options	46%	273,334	-
Ian Burvill	Share Options	46%	28,501	-
Clive Jones	Share Options	46%	28,501	-
Mike Leech	Share Options	43%	44,992	-
Executives				
Werner Ewald	Performance Rights	37%	122,244	145,815

(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 19.

(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 2019	Type	Opening Balance 1 July 2018	Granted as Remuneration	Exercised / converted / lapsed	Forfeited	Closing Balance 30 June 2019	Total Options at 30 June 2019		
							Total	Vested and Exercisable	Not Vested
Directors									
Ronnie Beevor	Options	16,475,200	2,365,300	(3,923,000)	-	14,917,500	14,917,500	12,552,200	2,365,300
Brandon Munro	Options/ Rights	34,378,800	6,666,700	-	-	41,045,500	41,045,500	20,000,000	21,045,500
Ian Burvill	Options	7,156,300	1,182,600	(1,961,500)	-	6,377,400	6,377,400	5,194,800	1,182,600
Clive Jones	Options	8,237,600	1,182,600	(1,961,500)	-	7,458,700	7,458,700	6,276,100	1,182,600
Mike Leech	Options	3,839,000	1,866,900	-	-	5,705,900	5,705,900	3,839,000	1,866,900
		70,086,900	13,264,100	(7,846,000)	-	75,505,000	75,505,000	47,862,100	27,642,900
Executives									
Werner Ewald	Rights	13,189,016	3,492,700	(3,102,450)	(1,516,652)	12,062,614	-	-	-
		13,189,016	3,492,000	(3,102,450)	(1,516,652)	12,062,614	-	-	-

(i) Includes share options and performance rights held directly, indirectly and beneficially by key management personnel.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

Table 10 – Shareholdings of key management personnel⁽ⁱ⁾

30 June 2019	Opening Balance 1 July 2018	Granted as Remuneration	Received on Exercise of Share options / conversion of rights	(Sales) Purchases	Net Change Other	Closing Balance 30 June 2019
Directors						
Ronnie Beevor	2,320,643	-	3,923,000	-	-	6,243,643
Brandon Munro ⁽ⁱⁱ⁾	2,000,000	-	-	-	-	2,000,000
Ian Burvill	-	-	-	-	-	-
Clive Jones	77,207,668	-	-	-	-	77,207,668
Mike Leech	-	-	-	-	-	-
Executives						
Werner Ewald	1,981,364	-	3,102,450	(1,568,081)	-	3,515,733
	83,509,675	-	7,025,450	(1,568,081)	-	88,967,044

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

(ii) Mr Munro purchased 500,000 ordinary shares at \$0.043 per share on 9 August 2019 and is not included in the table above.

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 and options during the year ended 30 June 2019

	Shares issued #	Paid per share \$	Unpaid per share \$
Directors			
Ronnie Beevor	3,923,000	A0.044	-
Executives			
Werner Ewald	3,102,450	-	-

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 2018/19 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	2019	2018	2017	2016	2015
Net loss after tax (\$'000)	(2,255)	(2,478)	(2,696)	(152)	(4,241)
Net assets (\$'000)	62,965	62,776	57,847	50,610	53,117
Market capitalisation (\$ '000's) at 30 June	47,000	56,000	26,000	19,000	19,000
Closing share price (\$)	\$0.045	\$0.054	\$0.03	\$0.027	\$0.049

END OF REMUNERATION REPORT (AUDITED)

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

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019



Brandon Munro
CEO and Managing Director
Perth, 25 September 2019

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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.

The information in this announcement as it relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr Marthinus Prinsloo. Mr Prinsloo is a full time employee of Bannerman Resources Limited and is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Prinsloo has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activities, which he is undertaking. This qualifies Mr Prinsloo as a "Competent Person" as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and a Qualified Person as defined by Canadian National Instrument 43-101. Mr Prinsloo consents to the inclusion in this announcement in the form and context in which it appears. Mr Prinsloo holds shares and performance rights in Bannerman Resources Limited.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

	Note	2019 \$'000	2018 \$'000
Interest revenue	2	146	31
Other income	3	-	2
Employee benefits	4(a)	(1,630)	(1,617)
Compliance and regulatory expenses		(166)	(172)
Depreciation expense		(17)	(23)
Other expenses	4(b)	(588)	(699)
Loss before income tax		(2,255)	(2,478)
Income tax benefit	6	-	-
Net loss for the year		(2,255)	(2,478)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	14(b)	1,469	(870)
Other comprehensive income for the year		1,469	(870)
Total comprehensive income/(loss)		(786)	(3,348)
Loss is attributable to:			
Equity holders of Bannerman Resources Limited		(2,231)	(2,446)
Non-controlling interest		(24)	(32)
		(2,255)	(2,478)
Total comprehensive income/(loss) is attributable to:			
Equity holders of Bannerman Resources Limited		(765)	(3,314)
Non-controlling interest	25	(21)	(34)
		(786)	(3,348)
Basic and diluted loss per share to the ordinary equity holders of the Company (cents per share):	16	(0.22)	(0.29)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

