



**Jameson Resources Limited
and controlled entities**
ACN 126 398 294

**Half-Year Financial Report
31 December 2018**

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COMPANY DIRECTORY

DIRECTORS

Mr T. Arthur Palm
(Chairman and Chief Executive Officer)

Mr Steve van Barneveld
(Non-Executive Director)

Mr Joel Nicholls
(Non-Executive Director)

COMPANY SECRETARY

Ms Suzie Foreman

REGISTERED OFFICES**Australia**

Jameson Resources Limited
Suite 5
62 Ord Street
WEST PERTH WA 6008
Telephone: + 61(8) 9200 4473
Facsimile: + 61(8) 9200 4463

Canada

NWP Coal Canada Ltd
Suite 800, 1199 West Hastings St
VANCOUVER BC V6E 3TS
Telephone: +1(604) 629 8605

AUDITORS

HLB Mann Judd
(WA Partnership)
Level 4, 130 Stirling Street
PERTH WA 6000

SHARE REGISTRAR

Automic Registry Services
Level 2
267 St Georges Terrace
PERTH WA 6000

GPO Box 5193
Sydney, NSW 2001
Telephone: 1300 288 664 (within Australia)
Email: hello@automic.com.au

SECURITIES EXCHANGE LISTING

Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: JAL

DIRECTORS REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2018. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names of Directors who held office during or since the end of the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr T. Arthur Palm
Mr Steve van Barneveld
Mr Joel Nicholls

RESULTS

The Group has recorded a loss after tax for the period ended 31 December 2018 of \$595,976 (2017: \$351,354).

BUSINESS OF THE COMPANY

Jameson Resources Ltd ("Jameson" or "the Company") is focused on exploring and developing low-cost high-quality coking coal properties from within its portfolio of projects located in southeast and northeast British Columbia, Canada. Western Canada benefits from world-class railways and deep-water ports, which allow operations within the Province of British Columbia to be among the leading metallurgical coal suppliers to the seaborne market.

The Crown Mountain Coking Coal project ("Crown Mountain", the "Project") represents the Company's flagship project and is being developed on a fast track in cooperation with a subsidiary of Bathurst Resources Limited (ASX: BRL) per an agreement executed in July 2018.

The Company will also examine other business opportunities from time-to-time as they arise.

REVIEW OF OPERATIONS

Summary for the Half Year Period

Crown Mountain is moving toward development on multiple fronts:

- Drafting of the Application for an Environmental Assessment Certificate ("EA Certificate") by several parties continued to gain momentum with the completion of the vast majority of environmental field baseline studies and their associated reports.
- The laboratory phase of evaluating the proposed selenium mitigation strategy for Crown Mountain was completed with very promising results (refer to ASX announcement 19 November 2018). Engineering/design is progressing on the spoil disposal facility and related items based on these positive findings.
- A significant exploration program was completed in the July-October (summer 2018) period, focused on coal quality, geotechnical evaluation, groundwater, and overburden geochemistry.
- The project geologic model has been updated with the exploration results.
- Negotiations are nearing completion for commencement of a Bankable Feasibility Study ("BFS") in the near term.

DIRECTORS REPORT

- The province issued four additional coal exploration licenses adjacent to Crown Mountain.
- Rail and port capacity remain available: formal discussions will commence later this year.

Jameson was able to execute the above activities, without incurring debt or issuing equity, through funding provided by Bathurst Resources Canada, a subsidiary of Bathurst Resources Limited (ASX: BRL), the largest coal producer in New Zealand. During the reporting period, BRL provided C\$4 Million to sole fund the summer exploration program, and an additional C\$2.8 million for EA and BFS related activities.

As at 31 December 2018 the Top 20 shareholders held approximately 64.7% of the capital of the Company and the Company held \$3.5 million in cash. Jameson remains debt-free.

Coking coal prices remained significantly higher (currently approximately US\$200/tonne) than the US\$155/tonne assumed in the 2017 PFS.

Regarding the Dunlevy property in northeast British Columbia, Jameson's strategy has been to retain that project for future development, subject to the economic environment. Given its low holding cost, the annual exploration licensing fee to the province was recently paid. Dunlevy was not part of the BRL deal and remains 100% owned by Jameson.

Figure 1 depicts the locations of Jameson's coal projects.



Figure 1: Project Locations

DIRECTORS REPORT

British Columbia

Elk Valley Coal Field - Crown Mountain Project

Crown Mountain is located within the Elk Valley coal field in southeastern British Columbia. Along with the Crowsnest coal field, this region is home to four of Canada's producing coal mines. These four coal mines supply over 20 million tonnes per annum of export quality metallurgical coal, representing the majority of Canada's total coal exports.

Crown Mountain is in close proximity to two significant metallurgical coal mines: Line Creek which is 12km to the north, and Elkview which is 8km to the southwest (Figure 2). The Project includes ten granted coal licences (418150, 418151, 418152, 418153, 418154, 418966, 419272, 419273, 419274, and 419275) covering an area of 5,630 hectares (Table 1).

