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

## **ACTIVITIES REPORT FOR SEPTEMBER QUARTER 2016**

### **Highlights**

- ❖ The rise in coking coal prices during the quarter has indicated a significant improvement to the economics of the flagship Crown Mountain Coking Coal project. Prices are now higher than those assumed in the 2014 Pre-feasibility study ("PFS"). Combined with the lower CAD:USD exchange rate, the difference is substantial.
- ❖ Jameson initiated a share placement raising approximately \$1 million. Part of the proceeds will be earmarked for revising/updating the 2014 PFS targeting significant CAPEX and OPEX reductions.
- ❖ Major milestones continue to be achieved as the Company nears completion of several actions comprising the pre-application stage of the Environmental Assessment process for Crown Mountain.
- ❖ The Board was strengthened by the appointment of Joel H. Nicholls as non-executive Director.
- ❖ Costs in the Administrative area continue to be reduced; the quarter's \$107,000 cost was 9% below the same quarter of 2015 (\$118,000)
- ❖ Jameson received an exploration tax credit refund in the amount of CAD \$127,741 related to the Dunlevy project, reducing net cash outflow for the quarter to \$117,000 (excluding the placement).
- ❖ As at 30 September 2016 the Top 20 shareholders held approximately 61% of the capital of the Company and the Company held A\$1.7M in cash (prior to the receipt of proceeds from the share placement).

## Overview

Jameson Resources Limited (“Jameson” or “the Company”) continued to progress the pre-application phase of the EA process at the Crown Mountain Coking Coal project (“Crown Mountain” or the “Project”). All work-in-progress should be completed during the December quarter.

With the recent surge in coking coal prices, the sales prices assumed in the Crown Mountain PFS have been exceeded, propelling Project economics beyond the attractive figures contained in that 2014 report. Reacting to this market improvement, the Company raised approximately \$1 million via a share placement to allow it to update the PFS and target significantly lower CAPEX and OPEX.

Ongoing cost reductions were realized in the administrative area, as the Company strives to preserve capital while advancing Crown Mountain in a measured manner.



Figure 1 – Project Location Plan

## **Project Summary**

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

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

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

The VCD was completed during the reporting period and accepted by the EAO. The AIR is in near-final form, awaiting comments from various government agencies: it should be completed in the December quarter.

Spending on Crown Mountain, at \$144,000, remained relatively low and was focused on completing the above-referenced EA documents.

Rising coking coal prices have now surpassed those assumed in the 2014 PFS. The recent benchmark price of USD \$200/t coupled with the current CAD:USD exchange rate of 0.76 equates to a CAD sales price of \$263t/, versus the PFS-assumed CAD \$185/t during the initial 4 years of project life and CAD \$207/t thereafter.

During the 2 years since the PFS was issued, Jameson has been busy identifying potential reductions to CAPEX and OPEX. With coal prices now favourable, the Company will proceed to engage a qualified third party to update the PFS. A contract mining scenario, not considered in the original PFS, will also be examined.

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

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

Recent announcements indicate at least one of the idled coal mines in northeast British Columbia has resumed production. Although Jameson has no immediate plans to engage in any work at Dunlevy, a sustained increase in coking coal prices will certainly enhance the asset's value to the Company and may cause Jameson to reconsider its current position.

During the quarter Jameson received CAD \$127,741 as an exploration tax refund related to work performed on Dunlevy during 2014.

## **Corporate**

At quarter's end, the Company conducted a share placement which raised approximately \$1 million. Funds will be used in part to continue advancing Crown Mountain, particularly with respect to targeting lower CAPEX and OPEX costs in a revised PFS.

A total of 14.3 million shares were issued at a price of \$0.07 per share, a premium of 40 percent to the pre-placement price. Free attaching options, on a 1-for-2 basis, were issued at an exercise price of \$0.105 on or before 30 September 2018.

The placement was made under ASX Listing Rule 7.1 in accordance with Jameson's 15 percent annual capacity (the actual increase in shares, assuming all options are exercised, is 10.3 percent).

As at 30 September 2016 the Company had A\$1.7 million in cash and equivalents (excluding placement proceeds which were received in early October), no debt, and 208,565,619 fully paid ordinary shares (pre-placement) on issue.

The Company continues to maintain a balance between progressing Crown Mountain and preserving cash. The placement provides management the opportunity to revise the Crown Mountain PFS to reflect the many positive developments that have occurred since it was issued in 2014.

With the resurgence in coking coal, the primary focus of management is to continue advancing Crown Mountain in a controlled and fiscally responsible manner. In addition, management is evaluating other opportunities in coal, and select other commodities as well, as potential projects of interest present themselves.

On Behalf of the Board of Directors,



**Art Palm**

Chief Executive Officer and Acting Chairman

### **About Jameson Resources Limited**

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

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

### **Prefeasibility Study Results**

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

### **Forward Looking Statements**

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