



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

**Half-Year Financial Report
31 December 2019**

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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 Pennee Osmond

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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 2019. 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 profit after tax for the period ended 31 December 2019 of \$750,647 (2018 loss: \$595,976).

BUSINESS OF THE COMPANY

Jameson Resources Ltd ("Jameson" or "the Company") is focused on exploring and developing low-cost high-quality coking coal operations from its 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 steel-making 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 also continues to examine other business opportunities from time-to-time as they arise.

REVIEW OF OPERATIONS

Summary for the Half Year Period

Crown Mountain continued on the path to permitting and development:

- A Bankable Feasibility Study ("BFS") is underway and targeted for completion in Q1 2020.
- Drafting of the Application for an Environmental Assessment Certificate ("EA Certificate") is proceeding well, with a Q2 2020 targeted submittal date.
- Bathurst exercised their Tranche One Option in September, increasing their shareholding in NWP Coal Canada Limited ("NWP"), which holds Crown Mountain, to 20 percent (Jameson holds the remaining 80 percent).
- In December, Bathurst met the Company's request for C\$1.7 million under the Tranche Two Option, underscoring their continued support of the Project.

DIRECTORS REPORT

As at 31 December 2019 the Top 20 shareholders held approximately 71.17% of the capital of the Company and the Group held AUD\$2.3 million in cash. Jameson remains debt-free.

Jameson also holds a 100 percent interest in the Dunlevy metallurgical coal property in northeast British Columbia, which has been retained for potential future development, subject to the economic environment and further exploration/evaluation. Its low holding cost is primarily the annual exploration licensing fee to the province, being recently paid. Dunlevy was not part of the Bathurst deal.

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).