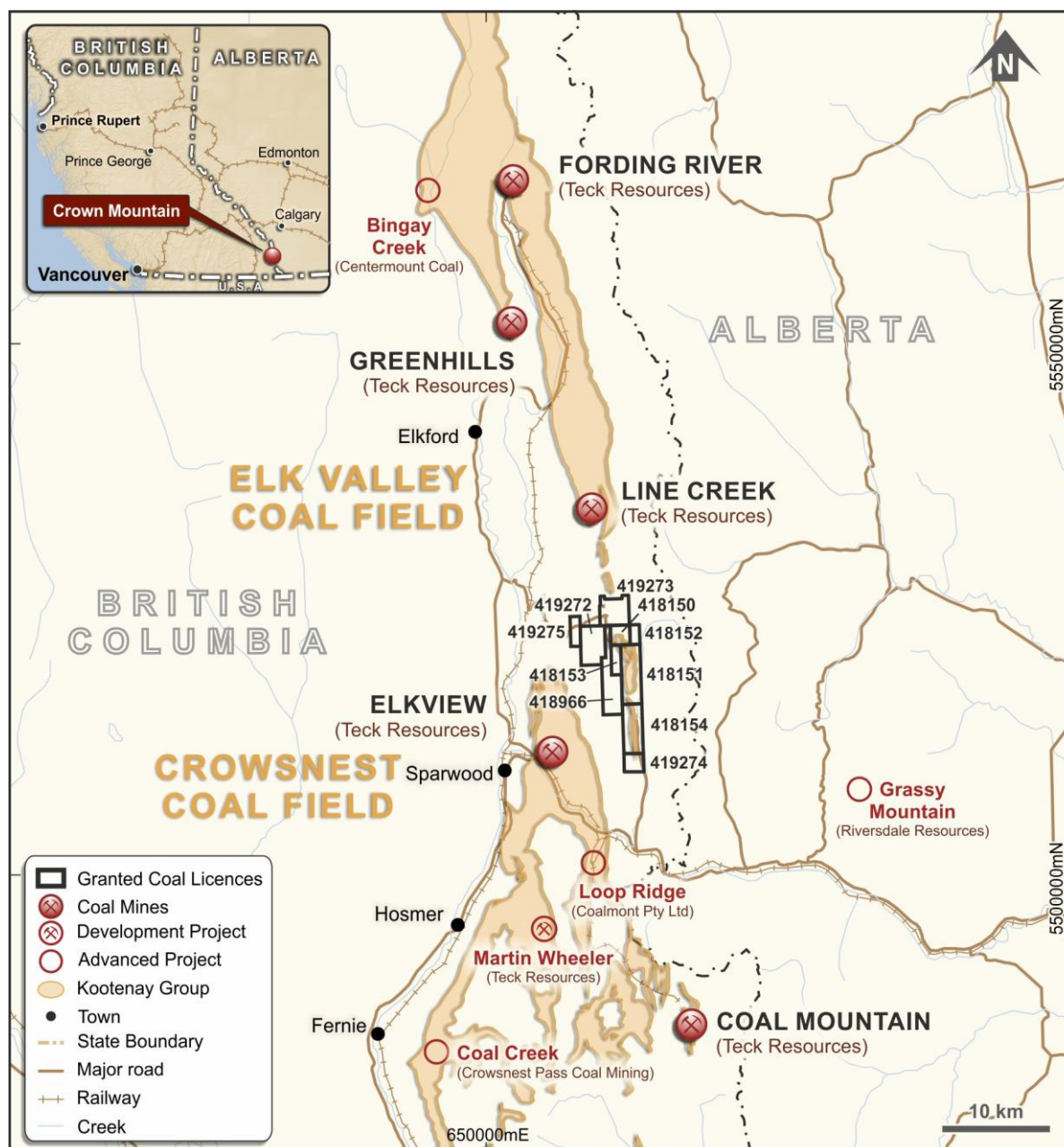


Figure 2: Crown Mountain Coal Licence Locations

DIRECTORS REPORT

Name	License Number	Status	Area (Ha)	Rent (CAD)
North Block	418150	Granted	334	\$3,340
South Block	418151	Granted	1,001	\$10,010
West Crown	418153	Granted	251	\$2,510
Southern Extension	418154	Granted	835	\$8,350
Crown East	418152	Granted	167	\$1,670
Northwest Extension	418966	Granted	974	\$6,818
SUBTOTAL – Existing			3,563	\$32,698
Northern Extension	419273	Granted	705	\$4,935
Grave Creek	419272	Granted	778	\$5,446
Alexander Creek	419274	Granted	334	\$2,338
Grave Creek West	419275	Granted	250	\$1,750
SUBTOTAL – New			2,067	\$14,469

Table 1 – Crown Mountain Coal Licence Summary Table (CAD)

In April 2017, Norwest Corporation completed a Pre-feasibility study (PFS) (see the ASX announcement dated 26 April 2017) that determined Crown Mountain contained run-of-mine reserves totalling 56 million tonnes as shown in Table 2:

Area	ASTM Group	Run of Mine Coal Reserves			
		(Ktonnes)			
		Proven		Probable	
		COKING	PCI	COKING	PCI
North Pit	Bituminous	7,252	756	4,907	1,192
East Pit		3,563	461	0	0
South Pit		31,784	5,914	0	0
Sub-Total		42,599	7,131	4,907	1,192
Total Proven & Probable		49,730		6,099	
Total		55,829			

Table 2 – Crown Mountain Reserve Summary Table

DIRECTORS REPORT

To confirm the reserve estimate, gain greater confidence in coal quality, and supply the data required for a BFS, Jameson undertook an extensive exploration program in the Canadian summer of 2018. Components of the program included (see Figure 3):

- Sixteen additional coal quality large diameter core holes to supplement the seven that were drilled in 2013. Adequate volume was collected from these holes to allow for testing Crown Mountain coal in a pilot (movable wall) coke oven, a significant step up from the sole heated oven testing performed on the 2013 core. It also allows for a larger scale wash of the coal in a pilot plant, rather than being limited to traditional float/sink analysis.
- Six small diameter core holes for additional overburden characterisation studies required for engineering the pit and spoil piles, and a prerequisite for the BFS.
- Sixteen additional ground water monitoring wells required for the EA and BFS.
- Geotechnical test pits and shallow drill holes to allow design engineering to proceed in the areas of mine pit and infrastructure.

