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The Manager  
Australian Securities Exchange  
Companies Announcement Centre  
20 Bridge Street  
Sydney NSW 2000

## **ACTIVITIES REPORT FOR DECEMBER QUARTER 2016**

### **Highlights**

- ❖ Jameson initiated a third-party update of the 2014 Crown Mountain Pre-feasibility study ("PFS") to evaluate several potential CAPEX and OPEX savings identified over the past 2 years.
- ❖ The meteoric rise in coking coal prices continued during the quarter: the benchmark hard coking coal settlement for Q1 2017 was announced as US \$ 275/tonne. This compares to Q4 2016's US \$200/tonne, and Q3's US \$92.50. In contrast, the PFS assumed an initial sales price of US \$170/tonne.
- ❖ The CAD:USD exchange rate held fairly steady during the quarter at 0.76. The PFS assumed this to be 0.92. The lower exchange rate is a huge benefit for a project in Canada such as Jameson's flagship Crown Mountain Coking Coal Project.
- ❖ Major milestones continue to be achieved as the Company nears completion of several actions comprising the pre-application stage of the Environmental Assessment process for Crown Mountain. One government agency has yet to file its comments, after which the outstanding documents will be finalized by Jameson and resubmitted to the Province.
- ❖ As at 31 December 2016 the Top 20 shareholders held approximately 62% of the capital of the Company and the Company held A\$2.5M in cash.

## Overview

Jameson Resources Limited (“Jameson” or “the Company”) continued to progress the pre-application phase of the EA process at the Crown Mountain Coking Coal project (“Crown Mountain or the “Project”). A small amount of remaining work-in-progress will be completed as soon as the final outstanding government agency returns its comments.

During the quarter Jameson awarded the Crown Mountain PFS update to Norwest Corporation of Vancouver, Canada. That process will evaluate several potential CAPEX and OPEX savings identified since the original PFS was issued in 2014, plus incorporate changes in certain macroeconomic factors such as exchange rate.

Total spending during the quarter of \$275,000 reflected the commencement of the PFS update, and certain ongoing EA costs at Crown Mountain.

The coking coal benchmark price has more than tripled from Q1 2016 to the current quarterly settlement of US \$275/tonne. Crown Mountain is forecast to produce approximately 84 percent of its product as hard coking coal (with the balance PCI).



## **Figure 1 – Project Location Plan**

### **Project Summary**

#### **Crown Mountain Project - Elk Valley Coal Field, British Columbia**

Crown Mountain continues in the pre-application stage of the EA process. Two governmental entities are involved: the Canada Environmental Assessment Agency (“CEAA”) and the British Columbia Environmental Assessment Office (“EAO”).

Two important and comprehensive documents comprise Jameson’s focus: The Valued Components Document (“VCD”) and the Application Information Requirements (“AIR”).

The VCD was completed during the reporting period and accepted by the EAO. The AIR is in near-final form; one governmental agency has yet to submit its comments, after which the Company will revise and resubmit the AIR for final review and acceptance.

The Norwest-led review of the 2014 PFS is well underway. The economic model has been modified to allow variation of several key parameters. Potential areas of CAPEX and OPEX reductions are under evaluation. In mid-December, Sedgman joined the update team, bringing its world-class expertise in processing and infrastructure. This work remains on target for a late Q1 completion.

Rising coking coal prices have greatly surpassed those assumed in the 2014 PFS. The recent benchmark price of USD \$275/t coupled with the current CAD:USD exchange rate of 0.76 equates to a CAD sales price of \$362/t, versus the PFS-assumed CAD \$185/t during the initial 4 years of project life and CAD \$207/t thereafter.

#### **Dunlevy Project – North East British Columbia**

Jameson did not complete any work on Dunlevy during the quarter. Annual rent on the exploration licenses has been paid and the project remains in good standing.

With the current surge in coking coal prices, the Company anticipates it may receive some interest from third parties regarding Dunlevy. Any such opportunity will be evaluated with an eye on maximizing shareholder value of the Company’s assets.

### **Corporate**

As at 31 December 2016 the Company had A\$2.5 million in cash and equivalents, no debt, and 223,151,333 fully paid ordinary shares on issue following the exchange of the last 300,000 Exchangeable Shares held by the Dunlevy vendors during the quarter.

As previously announced, the Canada Revenue Agency (“CRA”) commenced an audit of the Company’s 2014 and 2015 claims related to the British Columbia Mineral Excise Tax Credit (“BCMETS”), a program in which certain exploration expenses can earn up to a 30 percent refundable tax credit.

The CRA audit represents a comprehensive line-by-line review of all Dunlevy and Crown Mountain expenses submitted for BCMETC over a 2 year period. In Q3 the Dunlevy audit was completed; all expenses claimed by Jameson were honoured. In November, CRA proposed disallowing CAD \$276,542 of Crown Mountain's 2014 claim. The Company firmly believes it has followed proper guidelines in claiming these expenses, and presented its challenge to the CRA's proposal on 20 December, 2016. A response from CRA is expected soon. Appeal avenues are available should they be required.

2017 promises to be an exciting year for Jameson Resources. As a pure-play coking coal company, our commodity is enjoying high demand and prices challenging historic highs, we are seeing elevated investor interest, and our flagship project continues to move forward on the pre-application permitting front.

On Behalf of the Board of Directors,



**Art Palm**

Chief Executive Officer and Acting Chairman

### **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 a 90% interest in the Crown Mountain coal project, and a 100% 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 all close to railways connecting to export facilities.

To learn more, please contact the Company at +61 89200 4473, or visit: [www.jamesonresources.com.au](http://www.jamesonresources.com.au)

### **Prefeasibility Study Results**

The information in this announcement relating to Pre-feasibility Study Results of the Company's Crown Mountain Coal Project are extracted from the ASX Release entitled "Prefeasibility study confirms Crown Mountain coking coal project will enjoy outstanding economics" announced on 11 August 2014 and available to view on the ASX website (ASX:JAL) and the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the reserve estimates and prefeasibility study results in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement

### **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.