

19 April 2017

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

## **ACTIVITIES REPORT FOR MARCH QUARTER 2017**

### **Highlights**

- ❖ The Crown Mountain PFS Update progressed during the reporting period and will be released later this month.
- ❖ The Update is focused on optimizing the execution of the mine plan and coal processing scheme, including evaluation of several potential OPEX and CAPEX savings the Company and its consultants have identified.
- ❖ Coking coal prices remain above US\$200/tonne in light of weather-related disruptions and other supply shortfalls. This is higher than the sales prices assumed in the 2014 PFS, and those to be used in the 2017 Update.
- ❖ Activity in the pre-application phase of the Environmental Assessment process continued to move toward completion of the AIR.
- ❖ The Canadian Revenue Agency finalized their decision to disallow certain amounts of Jameson's claimed exploration tax credits: the Company is filing an appeal.
- ❖ As at 31 March 2017 the Top 20 shareholders held approximately 62% of the capital of the Company and the Company held A\$2.1 million 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”). The Company is awaiting the province returning their comments at which time a final document will be produced.

Jameson expects to receive the Updated Crown Mountain PFS from Norwest within the next 2 weeks. The original PFS issued in 2014 revealed outstanding financials for the project: after-tax payback period of 2.7 years, and after-tax NPV10 exceeding US\$220 million. The Update is expected to improve upon those metrics by incorporating several enhancements to the project identified since the original study was published.

Total spending during the quarter of \$359,000 reflected the execution of the PFS update and certain ongoing EA costs at Crown Mountain. A provision of \$250,000 has also been established for the BCMETC refund in the event an appeal is not successful.



**Figure 1 – Project Location Plan**

## **Project Summary**

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

The PFS Update is nearing an April completion. Norwest Corporation is managing the project, with input from Sedgman on coal processing and infrastructure, and Kiewit on mining and mine construction.

The Update is incorporating all material economic and market changes since the original PFS was issued in 2014, along with several potential OPEX and CAPEX reducing measures that have been identified.

The inclusion of Kiewit and Sedgman will result in a higher confidence, more technically robust evaluation.

Regarding the pre-application stage of the Environmental Assessment process, we expect to continue exchanging comments and revisions with the government as outstanding matters become settled by consensus, until a final AIR (Application Information Requirements document) is accepted by the province, an event we expect to occur in Q2. Crown Mountain is the first new project in the Elk Valley to submit pre-application documents under (a) the new Elk Valley Water Quality Plan and (b) a revised AIR template and process. Thus, there are learning curves associated with this process for both the Company and the many governmental departments involved in the review. However, we see the government working diligently with us to chart the path forward and are optimistic this process will be completed to mutual satisfaction soon. We are, in the interim, planning the next steps of the EA process required to advance the project toward successful permitting.

Annual rent on the Crown Mountain coal licenses was paid earlier this month.

### **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.

## **Corporate**

As at 31 March 2017 the Company had A\$2.1 million in cash and equivalents, no debt, and 223,151,333 fully paid ordinary shares on issue.

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 BCMETS over a 2 year period. In Q3 2016 the Dunlevy audit was completed; all expenses claimed by Jameson were honoured. In November, CRA proposed disallowing CAD

\$246,572 of Crown Mountain's 2014 claim. After meeting with the auditor, CRA recently issued their formal decision disallowing CAD \$244,921. Following review of the CRA decision with its tax advisors the Company has elected to file an appeal. We remain convinced our filing was correct and compliant to the tax code.

Promotional activity continued at a high level, with Jameson exhibiting in Canada at the PDAC convention and Hong Kong at Mines and Money Asia. Additional activities are planned in the near future, including meetings with potential off-take and JV partners once the PFS Update is released.

2017 has started off well for Jameson. With the PFS Update release pending, and the EA process advancing, Crown Mountain continues to display its economic attractiveness and viability as it moves closer to development.

On Behalf of the Board of Directors,

A handwritten signature in blue ink, appearing to read 'Art Palm', with a stylized, cursive script.

**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.