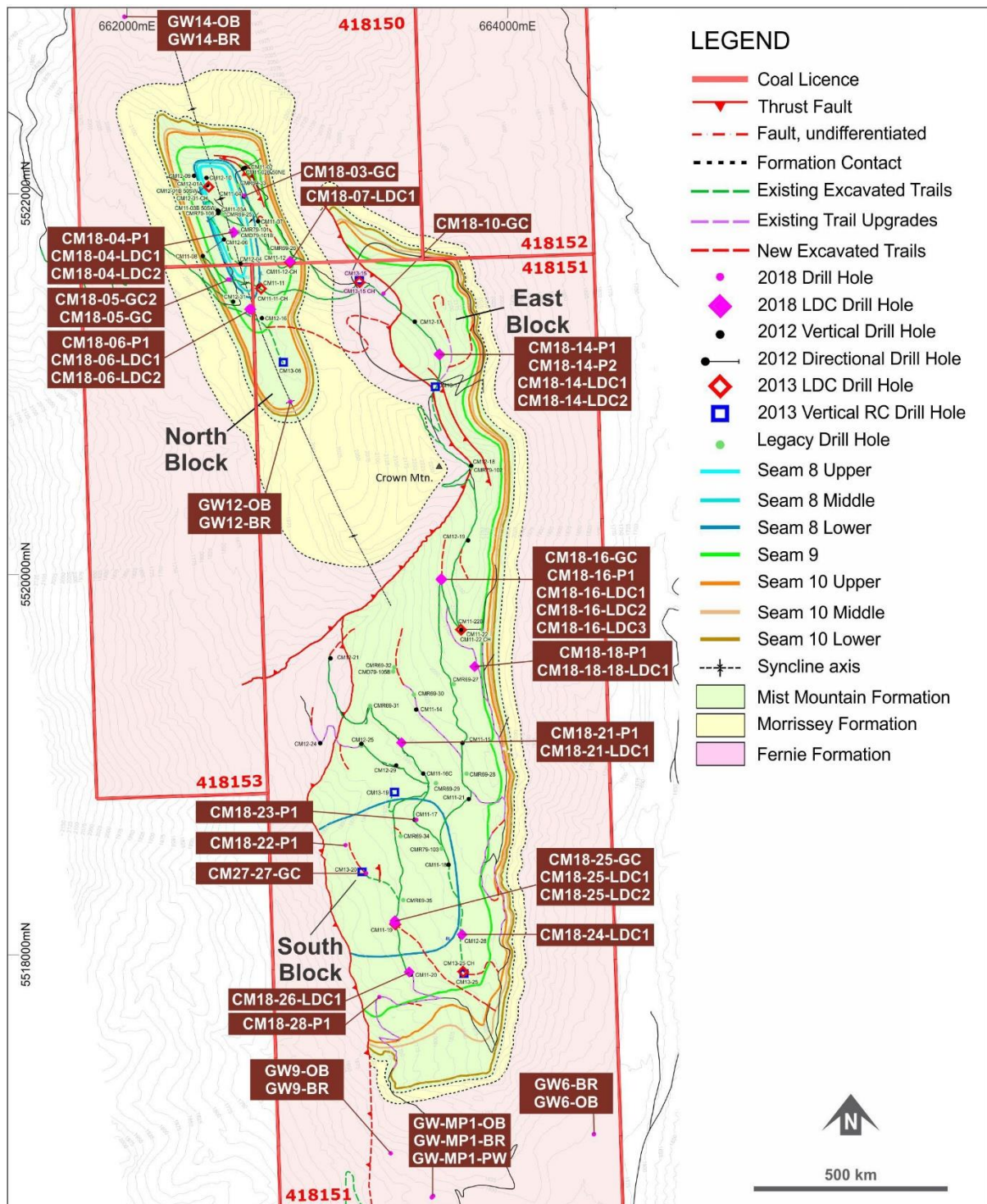
The program was completed successfully.

Coal samples have been at the lab since October undergoing preparation and analysis. Due to the extraordinary number of companies conducting coal exploration, and a limited selection of labs, a large sample backlog exists resulting in extended processing delays, far in excess of what was experienced during the previous (2013) exploration program. The Crown Mountain samples are stored in a refrigerated unit to mitigate any oxidation and will undergo the following:

- Drop/shatter testing to simulate coal handling and result in an expected size distribution. This step is complete.
- A split of 1/8 of each individual seam split from each pad subjected to float/sink over a range of gravities. This step is complete for the North block samples but not the South block. The preliminary North block results were released to ASX on 16 January 2019.
- Guided by the above results, a homogeneous blend of the remaining 7/8 sample will be made and shipped to a pilot wash plant in Denver, Colorado, USA, less a 500 KG sample for advanced float/sink washability testing. The North block blend departed the Calgary lab on 13 February.
- The pilot plant will wash the blended coal and ship the clean product to several facilities for advanced coking coal and coke characterization, including CanMet for CSR (coke strength after reaction) and other testing, and a specialized lab for coal petrography. Some small samples will be retained for fines dewatering evaluation to assist plant design. The pilot wash for the North blend commenced on 19 February.

The geologic model has been updated with information obtained from the 2018 drill holes. This forms the basis for the BFS: the mining model can be updated, and the mine plan engineered to feasibility standards. The geologic model will be further refined once all coal quality results have been received.