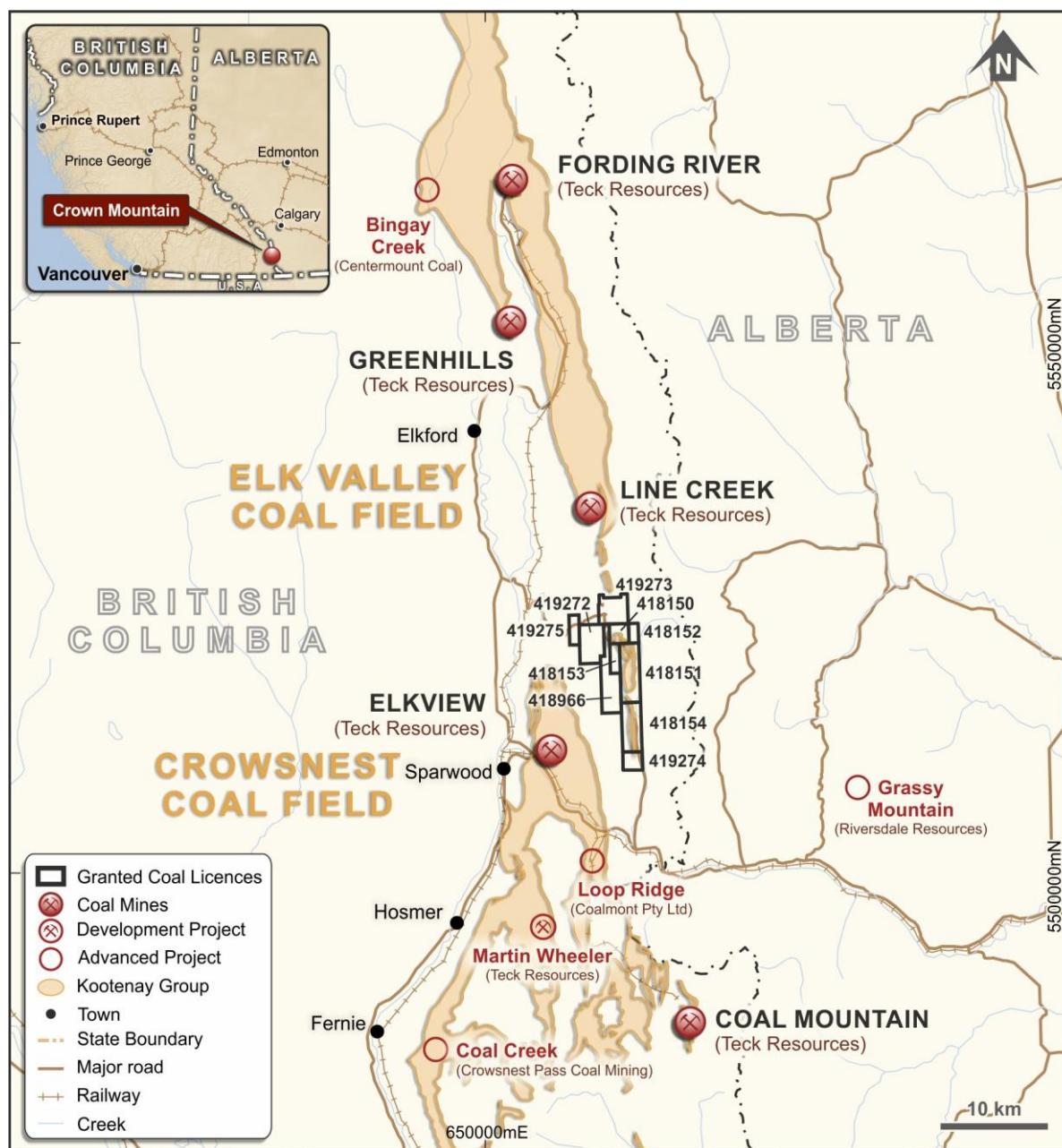


Figure 2: Crown Mountain Coal Licence Locations

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
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
TOTAL			5,629	\$47,167

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.

The results of that program were detailed in the 2019 Annual Report filed by Jameson and form important inputs into the Bankable Feasibility Study ("BFS") now underway.

The BFS is being executed under the direction of the Vancouver office of Stantec, an international consulting firm. Sedgman, a leading designer, builder, and operator of coal washing facilities, is performing the coal preparation and selected infrastructure studies for the BFS.

The BFS is scheduled for completion during the current quarter (Q1 2020) and will provide valuable inputs into the in-progress preparation of the Application for an Environmental Assessment Certificate ("EA Application").

The EA Application is being coordinated by Dillon Consulting (Vancouver office) with input from a wide array of selected expert consultants. The Environmental Certificate is the key pre-requisite for the other permits required to operate an open pit coal mine in British Columbia.

Submittal of the EA Application is targeted for Q2 2020.

Funding for the BFS and EA Application is being provided by way of the Agreement between Jameson and Bathurst that was executed in July 2018, the key components of which are:

- Bathurst (through its wholly owned Canadian subsidiary) invested C\$4 million in Jameson's Canadian subsidiary, NWP Coal Canada ("NWP", which holds the Crown Mountain Project) to sole fund the 2018 summer exploration program, and as a result earned an 8 percent shareholding interest in NWP.
- Once exploration results were reported, Bathurst had 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. Bathurst exercised that option in September 2019, bringing their interest in NWP to 20 percent. Much of the Tranche One funding was forwarded by Bathurst concurrent with the exploration program and subsequent lab analysis to maintain Crown Mountain on a fast track toward development.
- 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. Of the C\$110 million, Bathurst may, at its sole option, forward up to C\$5 million to supplement the Tranche One funds should they be required for pre-construction activities, including completion of the BFS, EA Application, and other permitting activities.
- Upon fully funding all tranches, which total C\$121.5 million, Crown Mountain will be a 50/50 joint venture between Jameson and Bathurst.

Beyond providing the above-described funding, Bathurst has made valuable technical assistance available from their experienced New Zealand based geology, coal quality/marketing, and coal washing staff. The relationship between Jameson and Bathurst is strong, cooperative, and synergistic.

The chart below displays the projected timeline for Crown Mountain through initial coal production:

DIRECTORS REPORT

ACTIVITY	2018				2019				2020				2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Environmental Baseline	✓	✓	✓	✓	✓	✓	✓													
EA Pre-application AIR	✓	✓																		
EA Application Preparation and Submittal	✓	✓	✓	✓	✓	✓	✓	✓												
EA Regulatory Review and Approval																				
Feasibility Level Exploration and Coal Quality Program	✓	✓	✓	✓	✓	✓	✓													
Feasibility Study					✓	✓	✓	✓												
Mine Permit Preparation, Submittal & Approval																				
Project Financing																				
Construction																				
Production Commences																				

Figure 3: Crown Mountain Project Timeline

The above timeline assumes the BFS and EA Application are submitted as targeted (Q1 and Q2 2020 respectively), no abnormal or unforeseen delays (ie: regulatory, etc) occur, and adequate funding remains available to execute the required tasks.

