

2 SEP 2019

Fast Facts

ASX: JAL

| | |
|---------------------------|-----------------|
| Share Price Range (6mths) | \$0.23 - \$0.15 |
| Shares on Issue | 263,766,890 |
| Market Capitalisation | ~\$47M |

Major Shareholders (as at 30 AUG 2019)

| | |
|----------------------------------|-------|
| AustralianSuper | 14.0% |
| Perth Investment Corporation Ltd | 6.1% |
| Hillboi Nominees | 6.1% |

Directors & Management

Art Palm (Chairman & CEO)
Steve van Barneveld (Non-Executive Director)
Joel Nicholls (Non-Executive Director)

Key Projects

Crown Mountain Coking Coal Project
Elk Valley Coal Field, Canada
Dunlevy Coal Project
Peace River Coal Field, Canada

Investment Highlights

- ✓ Positioned in world class metallurgical coalfields
- ✓ Significant development expertise on board with successful track record
- ✓ Modern rail and port facilities
- ✓ Strong financial position

Newsflow / Catalysts

| | |
|------------------------------|-------------|
| Strategic Partner | Complete |
| Exploration Program | Complete |
| Coal quality lab analysis | Complete |
| Crown Mtn EA Application | In Progress |
| Crown Mtn Design Engineering | In Progress |
| Bankable Feasibility Study | In Progress |

Contact Details

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Crown Mountain Hits Major Financing Milestone as Bathurst Agrees to Next Funding Tranche

Highlights

- Bathurst Resources Limited (through its wholly owned Canadian subsidiary) has elected to exercise its Tranche 1 Option under the terms of a 2018 Investment Agreement and increase its share of the Jameson subsidiary holding the Crown Mountain Coking Coal Project in Canada from 8% to 20%.
- The Tranche 1 Option is valued at C\$7.5 million, a portion of which has already been advanced in monthly tranches.
- Tranche 1 is designed to fund permitting and BFS activities to move the project forward on a fast track.
- In June 2018 Jameson Resources Limited ("Jameson", the "Company") and Bathurst Resources Limited ("Bathurst") entered into an Investment Agreement and Shareholder's Agreement by which Bathurst invested an initial \$4 million into JAL subsidiary NWP Coal Canada Limited.
- The initial C\$4 million was dedicated to a 2018 exploration program conducted at Crown Mountain.
- An additional \$7.5 million, known as Tranche 1, was to be invested, at Bathurst's option, subsequent to the release of the final coal quality results from the exploration program. Bathurst has now exercised that option.
- Upon fully funding all tranches, which total C\$121.5 million, Crown Mountain will be a 50/50 joint venture between Jameson and Bathurst.

Jameson Resources Limited (ASX:JAL) is extremely pleased to report Bathurst Resources Limited (ASX:BRL) has exercised its Tranche 1 option to fund the next phase of development for the Crown Mountain Coking Coal Project ("Crown Mountain", the "Project") in British Columbia, Canada.

Bathurst CEO Richard Tacon said: "Bathurst is very pleased to see the results of the exploration program completed, including coal and coke testing confirming the project to contain the high quality hard coking coal desired by steel makers the world over. As our initial investment in Crown Mountain has de-risked the project and increased the confidence in its economic viability, we are pleased to move forward with Tranche 1 to continue the bankable feasibility and permitting processes."

Should the remaining tranche be exercised, Jameson anticipates the C\$110 million from Bathurst will represent the majority, if not the only, equity contribution required for construction.

On Behalf of the Board of Directors,



Art Palm

Chairman & Chief Executive Officer

Discussion

In June 2018 Jameson identified the objectives below when it announced the agreement with Bathurst:

- Share project risk with a partner.
- Significantly reduce the prospect of Jameson shareholder dilution.
- Eliminate or dramatically reduce the requirement for Jameson to provide additional project capital, during both pre-construction and construction phases.
- Keep project advancement on a fast-track.
- Attract a partner of compatible philosophy and proven skills.

Now 14 months later, we can state emphatically the objectives have been met to-date, and we anticipate continuing to work hand-in-hand with Bathurst as Crown Mountain ultimately enters production:

- **Share project risk with a partner:** With the initial C\$4 million investment in July of last year, Bathurst sole-funded the exploration and coal quality program. This activity served to de-risk the project and increase the level of confidence in geology, coal quality, groundwater, geochemical, geotechnical, and other parameters.
- **Significantly reduce the prospect of Jameson shareholder dilution:** Other than the exercise of options by Jameson's largest shareholder in mid-2018, the Company has not issued shares in a capital raise in nearly 2 years (September 2017).
- **Eliminate or dramatically reduce the requirement for Jameson to provide additional project capital, during both pre-construction and construction phases:** Assuming Bathurst also exercises Tranche 2 (C\$110 million) Jameson's capital requirements to fund the development of Crown Mountain will be significantly reduced, potentially requiring no further contribution.
- **Keep project advancement on a fast-track:** Concurrent with exploration, Bathurst provided monthly Tranche 1 advances that kept the mine permitting and bankable feasibility processes moving forward.
- **Attract a partner of compatible philosophy and proven skills:** The management teams of Jameson and Bathurst share the same vision for the future of Crown Mountain. Bathurst has provided technical support from their talented team operating out of New Zealand. The two companies share a common philosophy and set of standards with respect to construction and operation of the Crown Mountain asset.