DIRECTORS REPORT



DIRECTORS REPORT

Funding for the exploration program, EA activities, and the upcoming BFS is being provided by way of the Agreement between Jameson and BRL that was executed in July 2018. As announced to ASX on 29 June 2018, the key components are:

- Bathurst (through its wholly owned Canadian subsidiary) invested C\$4 million in Jameson's Canadian subsidiary NWP Coal Canada (which holds the Crown Mountain Project) to sole fund the summer exploration program, and as a result earned an 8% shareholding interest in NWP.
- Once exploration results are reported, Bathurst has the option to invest an additional C\$7.5 million to sole fund the Bankable Feasibility Study ("BFS") and the permitting required to construct a mine. Concurrent, however, with the exploration program and subsequent lab analysis, Bathurst has provided monthly advances to this Tranche, totalling C\$2.8 million for the reporting period, plus an additional C\$0.8 million through to the end of February. These funds are being applied toward EA and BFS related activities to keep the project on a fast track. The advances are included in the C\$7.5 million Tranche, and not in addition to. Once completed, payment of the C\$7.5 million results in Bathurst holding a 20% interest in NWP.
- After the BFS is complete and the required permits have been issued, Bathurst has the option to sole fund the first C\$110 million of construction costs, in the form of cash, which is anticipated to represent the cash component of a project financing package.
- Upon fully funding all tranches, which total C\$121.5 million, Crown Mountain will be a 50/50 joint venture between Jameson and Bathurst.

The relationship between Jameson and Bathurst has been strong, cooperative, and transparent. In addition to funding, Bathurst is providing valuable technical assistance on Crown Mountain from their experienced New Zealand based geology, coal quality/marketing, and coal washing staff.

Peace River Coal Field – Dunlevy

Dunlevy overlies the northwest extension of the Peace River coal field district of northeast British Columbia.

The Dunlevy property is located in a well-developed area, approximately 90 km from Fort St. John, a regional commercial centre. All weather highways and good quality secondary roads link the Project to Fort St. John and Chetwynd, where Canadian National Railway's track can be accessed. The rail provides a path to the Ridley, Westshore, and Neptune coal terminals. There is also potential to reduce transportation costs by utilising the large man-made Williston Lake bordering the property to transport coal by barge to rail access at the industrial town of MacKenzie.

Dunlevy drilling and coal quality results were announced in 2014. No exploration is currently planned on Dunlevy in the short term, as the Company focuses its resources on the flagship Crown Mountain asset. However, as circumstances change with respect to the coking coal market, the Company may reassess its plans for Dunlevy.

Dunlevy consists of the two issued coal exploration licenses shown in Table 3:

Project	Licence Number	Status	Area (Ha)	Annual Rent
Dunlevy	418441	Granted	1,146	\$11,460
Dunlevy	418442	Granted	1,388	\$13,880
TOTAL			2,534	\$25,340

Table 3 – Dunlevy Project Coal Licence Summary Table (CAD)

DIRECTORS REPORT

CORPORATE MATTERS

In line with the Company's philosophy to devote the maximum amount of its financial resources to project development, the CEO remains Jameson's only full-time employee. He is assisted by consultants on the Crown Mountain project, including technical support from Bathurst. As Crown Mountain advances, it is anticipated NWP will hire a Project Manager.

Jameson's objective of locating a strategic partner to participate in funding the balance of Crown Mountain's permitting, design engineering, exploration, and the BFS has been achieved with execution of the Bathurst agreement. The advancement of Crown Mountain and the increase in coking coal prices continue to result in inquiries from interested parties; the Company investigates these opportunities but remains completely satisfied with the Bathurst relationship.

In July AustralianSuper, the Company's largest shareholder, undertook the early exercise of 7,142,857 options at \$0.105 for approximately \$750,000.

During the half year, the Company proposed a replacement of the CEO's previous option incentive package on the basis that it was no longer appropriate given evolving circumstances. A new incentive package was approved by shareholders at Jameson's 2018 Annual General Meeting, which comprised the issue of 4 million CEO Incentive Options with exercise prices between \$0.20 and \$0.40, issued in 3 tranches. The options are exercisable between 2-4 years and a portion vest subject to the CEO remaining an executive employee of the Company for a period of up to 2 years.

The CEO's existing 3 million performance rights which vest upon the achievement of key milestones relating to Crown Mountain project development, being environmental approval, funding of mine construction and commercial production, remain in effect.

In addition, each non-executive director of Jameson was awarded 1,200,000 options at exercise prices between \$0.30 and \$0.50. The options are exercisable between 3-5 years and a portion vest subject to the non-executives remaining as directors of the Company for a period of up to 2 years.

EVENTS SUBSEQUENT TO REPORTING DATE

On 14 January 2019, the Company announced the Chief Gold Commissioner of British Columbia has issued four (4) new coal exploration licenses at its Crown Mountain Coking Coal project.

On 16 January 2019, the Company announced the initial coal quality testing results confirm coking properties at the Company's Crown Mountain project.

Other than detailed above, no matters or circumstances have arisen since the end of the half year period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

SUMMARY

Jameson Resources is well positioned in coking coal with the Crown Mountain project. The PFS shows Crown Mountain to be a low-cost source of high quality steel-making coal, a market that is currently strong and forecast to grow.

The Company will continue to advance Crown Mountain as aggressively as conditions allow with the aim of bringing the project into production.