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

Jameson's funding requirements are relatively low, with Bathurst sole-funding essentially all Crown Mountain activities, and currently also reimbursing Jameson for up to C\$150,000 per quarter of corporate expenses. Thus, Jameson has not raised any funds externally since AustralianSuper, the Company's largest shareholder, exercised 7,142,857 options at \$0.105 in July 2018.

NWP recently received a mining exploration tax credit (BCMETS) refund from the province totalling C\$189,000 for qualified exploration expenses in years prior to the execution of the Bathurst deal: those funds have been transferred to Jameson.

In December, NWP filed its corporate income tax which requests a C\$1.4 mining exploration tax credit, which when received, is expected to be used to advance Crown Mountain.

On 25 September 2019, Ms. Pennee Osmond accepted the appointment as Company Secretary. Ms. Osmond had served with Jameson since 2010 as the corporate accountant.

Shareholders approved an Employee Incentive Plan in November 2019, providing the Board a discretionary employment incentive tool. To-date, no actions have been taken under that plan.

In December, Jameson's CEO and Acting Chairman, Art Palm, announced his intent to retire on 15 March 2020. The Jameson Board is conducting a search for a suitable replacement. In May of 2019, NWP hired a Crown Mountain Project Manager, Mike Allen, who has assumed a growing responsibility over the Project and will assure continued uninterrupted progress during the ensuing transition period.

EVENTS SUBSEQUENT TO REPORTING DATE

In early February, Bathurst committed to provide an additional C\$1.3 million to NWP, under a Tranche Two Option Request for Subscription issued by Jameson, to continue executing the BFS and EA Application tasks. These funds will be paid in three monthly instalments covering February, March, and April spending commitments.

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 BFS and EA Application, both scheduled for completion during 1H 2020, will serve to move the Project closer to development.

The Company, in conjunction with its strategic partner Bathurst, will continue to advance Crown Mountain as aggressively as conditions allow with the aim of acquiring all necessary permits and funding and ultimately 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 10 of this report and forms part of this Directors' Report for the half-year ended 31 December 2019.

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 27th day of February 2020

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 2019, 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
27 February 2020



N G Neill
Partner

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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 2019

CONSOLIDATED			
	Note	31 December 2019 \$	31 December 2018 \$
Revenue	2	3,966	12,602
Employee benefits expense	2	(398,779)	(343,856)
Corporate and compliance fees		(137,000)	(147,300)
Administration		(69,178)	(50,923)
Depreciation and amortisation		(2,512)	(2,530)
Interest and finance expenses		(5,442)	(5,177)
Foreign exchange gain/(loss)		(803)	13,084
Other expenses		(59,494)	(34,670)
Equity based payments		(106,903)	(89,136)
Bathurst investment related expenses		-	(78,619)
Impairment of exploration		(28,039)	-
Loss before income tax		(804,184)	(726,525)
Income tax benefit	2	1,554,831	130,549
Profit/(loss) after income tax		750,647	(595,976)
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		43,258	290,473
Other comprehensive income for the period, net of tax		43,258	290,473
Total comprehensive profit/(loss) for the period		793,905	(305,503)
(Loss)/profit attributable to:			
- Members of the parent		436,831	(598,881)
- Non-controlling interests		313,816	2,905
		750,647	(595,976)
Total comprehensive profit/(loss) attributable to:			
- Members of the parent		471,438	(331,646)
- Non-controlling interests		322,467	26,143
		793,905	(305,503)
Basic loss per share (cents)		(0.17)	(0.23)
Fully diluted loss per share (cents)		(0.17)	(0.23)