	Note	Consolidated	
		2019 \$'000	2018 \$'000
CURRENT ASSETS			
Cash and cash equivalents	7	6,268	8,325
Other receivables	8	142	124
Other		48	43
TOTAL CURRENT ASSETS		6,458	8,492
NON CURRENT ASSETS			
Other receivables	8	8	8
Property, plant and equipment	9	128	127
Exploration and evaluation expenditure	10	56,893	54,933
TOTAL NON CURRENT ASSETS		57,029	55,068
TOTAL ASSETS		63,487	63,560
CURRENT LIABILITIES			
Trade and other payables	11	134	143
Provisions		91	167
TOTAL CURRENT LIABILITIES		225	310
NON CURRENT LIABILITIES			
Provisions	12	297	474
TOTAL NON CURRENT LIABILITIES		297	474
TOTAL LIABILITIES		522	784
NET ASSETS		62,965	62,776
EQUITY			
Contributed equity	13	141,156	140,983
Reserves	14	30,348	28,080
Accumulated losses		(108,224)	(105,993)
TOTAL PARENT ENTITY INTEREST		63,280	63,070
Non-controlling interest	25	(315)	(294)
TOTAL EQUITY		62,965	62,776

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 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

	Note	Consolidated	
		2019 \$'000	2018 \$'000
Cash Flows from Operating Activities			
Payments to suppliers and employees		(1,576)	(1,621)
Interest received		143	31
<i>Net cash flows used in operating activities</i>	17	<u>(1,433)</u>	<u>(1,590)</u>
Cash Flows From Investing Activities			
Payments for exploration and evaluation		(793)	(1,016)
Purchase of property, plant & equipment		(3)	(3)
Proceeds from disposal of property, plant & equipment		-	1
<i>Net cash flows used in investing activities</i>		<u>(796)</u>	<u>(1,018)</u>
Cash Flows from Financing Activities			
Proceeds from issue of shares		173	8,000
Transaction costs of financing		-	(492)
<i>Net cash flows provided by financing activities</i>		<u>173</u>	<u>7,508</u>
Net (decrease) / increase in cash and cash equivalents		(2,056)	4,900
Cash and cash equivalents at beginning of year		8,325	3,420
Net foreign exchange differences		(1)	5
Cash and cash equivalents at end of year	7	<u><u>6,268</u></u>	<u><u>8,325</u></u>

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 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

	Issued Capital Note 13	Accumulated Losses	Share Based Payment Reserve Note 14(a)	Foreign Currency Reserve Note 14(b)	Convertible Note Reserve Note 14 (c)	Equity Reserve Note 14 (e)	Non- controlling Interest Note 25	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2018	140,983	(105,993)	56,152	(27,142)	4,038	(4,968)	(294)	62,776
Loss for the period	-	(2,231)	-	-	-	-	(24)	(2,255)
Other comprehensive income	-	-	-	1,466	-	-	3	1,469
<i>Total comprehensive income for the period</i>	-	(2,231)	-	1,466	-	-	(21)	(786)
Shares issued during the period	173	-	-	-	-	-	-	173
Share-based payments	-	-	802	-	-	-	-	802
Total Equity at 30 June 2019	141,156	(108,224)	56,954	(25,676)	4,038	(4,968)	(315)	62,965

	Issued Capital Note 13	Accumulated Losses	Share Based Payment Reserve Note 14(a)	Foreign Currency Reserve Note 14(b)	Convertible Note Reserve Note 14 (c)	Equity Reserve Note 14 (d)	Non- controlling Interest Note 25	Total
	\$'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)
<i>Total comprehensive income for the period</i>	-	(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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Corporate Information

This financial report of Bannerman for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the directors on 24 September 2019.

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:

Adoption of new accounting standards

The Group has applied AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments* for the first time. The nature and effect of these new accounting standards are described below.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

AASB 9 Financial Instruments (AASB 9)

AASB 9 Financial Instruments (**AASB 9**) replaces AASB 139 Financial Instruments: Recognition and Measurement (**AASB 139**) for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has applied AASB 9 prospectively, with the initial application date of 1 July 2018.

AASB 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. AASB 9 largely retains the existing requirements of AASB 139 for the

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

classification and measurement of financial liabilities, however, it eliminates the previous AASB 139 categories for financial assets held to maturity, receivables and available for sale. Under AASB 9, on initial recognition a financial asset is classified as measured at:

- Amortised cost;
- Fair Value through Other Comprehensive Income (**FVOCI**) – debt investment;
- FVOCI – equity investment; or
- Fair Value through Profit or Loss (**FVTPL**)

The classification of financial assets under AASB 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. For financial assets measured at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

As of 1 July 2018, the Company's financial instruments consist of cash and cash equivalents, trade and other receivables and trade and other payables.