DIRECTORS REPORT

COMPETENT PERSONS STATEMENT

Mineral Reserves and Prefeasibility Study Results

The information relating to the Mineral Reserve Estimate and Pre-feasibility Study Results of the Company's Crown Mountain Coal Project are extracted from the ASX Release entitled "PFS Update Yields Lower CAPEX and OPEX and Outstanding Financials, Demonstrating the Significant Potential of Crown Mountain" announced on 26 April 2017 and is 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 announcements and that all material assumptions and technical parameters underpinning the reserve estimates and prefeasibility study results in the relevant market announcements 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.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the half-year financial report.

This Independence Declaration is set out on page 11 of this report and forms part of this Directors' Report for the half-year ended 31 December 2018.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



Art Palm
Chief Executive Officer

Dated this 6th day of March 2019



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Jameson Resources Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia
6 March 2019

N G Neill
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Half Year Ended 31 December 2018

CONSOLIDATED			
	Note	31 December 2018 \$	31 December 2017 \$
Revenue	2	12,602	23,894
Employee benefits expense	2	(343,856)	(125,014)
Corporate and compliance fees		(147,300)	(147,540)
Administration		(50,923)	(41,043)
Depreciation and amortisation		(2,530)	(2,308)
Interest and finance expenses		(5,177)	(11,769)
Foreign exchange gain/(loss)		13,084	(5,384)
Other expenses		(34,670)	(40,677)
Equity based payments		(89,136)	(8,676)
Bathurst investment related expenses		(78,619)	-
Other tenement licence expenses		-	(946)
Writedown of capitalised exploration		-	(274)
Loss before income tax		(726,525)	(359,737)
Income tax benefit	2	130,549	8,383
Loss after income tax		(595,976)	(351,354)
Other comprehensive income, net of income tax			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		290,473	237,741
Other comprehensive income for the period, net of tax		290,473	237,741
Total comprehensive loss for the period		(305,503)	(113,613)
(Loss)/income attributable to:			
- Members of the parent		(598,881)	(351,354)
- Non-controlling interests		2,905	-
		(595,976)	(351,354)
Total comprehensive (loss)/income attributable to:			
- Members of the parent		(331,646)	(113,613)
- Non-controlling interests		26,143	-
		(305,503)	(113,613)
Basic loss per share (cents)		(0.23)	(0.14)
Fully diluted loss per share (cents)		(0.23)	(0.14)

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

CONSOLIDATED			
	Note	As at 31 December 2018 \$	As at 30 June 2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		3,501,991	1,721,504
Trade and other receivables		234,173	363,477
Other assets		39,252	45,797
TOTAL CURRENT ASSETS		3,775,416	2,130,778
NON-CURRENT ASSETS			
Other receivables		763,205	471,276
Deferred exploration and evaluation expenditure	3	18,789,781	13,206,273
Property, plant and equipment		38,260	40,140
Other assets		546	537
TOTAL NON-CURRENT ASSETS		19,591,792	13,718,226
TOTAL ASSETS		23,367,208	15,849,004
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		203,091	245,509
TOTAL CURRENT LIABILITIES		203,091	245,509
TOTAL LIABILITIES		203,091	245,509
NET ASSETS		23,164,117	15,603,495
EQUITY			
Issued capital	4	31,589,220	30,844,030
Reserves	5	6,689,797	1,707,373
Accumulated losses		(17,546,789)	(16,947,908)
Equity attributable to the members of the parent		20,732,228	15,603,495
Non-controlling interest		2,431,889	-
TOTAL EQUITY		23,164,117	15,603,495

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Half-Year Ended 31 December 2018

CONSOLIDATED

	Issued Capital	Accumulated Losses	Equity Based Payment Reserve	Foreign Currency Translation Reserve	Other Reserve	Total	Non- controlling Interest	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	30,844,030	(16,947,908)	1,202,221	505,152	-	15,603,495	-	15,603,495
Loss for the period	-	(598,881)	-	-	-	(598,881)	2,905	(595,976)
Exchange differences arising on translation of foreign operations	-	-	-	267,235	-	267,235	23,238	290,473
Total comprehensive (loss) for the period	-	(598,881)	-	267,235	-	(331,646)	26,143	(305,503)
Transactions with owners in their capacity as owners:								
Performance rights expensed during the period	-	-	14,603	-	-	14,603	-	14,603
Options expensed during the period	-	-	74,533	-	-	74,533	-	74,533
Ordinary shares issued net of costs in parent	745,190	-	-	-	-	745,190	-	745,190
Transactions with non- controlling interests:								
Ordinary shares issued net of costs in NWP	-	-	-	-	2,067,781	2,067,781	2,041,949	4,109,730
Preference Class A shares issued in NWP	-	-	-	-	2,558,272	2,558,272	363,797	2,922,069
Balance at 31 December 2018	31,589,220	(17,546,789)	1,291,357	772,387	4,626,053	20,732,228	2,431,889	23,164,117
Balance at 1 July 2017	30,252,244	(17,031,959)	1,156,911	426,385	-	14,803,581	-	14,803,581
Loss for the period	-	(351,354)	-	-	-	(351,354)	-	(351,354)
Exchange differences arising on translation of foreign operations	-	-	-	237,741	-	237,741	-	237,741
Total comprehensive (loss) for the period	-	(351,354)	-	237,741	-	(113,613)	-	(113,613)
Performance rights issued	-	-	3,016	-	-	3,016	-	3,016
Options issued	-	-	5,660	-	-	5,660	-	5,660
Shares issued net of costs	591,786	-	-	-	-	591,786	-	591,786
Balance at 31 December 2017	30,844,030	(17,383,313)	1,165,587	664,126	-	15,290,430	-	15,290,430