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

CONSOLIDATED			
	Note	As at 31 December 2019 \$	As at 30 June 2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,334,643	2,699,857
Trade and other receivables	3(a)	1,878,260	231,335
Other assets		45,978	85,904
TOTAL CURRENT ASSETS		4,258,881	3,017,096
NON-CURRENT ASSETS			
Other receivables	3(b)	1,173,329	1,167,837
Deferred exploration and evaluation expenditure	4	26,042,753	22,307,976
Property, plant and equipment		40,827	43,107
Other assets		1,258	1,252
TOTAL NON-CURRENT ASSETS		27,258,167	23,520,172
TOTAL ASSETS		31,517,048	26,537,268
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		310,272	504,392
TOTAL CURRENT LIABILITIES		310,272	504,392
NON CURRENT LIABILITIES			
Provisions		15,339	-
Other payables		29,618	29,480
TOTAL NON CURRENT LIABILITIES		44,957	29,480
TOTAL LIABILITIES		355,229	533,872
NET ASSETS		31,161,819	26,003,396
EQUITY			
Issued capital	5	31,589,220	31,589,220
Reserves	6	11,355,518	8,951,425
Accumulated losses		(17,644,172)	(18,081,003)
Equity attributable to the members of the parent		25,300,566	22,459,642
Non-controlling interest		5,861,253	3,543,754
TOTAL EQUITY		31,161,819	26,003,396

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the Half-Year Ended 31 December 2019

	Issued Capital	Accumulated Losses	Equity Based Payment Reserve	Foreign Currency Translation Reserve	Other Reserve	Total	Non- controlling Interest	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	31,589,220	(18,081,003)	1,403,975	1,739,829	5,807,621	22,459,642	3,543,754	26,003,396
Profit/(loss) for the period	-	436,831	-	-	-	436,831	313,816	750,647
Exchange differences arising on translation of foreign operations	-	-	-	34,606	-	34,606	8,652	43,258
Total comprehensive (loss) for the period	-	436,831	-	34,606	-	471,437	322,468	793,905
Transactions with owners in their capacity as owners:								
Performance rights issued during the period	-	-	14,603	-	-	14,603	-	14,603
Options issued during the period	-	-	92,300	-	-	92,300	-	92,300
Transactions with non-controlling interests:								
Preference shares issued in NWP	-	-	-	-	2,262,584	2,262,584	1,995,031	4,257,615
Balance at 31 December 2019	31,589,220	(17,644,172)	1,510,878	1,774,435	8,070,205	25,300,566	5,861,253	31,161,819
	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)	-	267,335	-	(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

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the Half-Year Ended 31 December 2019

	CONSOLIDATED	
	31 December 2019 \$	31 December 2018 \$
Cash flows from operating activities		
Interest received	3,572	10,885
Payments to suppliers and employees	(772,164)	(647,542)
Net cash flows (used in) operating activities	(768,592)	(636,657)
Cash Flows from investing activities		
Payments for exploration and evaluation	(3,817,926)	(5,490,509)
Payments for safekeeping bond	-	(291,929)
Receipt of BC Mining Tax Credit	-	331,884
Net cash flows (used in) investing activities	(3,817,926)	(5,450,554)
Cash flows from financing activities		
Proceeds from share issue in parent	-	750,000
Proceeds from share issue in NWP	4,245,861	7,177,217
Payments for share issue costs	(8,036)	(4,810)
Net cash flows provided by financing activities	4,237,825	7,922,407
Net increase/(decrease) in cash and cash equivalents	(348,693)	1,835,196
Cash and cash equivalents at 1 July	2,699,857	1,721,504
Foreign currency translation on cash held	(16,521)	(54,709)
Cash and cash equivalents at 31 December	2,334,643	3,501,991

The accompanying notes form part of these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTSFor the Half-Year Ended 31 December 2019

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 financial report was authorised for issue by The Board on 27 February 2020.

The financial statements comprise the consolidated condensed interim financial statements for the Group. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity

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 2019 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 2019 disclosed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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 the purpose of preparing the half-year report, the half-year has been treated as a discrete reporting period.

The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

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 2019 except for the following:

Standards and Interpretations applicable to 31 December 2019

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.

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTSFor the Half-Year Ended 31 December 2019

New or mandated Accounting Standards and Interpretations adopted**AASB 16 Leases***Change in accounting policy*

AASB 16 Leases supersedes AASB 117 Leases. The Group has adopted AASB 16 from 1 July 2019 which results in changes in the classification, measurement and recognition of leases. The changes removes the distinction between 'operating and 'finance' leases. The new standard requires recognition of a right-of-use asset (the leased item) and a financial liability (to pay rentals). The exceptions are short-term leases and leases of low value assets.

The Group has adopted AASB 16 using the modified retrospective approach under which the reclassifications and the adjustments arising from the new leasing rules are recognised in the opening Condensed Statement of Financial Position on 1 July 2019. Under this approach, there is no initial Impact on retained earnings, and comparatives have not been restated.