Cash and cash equivalents and trade and other receivables previously designated as receivables under AASB 139 are now classified as amortised cost under AASB 9. The trade and other payables are designated as other financial liabilities, which are measured at amortised cost.

The cash and cash equivalents, trade and other receivables and trade and other payables approximate their fair value due to their short-term nature.

Impairment of financial assets

In relation to the financial assets carried at amortised cost, AASB 9 requires an expected credit loss model to be applied as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. In particular, AASB 9 requires the Group to measure the loss allowance at an amount equal to lifetime expected credit loss ("ECL") if the credit risk on the instrument has increased significantly since initial recognition. On the other hand, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group is required to measure the loss allowance for that financial instrument at an amount equal to the ECL within the next 12 months. The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date.

As at 1 July 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information. The result of the assessment is as follows:

Class of financial instrument presented in the statement of financial position	Original measurement category under AASB 139	New measurement category under AASB 9
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost
Trade and other receivables	Loans and receivables	Financial assets at amortised cost
Trade and other payables	Financial Liability at amortised cost	Financial liability at amortised cost

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

The change in classification has not resulted in any re-measurement adjustment at 1 July 2018.

AASB 15 Revenue from Contracts with Customers (AASB 15)

The Group has adopted AASB 15 as issued in May 2014 with the date of initial application being 1 July 2018. In accordance with the transitional provisions in AASB 15 the standard has been applied using the full retrospective approach.

AASB 15 supersedes AASB 118 Revenue, AASB 111 Construction Contracts and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

At 1 July 2018 it was determined that the adoption of AASB 15 had no impact on the Group.

Reference	Title	Summary
AASB 2016-5	<i>Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions</i>	This Standard amends AASB 2 <i>Share-based Payment</i> , clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: <ul style="list-style-type: none"> • 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.
AASB 2017-1	<i>Amendments to Australian Accounting Standards – Transfers of Investments Property, Annual Improvements 2014-2016 Cycle and Other Amendments</i>	The amendments clarify certain requirements in: <ul style="list-style-type: none"> • AASB 1 <i>First-time Adoption of Australian Accounting Standards</i> – deletion of exemptions for first-time adopters and addition of an exemption arising from AASB Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i> • AASB 12 <i>Disclosure of Interests in Other Entities</i> – clarification of scope • AASB 128 <i>Investments in Associates and Joint Ventures</i> – measuring an associate or joint venture at fair value • AASB 140 <i>Investment Property</i> – change in use.
AASB Interpretation 22	<i>Foreign Currency Transactions and Advance Consideration</i>	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.

New Accounting Standards and Interpretations not yet adopted

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 2019. These standards and interpretations are tabulated below:

Reference	Title	Summary	Application date of standard	Application date for Group	Impact on Group Accounting Policies
AASB Interpretation 23, and relevant amending standards	<i>Uncertainty over Income Tax Treatments</i>	The Interpretation clarifies the application of the recognition and measurement criteria in IAS 12 <i>Income Taxes</i> when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: <ul style="list-style-type: none"> • 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 	1 Jan 2019	1 Jul 2019	The impact of these amendments will not be material.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

Reference	Title	Summary	Application date of standard	Application date for Group	Impact on Group Accounting Policies
		<p>bases, unused tax losses, unused tax credits and tax rates</p> <ul style="list-style-type: none"> How an entity considers changes in facts and circumstances. 			
AASB 2018-7	<i>Amendments to Australian Accounting Standards – Definition of Material</i>	This Standard amends AASB 101 Presentation of Financial Statements and AAS 108 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.	1 Jan 2020	1 Jul 2020	The Group has yet to fully assess the impact of these amendments on the financial statements.
AASB 2014-10	<i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	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 <i>Business Combinations</i> . 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 2017-5 further 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.

The impact of new and amended accounting standards and interpretations issued but not yet effective:

AASB 16 Leases (AASB 16)

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 are required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees are 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.

The Group has substantially completed the impact assessment of AASB 16 and it was determined that the adoption of AASB 16 had no impact on the Group as at 1 July 2019.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

Accounting Policies

a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2019. 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

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.

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	
	2019	2018
Buildings	2.0%	2.0%
Plant and equipment	33.3%	33.3%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

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) 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.

f) 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.

g) Revenue

Prior to 1 July 2018, revenue was recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

From 1 July 2018, the revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

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.

h) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

i) 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.

j) 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.

k) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

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.

l) 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.

m) 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.

n) 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 19.