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the Half-Year Ended 31 December 2018

	CONSOLIDATED	
	31 December 2018 \$	31 December 2017 \$
Cash flows from operating activities		
Interest received	10,885	20,361
Payments to suppliers and employees	(647,542)	(467,417)
Net cash flows (used in) operating activities	(636,657)	(447,056)
Cash Flows from investing activities		
Payments for exploration and evaluation	(5,490,509)	(927,809)
Payments for safekeeping bond	(291,929)	-
Receipt of BC Mining Tax Credit	331,884	-
Net cash flows (used in) investing activities	(5,450,554)	(927,809)
Cash flows from financing activities		
Proceeds from share issue in parent	750,000	599,902
Proceeds from share issue in NWP	7,177,217	-
Payments for share issue costs	(4,810)	(41,115)
Net cash flows provided by financing activities	7,922,407	558,787
Net increase/(decrease) in cash and cash equivalents	1,835,196	(816,078)
Cash and cash equivalents at 1 July	1,721,504	4,184,949
Foreign currency translation on cash held	(54,709)	11,513
Cash and cash equivalents at 31 December	3,501,991	3,380,384

The accompanying notes form part of these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTSFor the Half-Year Ended 31 December 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**Statement of compliance**

The half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by Jameson Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period except for the impact of the new Standards and Interpretations effective 1 July 2018 disclosed below.

Basis of preparation

The half-year report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted. For the purpose of preparing the half-year report, the half-year has been treated as a discrete reporting period.

Significant accounting estimates and judgement

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2018 except for the following:

Standards and Interpretations applicable to 31 December 2018

The Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting period and determined that no material change is necessary to Group accounting policies.

As a result of this review, the Group has initially applied AASB 9 and AASB 15 from 1 July 2018.

Due to the transition methods chosen by the Group in applying AASB 9 and AASB 15, comparative information throughout the half year report has not been restated to reflect the requirements of the new standards.

The application of both AASB 9 and AASB 15 has not had a material impact on the financial statements of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2018

2. LOSS FOR THE PERIOD

	31 December 2018 \$	31 December 2017 \$
The following items are relevant in explaining the financial performance for the half-year:		
Interest revenue	12,602	23,894
BC Mining Tax Credit benefit	130,549	8,383
Employee benefits expense	(343,856)	(125,014)

3. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Half-year ended 31 December 2018 \$	Year ended 30 June 2018 \$
Costs carried forward in respect of areas of interest in the following phases	18,789,781	13,206,273
Exploration and evaluation phase – at cost		
Balance at beginning of period	13,206,273	10,923,193
Expenditure capitalised	5,378,524	2,056,968
Impairment of Dunlevy project	-	(18,311)
Foreign currency translation	204,984	244,423
As at balance date	18,789,781	13,206,273

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2018

4. ISSUED CAPITAL

	Half-year ended 31 December 2018		Year ended 30 June 2018	
	Number	\$	Number	\$
<i>a) Fully paid ordinary shares on issue</i>	263,766,890	31,589,220	256,624,033	30,844,030
	Number	\$	Number	\$
At beginning of the reporting period	256,624,033	30,844,030	250,625,018	30,252,244
<i>Movements in ordinary shares on issue</i>				
Options exercised - \$0.105 expiring 30 September 2018	7,142,857	750,000	-	-
Placement – 19 September 2017 \$0.10 per share	-	-	5,999,015	599,902
Capital raising costs	-	(4,810)	-	(8,116)
At end of reporting period	263,766,890	31,589,220	256,624,033	30,844,030

	Half-year ended 31 December 2018	
	Number	\$
<i>b) Class A Preference shares on issue</i>	556,800	2,922,069
	Number	\$
At beginning of the reporting period	-	-
<i>Movements in preference shares on issue</i>		
Bathurst Tranche 2 July @ C\$5 per share	93,200	480,511
Bathurst Tranche 2 August @ C\$5 per share	73,200	378,060
Bathurst Tranche 2 September @ C\$5 per share	90,400	483,164
Bathurst Tranche 2 October @ C\$5 per share	100,000	540,073
Bathurst Tranche 2 November @ C\$5 per share	100,000	519,373
Bathurst Tranche 2 December @ C\$5 per share	100,000	520,888
At end of reporting period	556,800	2,922,069

Refer to Note 11 for details of Bathurst Resources investment interests.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2018

5. RESERVES

	Half-year ended 31 December 2018 \$	Year ended 30 June 2018 \$
(a) Equity Based Payment Reserve	1,291,357	1,202,221
(b) Foreign Currency Translation Reserve	772,387	505,152
(c) Contribution Reserve	4,626,053	-
	<u>6,689,797</u>	<u>1,707,373</u>

(a) Equity Based Payment Reserve:

	Half-year ended 31 December 2018 \$	Year ended 30 June 2018 \$
Balance at the beginning of the period	1,202,221	1,156,911
Current period value - options	74,533	27,929
Current period value - performance rights	14,603	17,381
Balance at period end	<u>1,291,357</u>	<u>1,202,221</u>

The current values for Director Incentive Options issued during the period have been independently valued using the Black Scholes option binomial pricing model.

	Half-year ended 31 December 2018 Number	Year ended 30 June 2018 Number
<i>Movements in Options</i>		
Balance at the beginning of the period	11,142,857	7,142,857
Options exercised	(7,142,857)	-
Director options issued	2,400,000	4,000,000
Balance at the end of the period	<u>6,400,000</u>	<u>11,142,857</u>

Refer Note 8 for details on terms of options and valuation methodology.