The Group leases office space. Prior to 1 July 2019, the leases were classified as operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the leases.

From 1 July 2019, the Group recognises a right-of-use asset and a corresponding liability at the date which the lease asset is available for use by the Group (i.e. commencement date). Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a consistent period rate of interest on the remaining balance of the liability for each period.

Where leases have a term of less than 12 months or relate to low value assets, the Group has applied the optional exemptions to not capitalise these leases and instead account for the lease expense on a straight-line basis over the lease term.

Impact on adoption of AASB 16

The adoption of AASB 16 has not resulted in any changes in respect of all operating leases, as the existing lease at 1 July 2019 met the appropriate exemption criteria of having a term of less than 1 year.

The net impact on retained earnings on 1 July 2019 was \$nil.

Practical expedients applied

In applying AASB 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- For existing contracts as at 1 July 2019, the Group has elected to apply the definition of lease contained in AASB 117 and Interpretation 4 and has not applied AASB 16 to contracts that were previously not identified as leases under AASB 117 and Interpretation 4;
- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases, with no right-of-use asset nor lease liability recognised;

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2019

2. PROFIT/(LOSS) FOR THE PERIOD

	31 December 2019 \$	31 December 2018 \$
The following items are relevant in explaining the financial performance for the half-year:		
Interest revenue	3,966	12,602
BC Mining Tax Credit benefit	1,554,831	130,549
Employee benefits expense	(398,779)	(343,856)

3. TRADE AND OTHER RECEIVABLES

	Half-year ended 31 December 2019 \$	Year ended 30 June 2019 \$
(a) Current trade and other receivables		
The following items are relevant in explaining the financial performance for the half-year:		
GST receivable	196,693	85,364
BC Mining Tax Credit benefit receivable	1,681,567	145,971
	1,878,260	231,335

(b) Non-Current other receivables

The following items are relevant in explaining the financial performance for the half-year:		
Reclamation bonds	1,173,329	1,167,837

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2019

4. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Half-year ended 31 December 2019 \$	Year ended 30 June 2019 \$
Costs carried forward in respect of areas of interest in the following phases	26,042,753	22,307,976
Exploration and evaluation phase – at cost		
Balance at beginning of period	22,307,976	13,206,273
Expenditure capitalised	3,689,580	8,043,509
Impairment of Dunlevy project	(28,039)	(26,765)
Foreign currency translation	73,236	1,084,959
As at balance date	26,042,753	22,307,976

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.

5. ISSUED CAPITAL

	Half-year ended 31 December 2019		Year ended 30 June 2019	
	Number	\$	Number	\$
<i>a) Fully paid ordinary shares on issue</i>	263,766,890	31,589,220	263,766,890	31,589,220
	Number	\$	Number	\$
At beginning of the reporting period	263,766,890	31,589,220	256,624,033	30,844,030
<i>Movements in ordinary shares on issue</i>				
Options exercised - \$0.105 expiring 30 September 2018	-	-	7,142,857	750,000
Capital raising costs	-	-	-	(4,810)
At end of reporting period	263,766,890	31,589,220	263,766,890	31,589,220

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2019

6. RESERVES

	Half-year ended 31 December 2019 \$	Year ended 30 June 2019 \$
(a) Equity Based Payment Reserve	1,510,878	1,403,975
(b) Foreign Currency Translation Reserve	1,774,435	1,739,829
(c) Contribution Reserve	8,070,205	5,807,621
	<u>11,355,518</u>	<u>8,951,425</u>

(a) Equity Based Payment Reserve:

	Half-year ended 31 December 2019 \$	Year ended 30 June 2019 \$
Balance at the beginning of the period	1,403,975	1,202,221
Director options	92,300	172,786
Director performance rights	14,603	28,968
Balance at period end	<u>1,510,878</u>	<u>1,403,975</u>

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

	Half-year ended 31 December 2019 Number	Year ended 30 June 2019 \$
<i>Movements in Options</i>		
Balance at the beginning of the period	6,400,000	11,142,857
Options exercised	-	(7,142,857)
Director options issued	-	2,400,000
Balance at the end of the period	<u>6,400,000</u>	<u>6,400,000</u>

Refer Note 9 for details on terms of options and valuation methodology.