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).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

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.

o) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

p) Receivables

Prior to 1 July 2018, 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.

From 1 July 2018, receivables are classified as debt instruments at amortised cost. An allowance is recognised for expected credit loss based on the Group's historical loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Group.

q) 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.

r) Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash, receivables, payables, 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.

s) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

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 19.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

	Consolidated	
	2019 \$'000	2018 \$'000
2. INTEREST REVENUE		
Interest revenue	146	31
	<u>146</u>	<u>31</u>

3. OTHER INCOME

Other	-	2
	<u>-</u>	<u>2</u>

4. EXPENSES

(a) Employee Benefits

Salaries and wages	527	594
Superannuation	37	42
Employee share-based payment expense	557	423
Other	4	8
Directors' fees	260	204
Directors' share-based payment expense	245	346
	<u>1,630</u>	<u>1,617</u>

(b) Other Expenses

Corporate and overheads	228	302
Consulting – fees	196	170
Legal	5	40
Travel	16	21
Employer related taxes	6	5
Occupancy	83	108
Insurance	54	53
	<u>588</u>	<u>699</u>

Included in the above expenses are operating lease payments of the following amounts:

Minimum lease payments	<u>54</u>	<u>54</u>
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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	46,807	41,000
Taxation services	8,200	15,990
	<u>55,007</u>	<u>56,990</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

	Consolidated	
	2019	2018
	\$	\$
<i>Amounts received or due and receivable by related practices of Ernst & Young (Australia) for:</i>		
Auditing or reviewing the financial report	15,574	20,787
Taxation services	5,734	4,451
	21,308	25,238

6. INCOME TAX BENEFIT

	\$'000	\$'000
The components of income tax benefit comprise:		
<i>Current income tax benefit</i>	-	-
<i>Deferred income tax benefit</i>	-	-
Income tax benefit reported in the consolidated statement of comprehensive income	-	-
Income tax expense recognised in equity	-	-
Accounting loss before tax	(2,255)	(2,478)
At the parent company statutory income tax rate of 27.5%	(620)	(681)
Other non-deductible expenditure for income tax purposes	183	195
Effect of different tax rate for overseas subsidiary	(48)	(49)
(Recognised) / Unrecognised tax losses	485	535
Income tax benefit reported in the consolidated statement of comprehensive income	-	-
Carried forward tax losses	12,244	11,852
Share issue costs	115	152
Provisions and accruals	135	246
Other	-	-
Gross deferred tax asset	12,494	12,250
Offset against deferred tax liability	(6)	(6)
Unrecognised deferred tax assets	12,488	12,244
<i>Deferred tax liabilities</i>		
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 2019 are \$40,147,671. The carried forward tax losses for Bannerman Mining Resources (Namibia) (Pty) Ltd at 30 June 2019 are \$3,329,351. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

7. CASH AND CASH EQUIVALENTS

Consolidated

	2019 \$'000	2018 \$'000
Cash at bank and on call (interest bearing)	6,248	8,305
Short-term deposits (interest bearing)	20	20
	6,268	8,325

The effective interest rate on short-term bank deposits was 2% (2018: 2.30%). These deposits have an average maturity of 90 days (2018: 90 days).

8. OTHER RECEIVABLES

Current

GST/VAT	142	124
	142	124

Non-Current

Restricted cash	8	8
	8	8

Other receivables are non-interest bearing and have repayment terms of 30 days. Restricted cash reflects collateral for a third-party bank guarantee for the occupancy of office premises. The carrying amount of other receivables is at fair value.

9. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment \$'000	Lab & Field Equipment \$'000	Sundry \$'000	Vehicles \$'000	Total \$'000
30 June 2019					
Opening net book value	54	17	32	24	127
Additions	-	-	3	-	3
Disposals	-	-	-	-	-
Exchange difference	4	3	3	5	15
Depreciation charge	(7)	(1)	(5)	(4)	(17)
Closing net book value	51	19	33	25	128

At 30 June 2019

Cost	341	132	455	204	1,132
Accumulated depreciation and impairment	(290)	(113)	(422)	(179)	(1,004)
Net book value	51	19	33	25	128

30 June 2018

	\$'000	\$'000	\$'000	\$'000	\$'000
Opening net book value	62	17	40	30	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	335	129	451	198	1,113
Accumulated depreciation and impairment	(281)	(112)	(419)	(174)	(986)
Net book value	54	17	32	24	127

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

10. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2019 \$'000	2018 \$'000
Opening balance	54,933	54,883
Expenditure incurred during the year	650	900
Change in estimate	(217)	-
Foreign currency translation movements	1,527	(850)
Closing balance	56,893	54,933