(b) Foreign Currency Translation Reserve:

	Half-year ended 31 December 2018 \$	Year ended 30 June 2018 \$
Balance at the beginning of the period	505,152	426,385
Foreign exchange differences	267,235	78,767
Balance at the end of the period	<u>772,387</u>	<u>505,152</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2018

5. RESERVES (con't)

(c) Contribution Reserve:

	Half-year ended 31 December 2018	Year ended 30 June 2018
	\$	\$
Balance at the beginning of the period	-	-
Contribution by BRL in relation to NWP	4,626,053	-
Balance at the end of the period	4,626,053	-

6. LOSS PER SHARE

(a) Loss used in the calculation of basic loss per share

	Half-year ended 31 December 2018	Half-year ended 31 December 2017
	\$	\$
	(598,881)	(351,354)

(b) Weighted average number of ordinary shares outstanding during the reporting period used in calculation of basic loss per share:

	Number of shares	Number of shares
	262,830,122	254,001,513

The diluted earnings per share is not disclosed as the Company made a loss for the period.

7. SEGMENT REPORTING

Jameson Resources Limited operates predominantly in one industry being the mining and exploration industry in Canada.

Segment Information

Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Company is managed primarily on the basis of its coal exploration in Canada and its corporate activities. Operating segments are therefore determined on the same basis

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2018

7. SEGMENT REPORTING (cont')

(i) Segment performance

	Corporate	Coal Exploration	Total
	\$	\$	\$
31 December 2018			
Segment revenue	11,266	1,336	12,602
Segment results	(701,308)	105,332	(595,976)

Included within segment result:

• Depreciation	-	(2,530)	(2,530)
• Interest Revenue	11,266	1,336	12,602
• BC Mining Tax Credits	-	130,549	130,549

31 December 2018			
Segment assets	4,444,566	18,922,642	23,367,208
Segment liabilities	(60,198)	(142,893)	(203,091)

(i) Segment performance

	Corporate	Coal Exploration	Total
	\$	\$	\$
31 December 2017			
Segment revenue	22,545	1,349	23,894
Segment results	(295,321)	(56,033)	(351,354)

Included within segment result:

• Depreciation	-	(2,308)	(2,308)
• Interest Revenue	22,545	1,349	23,894
• Write-down of capitalised exploration	-	(274)	(274)
• BC Mining Tax Credits	-	8,383	8,383

31 December 2017			
Segment assets	2,928,828	12,839,419	15,768,247
Segment liabilities	(70,237)	(407,580)	(477,817)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2018

7. SEGMENT REPORTING (cont')

(ii) Revenue by geographical region

There is no revenue attributable to external customers for the half year period ended 31 December 2018 (2017: nil).

(iii) Assets by geographical region

Reportable segment assets are located in Canada and Australia.

8. SHARE BASED PAYMENTS

During the half year, the Company issued Options to the Company's CEO and Non-executive Directors as part of an employment long-term incentive plan.

CEO Options

The Company issued 4,000,000 CEO Options, replacing the LTI Options issued to Mr Terry Arthur Palm, on 15 November 2017 on the basis that they were no longer considered to be an appropriate incentive for the CEO to continue his employment with the Company. The CEO Options on issue have vesting conditions based on the following:

- (i) the CEO remaining an executive employee of the Company for the vesting period stated in the following table:

CEO Options Tranche	No. of Options	Exercise Price	Expiry Date	Vesting Period Expiry
1	750,000	A\$0.20	31/12/2020	0
2	1,250,000	A\$0.30	31/12/2021	27/11/2019
3	2,000,000	A\$0.40	31/12/2022	27/11/2020

- (ii) a bona fide takeover bid being declared unconditional and the bidder having acquired a relevant interest in at least 50.1% of the Company's issued Shares.

Should the CEO's employment as an executive of the Company terminate prior to the vesting of Tranche 2 and/or Tranche 3 CEO Options, the Board will have absolute discretion to determine if a pro-rata portion of the then unvested CEO Options automatically vest and may be exercised, having regard to the relevant performance of the Company and the CEO, the Vesting Conditions and any other circumstances which it considers are relevant in relation to the termination of the CEO's employment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2018

8. SHARE BASED PAYMENTS (cont')

The fair value of the Incentive Options granted are estimated at the date of grant using the Black Scholes option and binomial pricing model and based on the assumptions set out below:

	CEO Options Tranche 1	CEO Options Tranche 2	CEO Options Tranche 3
Assumptions:			
Valuation date	27/11/2018	27/11/2018	27/11/2018
Market price of Shares	\$0.17	\$0.17	\$0.17
Exercise price	\$0.20	\$0.30	\$0.40
Expiry date	31/12/2020	31/12/2021	31/12/2022
Risk free interest rate	2.04%	2.10%	2.20%
Dividend Yield	0	0	0
Expected future volatility	80%	80%	80%
Vesting milestone (Time in office)	-	12 Months	24 Months
Indicative value per CEO Option	\$0.069	\$0.067	\$0.071
Number of options	750,000	1,250,000	2,000,000
Total Value of CEO Options \$	51,497	84,334	141,819

As at 31 December 2018, management has provided the best estimate of the number of options expected to vest. The options have been valued in accordance with AASB 2 Share Based Payments, and bought to account over their vesting periods. The length of the expected vesting period is consistent with the expiry dates for the options, and a value of \$38,021 has been expensed for the half year.