Key Investment Terms

The material terms of the Jameson/Bathurst Agreement are as follows:

- Jameson, Bathurst (via its wholly owned subsidiary Bathurst Resources (Canada) Ltd) and NWP have entered into an investment agreement and a shareholders' agreement.
- The funding of Crown Mountain will be conducted in three tranches as follows:
 - an initial payment of C\$4 million to fund the summer exploration program. This payment was received in July 2018 and the exploration program has been successfully completed;
 - a second tranche of C\$7.5 million (the subject of this announcement) to cover remaining pre-construction activities of permitting, engineering/design, and a BFS. To allow fast-tracking to continue, some of the C\$7.5 million has been disbursed during exploration to support parallel activities such as selenium mitigation engineering, permitting, and the BFS. A portion of this tranche has also been applied to certain Jameson corporate costs (not to exceed C\$150,000 per quarter) during the period up to the start of construction and development; and

- a final tranche of C\$110 million to fund mine construction and development. In the event of higher-than-projected pre-construction costs, up to C\$5 million of this amount may be brought forward to supplement the C\$7.5 million from Tranche 1.
- The investments above are in Jameson's now 80% owned Canadian subsidiary NWP, which controls the Crown Mountain project.
- As a result of the above funding, Bathurst's ownership interest in NWP will be as follows:
 - after the initial investment of C\$4 million: 8%;
 - following completion of the second tranche of C\$7.5 million: 20%; and
 - following completion of the final tranche of C\$110 million (comprising a C\$55 million share subscription and a capital contribution to NWP of C\$55 million), 50%, and Crown Mountain will be operated as a joint venture between Jameson and Bathurst.
- It is anticipated that the C\$110 million cash payment will be part of a financing package comprised of a mix of funding options which may include leasing the major mining equipment, and a debt component for the balance. Bathurst will not proceed with the final tranche until such a package has been fully arranged with binding commitments from respective debt providers.
- The second (now exercised) and final funding tranches are granted to Bathurst as exclusive funding options.
- Should Bathurst elect not to proceed with the final funding tranche, there are provisions protecting Jameson's interest as Jameson has an exclusive option for 12 months following such an event to purchase all of the NWP shares held by Bathurst at the same price that Bathurst paid for them.
- Bathurst and Jameson each have first right of refusal should either party elect to sell its NWP interest to a third party. Further, should an exceptional offer for Crown Mountain emerge at any time, the parties may, by mutual consent, agree to pursue such an offer.
- The NWP Board currently consists of one Bathurst representative and three Jameson representatives; once a 50/50 joint venture is achieved, each entity will appoint 50% of the NWP directors. Bathurst does not have a seat on the Jameson board.

Assuming the final funding option is exercised and paid in full by Bathurst, Jameson's need to contribute cash over the next several quarters for funding the ongoing development of Crown Mountain will be minimal.

With the financial backing and management assistance of Bathurst, Jameson is confidently moving Crown Mountain forward on all fronts. The Crown Mountain project is no longer funding constrained, allowing NWP to focus on executing the critical path items and optimizing the timeline.

The Agreement with Bathurst represents a true win-win for both parties and is expected to enhance shareholder value as Crown Mountain advances.

About Jameson Resources Limited

Jameson Resources Limited (ASX:JAL) is a junior resources company focused on the acquisition, exploration and development of strategic coal projects in western Canada. The Company has an 80% interest in NWP Coal Canada Limited (“NWP”) which holds a 90% interest in the Crown Mountain coal project, and a 100% direct interest in the Dunlevy coal project located in British Columbia. Jameson’s tenement portfolio in British Columbia is positioned in coalfields responsible for the majority of Canada’s metallurgical coal exports and are close to railways connecting to export facilities.

To learn more, please contact the Company at +61 8 9200 4473, or visit: www.jamesonresources.com.au

About Bathurst Resources Limited

In July 2018, a subsidiary of Bathurst Resources Limited (ASX:BRL) acquired a 20% interest in NWP, with option to increase that interest to 50% subject to certain milestones and additional payments.

In September 2017, Bathurst took control and ownership of three mines from Solid Energy through its 65% joint venture BT Mining. The Bathurst Group of companies now employs almost 600 people in New Zealand.

Bathurst is the largest coal company operating in New Zealand with over 2.4 million tonnes per annum of coal under management. Approximately 75% of coal revenue is generated from the steel making sector, both domestically and for export to Asian coke makers and steel mills. The remainder is sold to domestic users in the agricultural and energy sectors.

The Bathurst operations are long life assets with extension potential for all operations beyond their current mine life. Bathurst is focussed on low cost, sustainable mining with a strong focus on the local communities and environmental management.

Forward Looking Statements

This announcement contains “forward-looking statements”. Such forward-looking statements include, without limitation: estimates of future earnings, the sensitivity of earnings to commodity prices and foreign exchange rate movements; estimates of future production and sales; estimates of future cash flows, the sensitivity of cash flows to commodity prices and foreign exchange rate movements; statements regarding future debt repayments; estimates of future capital expenditures; estimates of resources and statements regarding future exploration results; and where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to commodity price volatility, currency fluctuations, increased production costs and variances in resource or reserve rates from those assumed in the company’s plans, as well as political and operational risks in the countries and states in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company’s Annual Reports, as well as the Company’s other filings. The Company does not undertake any obligation to release publicly any revisions to any “forward looking statement” to reflect events or circumstances after the date of this release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.