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 CNNC'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 U₃O₈ 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 a DFS Update in conjunction with our key consultants, Wood (formerly 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 2021 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	
	30 June 2019 \$'000	30 June 2018 \$'000
<u>Exploration & Evaluation Expenditure for the Etango Project</u>		
Opening balance	54,933	54,883
Drilling and Consumables	67	-
Salaries and wages	381	496
Consultants and contractors	5	95
Demonstration plant construction cost	-	10
Demonstration plant change in rehabilitation provision	30	27
Demonstration plant operational cost	60	205
Other	107	67
Total expenditure for the period	650	900
Change in estimate	(217)	-
Foreign currency translation movements	1,527	(850)
Closing balance	56,893	54,933

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

	Consolidated	
	30 June 2019 \$'000	30 June 2018 \$'000
11. TRADE AND OTHER PAYABLES		
Trade payables	103	105
Other payables and accruals	31	38
	<u>134</u>	<u>143</u>

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	
		2019 \$'000	2018 \$'000
Rehabilitation provision	(a)	287	474
Employee benefits provision	(b)	10	-
		<u>297</u>	<u>474</u>
(a) Rehabilitation provision			
Opening balance		474	440
Unwinding of discount		18	27
Foreign exchange translation movements		12	7
Change in estimate		(217)	-
Closing balance		<u>287</u>	<u>474</u>

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.

(b) Employee benefits provision

Arising during the year	<u>10</u>	<u>-</u>
	<u>10</u>	<u>-</u>

The employee benefits provision relates to the long service leave accrued for employees at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the government bond rate with terms to maturity similar to the estimate future cash outflows. The Group does not expect its long service leave obligations to be settled within 12 months.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

13. CONTRIBUTED EQUITY

(a) Issued and outstanding:

	June 2019 Number of Shares '000	June 2018 Number of Shares '000	June 2019 Amount \$'000	June 2018 Amount \$'000
<u>Ordinary shares</u>				
Issued and fully paid	1,041,587	1,029,871	141,156	140,983
	Number of Shares '000		Amount \$'000	
<u>Movements in ordinary shares on issue</u>				
Balance 1 July 2017		849,627		133,475
- Issue of shares (i)		6,331		-
- Issue of shares (ii)		173,913		8,000
- Cost of share issues		-		(492)
Balance 30 June 2018		1,029,871		140,983
Balance 1 July 2018		1,029,871		140,983
- Issue of shares (iii)		934		-
- Issue of shares (iv)		3,923		173
- Issue of shares v)		6,859		-
Balance 30 June 2019		1,041,587		141,156

- (i) The following shares were issued upon vesting of performance rights
- 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.
 - 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.
 - 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.
- (ii) 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.
- (iii) On 31 July 2018, 934,358 ordinary shares were issued upon vesting of performance rights in accordance with the terms of the Employee Incentive Plan.
- (iv) On 7 November 2018, 3,923,000 ordinary shares were issued upon exercise of A0.044 share options in accordance with the Non-Executive Director Share Incentive Plan.
- (v) On 24 November 2018, 6,858,509 ordinary shares were issued upon vesting of share and performance rights in accordance with the terms of the Employee Incentive Plan.

(b) Share options on issue:

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

Expiry Dates	Exercise Price	Balance 1 Jul 18	Granted	Exercised	Expired / Cancelled	Balance 30 Jun 19	Vested 30 Jun 19
15 November 2018	A\$0.044	7,846,000	-	(3,923,000)	(3,923,000)	-	-
25 July 2019	A\$0.045	8,300,000	-	-	-	8,300,000	8,300,000
25 July 2019	A\$0.057	10,200,000	-	-	-	10,200,000	10,200,000
25 July 2019	A\$0.07	10,200,000	-	-	-	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	13,731,200
15 November 2021	A\$0.072	-	8,597,400	-	-	8,597,400	-
		69,875,400	8,597,400	(3,923,000)	(3,923,000)	70,626,800	62,029,400
Weighted average exercise price (\$)		0.05	0.07	0.04	0.04	0.06	0.05
Average life to expiry (years)		1.42	2.85	-	-	0.88	0.5

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

Directors held 58,919,800 share options as at 30 June 2019 with an average exercise price of \$0.06 per share and an average life to expiry of 1.05 years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

(c) Performance Rights on issue

The performance rights on issue as at 30 June 2019 were as follows:

Vesting Dates	Balance 1 Jul 18	Granted	Vested	Cancelled / Forfeited	Balance 30 Jun 19
15 November 2018	9,568,315	-	(7,372,767)	(2,195,548)	-
15 November 2019	17,153,318	241,100	(420,100)	(602,471)	16,371,847
15 November 2020	10,587,400	4,724,500	-	(190,213)	15,121,687
15 November 2021	-	10,159,400	-	-	10,159,400
	37,309,033	15,125,000	(7,792,867)	(2,988,232)	41,652,934
Average life to vesting (years)	1.09	1.84	-	-	1.00

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 21,045,500 performance rights as at 30 June 2019 with an average life to vesting of 1.38 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.