(b) Foreign Currency Translation Reserve:

	Half-year ended 31 December 2019 \$	Year ended 30 June 2019 \$
Balance at the beginning of the period	1,739,829	505,152
Foreign exchange differences	34,606	1,234,677
Balance at the end of the period	<u>1,774,435</u>	<u>1,739,829</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2019

6. RESERVES (cont')

(b) Contribution Reserve:

	Half-year ended 31 December 2019	Year ended 30 June 2019
	\$	\$
Balance at the beginning of the period	5,807,621	-
Contribution by BRL in relation to NWP	2,262,584	5,807,621
Balance at the end of the period	8,070,205	5,807,621

7. PROFIT/(LOSS) PER SHARE

	Half-year ended 31 December 2019	Half-year ended 31 December 2018
	\$	\$
(a) Profit/(loss) used in the calculation of basic loss per share	436,831	(598,881)

	Number of shares	Number of shares
(b) Weighted average number of ordinary shares outstanding during the reporting period used in calculation of basic loss per share:	263,766,890	262,830,122
(c) Weighted average number of ordinary shares outstanding during the reporting period used in calculation of diluted profit/(loss) per share::	263,766,890	262,830,122

Basic profit/(loss) per share is calculated as net profit or loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted profit/(loss) per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2019

8. 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.

(i) Segment performance

	Corporate	Exploration	Total
31 December 2019			
	\$	\$	\$
Segment revenue	2,559	1,407	3,966
Segment results	(737,975)	1,488,622	750,647

Included within segment result:

• Depreciation	-	(2,512)	(2,512)
• Interest Revenue	2,559	1,407	3,966
• BC Mining Tax Credits	-	1,554,831	1,554,831

31 December 2019			
Segment assets	5,333,239	26,183,809	31,517,048
Segment liabilities	(55,982)	(299,247)	(355,229)

	Corporate	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)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2019

8. SEGMENT REPORTING (cont')

(ii) Revenue by geographical region

There is no revenue attributable to external customers for the half year period ended 31 December 2019 (2018: nil).

(iii) Assets by geographical region

Reportable segment assets are located in Canada and Australia.

9. SHARE BASED PAYMENTS

The following share based payment arrangements were in place during the period:

CEO Options

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	-
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 2019

9. 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 2019, 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 brought 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 \$46,035 has been expensed for the half year.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2019

9. SHARE BASED PAYMENTS (cont')

Director Options

Director Options on issue have 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 2019, 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 brought 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 \$46,265 has been expensed for the half year.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2019

9. SHARE BASED PAYMENTS (cont')

Long Term Incentive – Performance Rights

Performance rights on issue as at 31 December 2019:

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.

10. 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 2019		30 June 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
FINANCIAL ASSETS				
Cash & cash equivalents	2,334,643	2,334,643	2,699,857	2,699,857
Trade & other receivables	1,878,260	1,878,260	231,335	231,335
	4,212,903	4,212,903	2,931,192	2,931,192
FINANCIAL LIABILITIES				
Trade & other creditors	310,272	310,272	504,392	504,392
	310,272	310,272	504,392	504,392

11. 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 2019

12. 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 (completed 2 Oct 2019)
- 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 exercised its Tranche One Option and earned a 20 percent ownership of subsidiary NWP Coal Canada Limited ("NWP") contributing C\$2,640,000 (A\$2,934,891) towards the completion of the Tranche One option and triggering the conversion of 7,500,000 Class A Preference shares to 7,500,000 fully paid ordinary shares in NWP.

In December, Bathurst met Jameson's request for the first Tranche Two Options advance, providing C\$1.7million. As at 31 December 2019, C\$1.2million has been received issuing 240,000 Class B Preference Shares.

Class B 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 \$313,816 as a result of NWP reporting a net profit of \$1,195,288.

13. EVENTS SUBSEQUENT TO REPORTING DATE

In early February, Bathurst committed to provide an additional C\$1.3 million to NWP, under a Tranche Two Option Request for Subscription issued by Jameson, to continue executing the BFS and EA Application tasks. These funds will be paid in three monthly instalments covering February, March, and April spending commitments.

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 2019

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 2019 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 27th day of February 2020

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 2019, 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 2019 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 consolidated entity's financial position as at 31 December 2019 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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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
27 February 2020



N G Neill
Partner