The amortised value of the cancelled and subsequent reissued CEO options are recognised over the vesting period from the date of grant of the cancelled options being 15 November 2017.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2018

8. SHARE BASED PAYMENTS (cont')

Director Options

The Company issued 1,200,000 Director Options to each of the Company's directors, Mr Steve van Barneveld and Mr Joel Nicholls, with vesting conditions based on the following:

- (ii) the holder remaining in the office as a Director of the Company for the vesting period stated in the following table:

Director Options Tranche	No. of Options	Exercise Price	Expiry Date	Vesting Period Expiry
1	400,000	A\$0.30	31/12/2021	0
2	800,000	A\$0.40	31/12/2022	27/11/2019
3	1,200,000	A\$0.50	31/12/2023	27/11/2020

- (iii) a bona fide takeover bid being declared unconditional and the bidder having acquired a relevant interest in at least 50.1% of the Company's issued Shares.

	Director Options Tranche 1	Director Options Tranche 2	Director Options Tranche 3
Assumptions:			
Valuation date	27/11/2018	27/11/2018	27/11/2018
Market price of Shares	\$0.17	\$0.17	\$0.17
Exercise price	\$0.30	\$0.40	\$0.50
Expiry date	31/12/2021	31/12/2022	31/12/2023
Risk free interest rate	2.10%	2.20%	2.32%
Dividend Yield	0	0	0
Expected future volatility	80%	80%	80%
Vesting milestone (Time in office)	-	12 Months	24 Months
Indicative value per Director Option	\$0.067	\$0.071	\$0.076
Number of options	400,000	800,000	1,200,000
Total Value of Director Options \$	26,987	56,728	91,184

As at 31 December 2018, management has provided the best estimate of the number of options expected to vest. The options have been valued in accordance with AASB 2 Share Based Payments, and bought to account over their vesting periods. The length of the expected vesting period is consistent with the expiry dates for the options, and a value of \$36,512 has been expensed for the half year.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2018

8. SHARE BASED PAYMENTS (cont')

Long Term Incentive – Performance Rights

Performance rights on issue as at 31 December 2018:

Performance Rights	Number on issue	Expiry Date	Number vested
Class A	750,000	31/12/2020	-
Class B	750,000	31/12/2021	-
Class C	1,500,000	31/12/2022	-

The performance rights have been valued in accordance with AASB 2 Share Based Payments, and bought to account over their vesting periods. The length of the expected vesting period is consistent with the expiry dates for the performance rights, and a value of \$14,603 has been expensed for the half year.

9. FINANCIAL INSTRUMENTS

This note provides information about how the Group determines fair values of various financial assets and liabilities. The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

The Directors consider that the carrying value of the financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	31 December 2018		30 June 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
FINANCIAL ASSETS				
Cash & cash equivalents	3,501,991	3,501,991	1,721,504	1,721,504
Trade & other receivables	234,173	234,173	363,477	363,477
	<u>3,736,164</u>	<u>3,736,164</u>	<u>2,084,981</u>	<u>2,084,981</u>
FINANCIAL LIABILITIES				
Trade & other creditors	203,091	203,091	245,509	245,509
	<u>203,091</u>	<u>203,091</u>	<u>245,509</u>	<u>245,509</u>

10. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Dunlevy Energy Inc. acquisition

As a condition for the acquisition of Dunlevy Energy Inc. and the Dunlevy Project, Jameson agreed to pay Mr Ken Murfitt C\$250,000 (plus Canadian HST) upon commencement of commercial production from the Dunlevy Project.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTSFor the Half-Year Ended 31 December 2018

11. NON-CONTROLLING INTEREST and AGREEMENT WITH BATHURST RESOURCES LIMITED

On 29 June 2018, the Company and NWP Coal Canada Ltd entered into an Investment Agreement and Shareholders Agreement with Bathurst Resources Limited, a coal operator in New Zealand.

Key terms of the agreements are as follows:

- Initial payment of C\$4 million (received 13 July 2018) and converted to 8,000,000 fully paid ordinary shares in NWP Coal Canada Inc.
- a second tranche of C\$7.5 million; and
- a final tranche of C\$110 million.
- As a result of the above funding, Bathurst's ownership interest in NWP will be as follows:
 - 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, Crown Mountain will be operated as a 50:50 joint venture between Jameson and Bathurst.

During the period, Bathurst has contributed C\$2,784,000 (A\$2,922,069) towards the second tranche, receiving 556,800 Class A Preference shares in NWP Coal Canada Inc.

Class A preference shares automatically convert into fully paid ordinary shares of NWP upon the completion of the second tranche.

The Bathurst's non-controlling interest in NWP for the period is a net gain of \$26,143 as a result of NWP reporting a net profit of \$105,332.

12. EVENTS SUBSEQUENT TO REPORTING DATE

On 14 January 2019, the Company announced the Chief Gold Commissioner of British Columbia has issued four (4) new coal exploration licenses at its Crown Mountain Coking Coal project.

On 16 January 2019, the Company announced the initial coal quality testing results confirm coking properties at the Company's Crown Mountain project.

There are no matters or circumstances that have arisen since the end of the half year period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' DECLARATIONFor the Half Year Ended 31 December 2018

In the opinion of the Directors of Jameson Resources Limited ("the Company"):

1. the attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) giving true and fair view of the group's financial position as at 31 December 2018 and of its performance for the half-year then ended; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



Art Palm
Chief Executive Officer

Dated this 6th day of March 2019

**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Jameson Resources Limited

Report on the Condensed Half-Year Financial Report*Conclusion*

We have reviewed the accompanying half-year financial report of Jameson Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Jameson Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
6 March 2019



N G Neill
Partner