Consolidated	
2019	2018
\$'000	\$'000

14. RESERVES

Share-based payment reserve	(a)	56,954	56,152
Foreign currency translation reserve	(b)	(25,676)	(27,142)
Convertible note reserve	(c)	4,038	4,038
Equity reserve	(d)	(4,968)	(4,968)
TOTAL RESERVES		30,348	28,080

(a) Share-based Payment Reserve

Balance at the beginning of the reporting period	56,152	55,383
Share-based payment vesting expense during the period	802	769
Balance at the end of the reporting period	56,954	56,152

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

(b) Foreign Currency translation reserve

Reserves at the beginning of the reporting period	(27,142)	(26,274)
Currency translation differences arising during the year	1,466	(868)
Balance at the end of the reporting period	<u>(25,676)</u>	<u>(27,142)</u>

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 2019 amounted to \$1,469,000 (2018: \$870,000), allocated between non-controlling interests of \$3,000 (2018: \$2,000) and the Group of \$1,466,000 (2018: \$868,000). Over the year, the Namibian dollar strengthened against the Australian dollar, with a movement of approximately 3% from the rate as at 30 June 2018 (A\$1.00:N\$10.19) to the rate as at 30 June 2019 (A\$1.00:N\$9.93).

(c) Convertible Note reserve

Reserves at the beginning of the reporting period	4,038	4,038
Balance at the end of the reporting period	<u>4,038</u>	<u>4,038</u>

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.

(d) Equity reserve

Reserves at the beginning of the reporting period	(4,968)	(4,968)
Balance at the end of the reporting period	<u>(4,968)</u>	<u>(4,968)</u>

15. FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise cash and short term deposits, other receivables, and trade payables.

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the Group as at 30 June 2019.

	Consolidated	
	2019 \$'000	2018 \$'000
Financial assets		
Other receivables	8	8
Total non-current	<u>8</u>	<u>8</u>
Cash and cash equivalents	6,268	8,325
Trade and other receivables	142	124
Total current	<u>6,410</u>	<u>8,449</u>
Total	<u>6,418</u>	<u>8,457</u>
Financial liabilities		
Trade and other payables	134	143
Total	<u>134</u>	<u>143</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

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 2019	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	1,248	5,020	-	6,268
	<u>1,248</u>	<u>5,020</u>	<u>-</u>	<u>6,268</u>
Weighted average interest rate				0.3%
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
	<u>8,305</u>	<u>20</u>	<u>-</u>	<u>8,325</u>
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 2019. 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):	2019 \$'000	2018 \$'000
1% increase	62	83
1% decrease	(62)	(83)

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

(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	6-12 months	1- 5	Total
	\$'000	\$'000	years	\$'000
			\$'000	
2019				
Trade and other payables	134	-	-	134
Interest bearing liabilities	-	-	-	-
Total	134	-	-	134
2018				
Trade and other payables	143	-	-	143
Interest bearing liabilities	-	-	-	-
Total	143	-	-	143

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

16. LOSS PER SHARE

	2019	2018
Basic and diluted loss per share to the ordinary equity holders of the Company (cents per share)	(0.22)	(0.29)
	\$'000	\$'000
Loss used in the calculation of weighted average basic and dilutive loss per share	(2,255)	(2,478)
	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	1,037,391	859,474
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.	112,279	107,184

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.

17. CASH FLOW INFORMATION

	Consolidated	
	2019 \$'000	2018 \$'000
(a) Reconciliation from the net loss after tax to the net cash flow from operating activities		
Loss after income tax	(2,255)	(2,478)
Non-cash flows in operating loss		
Depreciation	17	23
Share-based payments	802	769
(Loss)/profit on sale of land and buildings	-	(2)
Changes in assets and liabilities		
(Increase) / decrease in receivables and prepayments	29	(59)
Increase / (decrease) in trade and other creditors and accruals	115	89
(Decrease) / Increase in provisions	141	68
Net cash outflows from Operating Activities	(1,433)	(1,590)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

18. COMMITMENTS

a) Exploration and evaluation expenditure

Bannerman currently holds Exclusive Prospecting Licence 3345 (EPL 3345) in Namibia, which is valid until 25 April 2021 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	
	2019	2018
	\$'000	\$'000
Not longer than one year	81	171
Longer than one year, but not longer than five years	150	-
Longer than five years	-	-
	<u>231</u>	<u>171</u>

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	20	47
Longer than one year, but not longer than five years	-	17
Longer than five years	-	-
	<u>20</u>	<u>64</u>

19. 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	
	2019	2018
	\$'000	\$'000
Total expense arising from employee and director share-based payment transactions	<u>802</u>	<u>769</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

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

	2019 #	2019 WAEP ¹	2018 #	2018 WAEP ¹
Outstanding at beginning of the year	41,175,400	0.05	31,108,600	0.05
Granted during the year	6,597,400	0.07	13,731,200	0.07
Exercised during the year	(3,923,000)	0.04	-	-
Expired during the year	(3,923,000)	0.04	(3,664,400)	0.09
Forfeited during the year	-	-	-	-
Outstanding at end of the year	39,926,800	0.05	41,175,400	0.05

¹ Weighted Average Exercise Price (\$/share)

Summary of share options granted outside of NEDSIP and EIP arrangements

	2019 #	2019 WAEP ¹	2018 #	2018 WAEP ¹
Outstanding at beginning of the year	28,700,000	0.06	25,500,000	0.06
Granted during the year	2,000,000	0.07	3,200,000	0.06
Outstanding at end of the year	30,700,000	0.06	28,700,000	0.06

¹ Weighted Average Exercise Price (\$/share)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

Summary of performance rights granted under NEDSIP and EIP arrangements

	2019 #	2018 #
Outstanding at beginning of the year	37,309,033	37,656,093
Granted during the year	15,125,000	14,973,900
Vested during the year	(7,792,867)	(6,080,682)
Forfeited during the year	(2,988,232)	(9,240,278)
Outstanding at end of the year	41,652,934	37,309,033

Weighted average remaining contractual life

The weighted average remaining contractual life as at 30 June 2019 was:

- Share options 0.88 years (2018: 1.42 years).
- Performance rights 1.00 years (2018: 0.96 years).

Range of exercise price

The range of exercise prices for share options outstanding as at 30 June 2019 was \$0.042 - \$0.072 (2018: \$0.042 - \$0.079). The weighted average exercise price for share options outstanding as at 30 June 2019 was \$0.06 (2018: \$0.05) per share option.

Weighted average fair value

The weighted average fair value for the share options granted during the year was \$0.02 (2018: \$0.03) per share option. The weighted average fair value for the performance rights granted during the year was \$0.04 (2018: \$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 2019:

	NEDSIP	OTHER ⁽ⁱ⁾	EIP	OTHER ⁽ⁱ⁾
	Annual Grant Share Options	Annual Grant Rights	Annual Grant Rights	Options / Rights
Dividend Yield (%)	0%	0%	0%	0%
Expected volatility (%)	82%	80%	80%	80%
Risk- Free interest rate (%)	2.13%	1.93%	1.93% - 2.12%	1.95%
Expected life of Share Options / Rights (years)	3 years	1 year	2 - 3 years	2 year
Share price at measurement date (\$)	0.047	0.038	0.038 - 0.044	0.04

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

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

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

20. 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	
	2019 \$'000	2018 \$'000
Australia	29	39
Namibia	57,218	55,029
Total Non-current Assets	<u>57,247</u>	<u>55,068</u>

21. 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.

22. 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	
		2019	2018
Bannerman Mining Resources (Namibia) (Pty) Ltd	Namibia	95	95
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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

Compensation of Key Management Personnel by Category:

	2019 \$'000	2018 \$'000
Short-term employee benefits	762,434	689,567
Post-employment benefits	79,054	101,940
Share-based payments	637,923	614,764
	<u>1,479,411</u>	<u>1,406,271</u>

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.

23. 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 was refused on 3 September 2018. Bannerman retains the right to re-apply for a mining licence when the uranium market recovers. As at 30 June 2019, the probability and timing of an application for and 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 2019.

24. PARENT ENTITY INFORMATION

	2019 \$'000	2018 \$'000
<i>a. Information relating to Bannerman Resources Limited:</i>		
Current assets	6,288	8,321
Total assets	10,141	12,138
Current liabilities	128	266
Total liabilities	139	279
Issued capital	141,156	140,983
Accumulated loss	(192,543)	(189,386)
Option Reserve	57,172	56,152
Convertible Note Reserve	4,038	4,038
Total shareholders’ equity	<u>12,257</u>	<u>11,859</u>
Loss of the parent entity	(3,157)	(1,733)
Total comprehensive loss of the parent entity	(3,157)	(1,733)

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 2019 to 30 June 2020.

c. Details of any contingent liabilities of the parent entity

Refer to Note 23 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

(EXPRESSED IN AUSTRALIAN DOLLARS)

25. 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	2019	2018
Bannerman Mining Resources (Namibia) (Pty) Ltd	Namibia	5%	5%

Accumulated balances of material non-controlling interest:

	\$'000	\$'000
Bannerman Mining Resources (Namibia) (Pty) Ltd	(315)	(294)

Loss allocated to material non-controlling interest:

Bannerman Mining Resources (Namibia) (Pty) Ltd	(21)	(34)
--	------	------

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

	2019	2018
Summarised statement of comprehensive income:	\$'000	\$'000
Other income	15	15
Administrative expenses	(493)	(672)
Loss before tax	(478)	(657)
Income tax	-	-
Loss for the year	(478)	(657)
Total comprehensive loss	(478)	(657)
Attributable to non-controlling interests	-	-
Summarised statement of financial position:		
Cash and bank balances and receivables (current)	169	239
Property, plant and equipment and receivables (non current)	233	96
Exploration and evaluation expenditure (non current)	56,462	54,602
Trade and other payables (current)	(96)	(152)
Other payables (non current)	(47,391)	(45,402)
Total equity	9,377	9,383
Attributable to:		
Equity holders of parent	9,030	8,914
Non-Controlling interest	475	469
Summarised cash flow information:		
Operating	(386)	(421)
Investing	(632)	(789)
Financing	955	1,113
Net (decrease) / increase in cash and cash equivalents	(63)	(97)

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2019

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 2019 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 2019.

On behalf of the Board



Brandon Munro
Managing Director & CEO
Perth, 25 September 2019



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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 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement 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 2019 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. For each matter below, our description of how our audit addressed the matter is provided in that context.



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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.

Carrying value of capitalised exploration and evaluation assets

Why significant

At 30 June 2019, the Group held capitalised exploration and evaluation assets of \$56.89 million.

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 judgements 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.

Given the size of the balance and the judgmental nature of impairment indicator assessments associated with exploration and evaluation assets, we consider this a key audit matter.

How our audit addressed the key audit matter

Our audit procedures included the following:

- ▶ 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.
- ▶ 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.
- ▶ Assessed the adequacy of disclosures in Note 10 to the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2019 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do 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, 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.

Responsibilities of the directors 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 Group'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 Group 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:



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- ▶ 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 Group'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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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 financial report represents 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.



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Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Bannerman Resources Limited for the year ended 30 June 2019, 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

Gavin A Buckingham
Partner
Perth
25 September 2019

ADDITIONAL SHAREHOLDER INFORMATION

FOR THE YEAR ENDED 30 JUNE 2019

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 4 October 2019.

Distribution of Equity Securities

There were 727 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	236	63,561
1,001 - 5,000	190	587,502
5,001 - 10,000	262	2,274,414
10,001 - 100,000	1,848	72,776,561
100,001 and over	834	965,885,176
TOTALS	3,370	1,041,587,214

Unlisted Share options and Performance Rights

Size of Holding	Share options		Performance Rights	
	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	-	-	2	128,134
100,001 and over	10	41,926,800	8	41,524,800
TOTALS	10	41,926,800	10	41,652,934

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%	14 September 2019
Clive Jones	77,207,668	7.5%	7 November 2016

ADDITIONAL SHAREHOLDER INFORMATION (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

Top 20 Shareholders

The top 20 largest shareholders are listed below:

Name	Number of Shares	Percentage Held %
Citicorp Nominees Pty Limited	109,501,011	10.51
HSBC Custody Nominees (Australia) Limited	78,630,120	7.55
J P Morgan Nominees Australia Limited	67,628,437	6.49
UBS Nominees Pty Ltd	60,608,899	5.82
Mr Clive Jones <Alyse Investment A/C>	53,212,267	5.11
BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client DRP>	49,741,240	4.78
McNeil Nominees Pty Limited	37,778,316	3.63
Widerange Corporation Pty Ltd	23,995,401	2.30
Retzos Executive Pty Ltd <Retzos Executive S/Fund A/C>	21,429,949	2.06
Merrill Lynch (Australia) Nominees Pty Ltd	13,639,810	1.31
Sachem Cove Special Opportunities Fund LP	11,000,000	1.06
BNP Paribas Noms Pty Ltd <DRP>	10,688,014	1.03
Mrs Alexandra Maidment Jubber	8,971,981	0.86
Tierra De Suenos SA	7,905,005	0.76
OneDigger Pty Ltd <Digger Super Fund A/C>	5,844,023	0.56
Peter Batten	5,206,940	0.50
Mr Richard Thomas Hayward Daly + Mrs Sarah Kay Daly <Daly Family S/F TOM A/C>	5,077,040	0.49
Dr Salim Cassim	5,000,000	0.48
HSBC Custody Nominees (Australia) Limited – GSCO ECA	4,054,436	0.39
CS Fourth Nominees Pty Limited <HSBC Cust Nom AU Ltd 13 A/C>	4,000,002	0.38
TOTAL TOP 20 HOLDERS	583,912,891	56.06
TOTAL NON-TOP 20 HOLDERS	457,674,323	43.94
TOTAL	1,041,587,214	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) and on OTCQB Venture Market (OTCQB code: BNNLF).

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-2021	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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