

29 JUN 2018

Fast Facts

ASX: JAL

Share Price Range (6mths) \$0.10 - \$0.17
 Shares on Issue 256,624,033
 Market Capitalisation ~\$32M

**Major Shareholders
(as at 28 JUN 2018)**

AustralianSuper 9.1%
 Hillboi Nominees 5.9%

Directors & Management

Art Palm (Chairman & CEO)
 Steve van Barneveld (Non-Executive Director)
 Joel Nicholls (Non-Executive Director)

Key Projects

Crown Mountain Coking Coal Project

Elk Valley Coal Field, Canada

Dunlevy Coal Project

Peace River Coal Field, Canada

Investment Highlights

- ✓ Positioned in world class metallurgical coalfields
- ✓ Significant development expertise on board with successful track record
- ✓ Modern rail and port facilities
- ✓ Strong financial position

Newsflow / Catalysts

Crown PFS update	Complete
Complete Crown EA pre-app	Complete
Strategic Partner	This Announcement
Exploration Program	Underway
Crown Mtn EA Application	ongoing
Crown Mtn Design Engineering	ongoing

Contact Details

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**Jameson Reaches Agreement with Strategic Partner
to Advance Crown Mountain**

Highlights

- Jameson has reached agreement with Bathurst Resources Limited to provide funding to advance the Crown Mountain project.
- Bathurst (through a wholly owned Canadian subsidiary) will initially invest C\$4 million to fund the 2018 summer exploration program.
- 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.
- Once 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.
- 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 Bathurst investment is in Jameson’s wholly-owned Canadian subsidiary NWP Coal Canada Limited (“NWP”): no Jameson ordinary shares are being issued in this transaction.
- This agreement addresses the largest financial obstacle to the development of Crown Mountain: funding construction.

Jameson Resources Limited (ASX:JAL) (“Jameson”, “Company”) is pleased to report an agreement has been reached with Bathurst Resources Limited (ASX:BRL) (“Bathurst”) with respect to funding the advance of the Crown Mountain Coking Coal Project (“Crown Mountain”) in British Columbia, Canada (“Agreement”).

Bathurst is a successful and profitable operator of several coal mines in New Zealand. Bathurst has an experienced and high-quality team of operating, marketing, financial and technical personnel that Jameson considers will benefit the development of Crown Mountain.

The Bathurst funding will provide Jameson with adequate cash to meet its projected costs for pre-construction activities: exploration, permitting, design engineering, and a BFS. Should all Bathurst tranches be consummated, Jameson anticipates the C\$110 million from Bathurst will represent the majority, if not the only, cash component for construction.

Jameson and Bathurst have entered into an Investment Agreement and a Shareholders’ Agreement to formalise the terms of the Agreement. A summary of the material terms of the Agreement is set out below.

On Behalf of the Board of Directors,



Art Palm
 Chairman & Chief Executive Officer

Discussion

Jameson has been meeting with potential strategic investors for well over a year with the objective of finding a partner to advance the Crown Mountain Coking Coal Project in British Columbia, Canada. Our objectives in this search have been:

- Share project risk with a partner.
- Significantly reduce the prospect of Jameson shareholder dilution.
- Eliminate or dramatically reduce the requirement for Jameson to provide additional project capital, during both pre-construction and construction phases.
- Keep project advancement on a fast-track.
- Attract a partner of compatible philosophy and proven skills.

Jameson considers that all of the above objectives have been met by Bathurst and the proposed transaction. Jameson is delighted to be partnering with Bathurst on the Crown Mountain project. The Company recently visited one of the Bathurst operated sites in New Zealand and was impressed with the efforts Bathurst management is making to improve its recent acquisition.

Key Investment Terms

The material terms of the Agreement are as follows:

- Jameson, Bathurst (via its wholly owned subsidiary Bathurst Resources (Canada) Ltd) and NWP have entered into an investment agreement and a shareholders' agreement.
- The funding of Crown Mountain will be conducted in three tranches as follows:
 - an initial payment of C\$4 million to fund the summer exploration program which is now underway;
 - a second tranche of C\$7.5 million to cover remaining pre-construction activities of permitting, engineering/design, and a BFS. To allow fast-tracking to continue, some of the C\$7.5 million will be disbursed during exploration to support parallel activities such as selenium mitigation engineering. A portion of this tranche will also be applied to certain Jameson corporate costs (not to exceed C\$150,000 per quarter) during the period up to the start of construction and development; and
 - a final tranche of C\$110 million to fund mine construction and development. In the event of higher-than-projected pre-construction costs, up to C\$5 million of this amount may be brought forward to supplement the C\$7.5 million tranche.
- The investments above will be in Jameson's wholly owned Canadian subsidiary NWP, which holds both the Crown Mountain and Dunlevy projects. The Dunlevy project is not part of the Agreement and will be transferred from NWP to Jameson.
- As a result of the above funding, Bathurst's ownership interest in NWP be as follows:
 - after the 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 (comprising a C\$55 million share subscription and a capital contribution to NWP of C\$55 million), 50%, and Crown Mountain will be operated as a joint venture between Jameson and Bathurst.
- It is anticipated that the C\$110 million cash payment will be part of a financing package comprised of a mix of funding options which may include leasing the major minor equipment, and a debt

component for the balance. Bathurst will not proceed with the final tranche until such a package has been fully arranged with binding commitments from respective debt providers.

- The second and final funding tranches are granted to Bathurst as exclusive funding options. The second tranche option will expire 90 days after the later of the date on which the summer exploration program is completed, the laboratory reports are issued in relation to the summer exploration program and Jameson issues a news release containing the results of the exploration program. The final tranche option will expire 90 days after the later of the date on which the BFS is obtained, all permits and approvals required to proceed with development of a mine are obtained and a decision to proceed with development of a mine is made by the NWP board.
- NWP may invite Bathurst to subscribe for preference shares in NWP to raise further capital prior to the second and final funding tranches and funds received will be applied towards the second and final funding tranches (as applicable) and are not in addition to those subscription rights.
- Should Bathurst elect not to proceed with the second or final funding tranches, there are provisions protecting Jameson's interest as Jameson has an exclusive option for 12 months following such an event to purchase all of the NWP shares held by Bathurst at the same price that Bathurst paid for them.
- Bathurst and Jameson each have first right of refusal should either party elect to sell its NWP interest to a third party. Further, should an exceptional offer for Crown Mountain emerge at any time, the parties may, by mutual consent, agree to pursue such an offer.
- As is typical with such transactions, Jameson has provided certain warranties and indemnities to Bathurst with respect to pre-existing issues.
- As part of the transaction, the majority of inter-company debt owed to Jameson from NWP has been converted into NWP equity. A balance of C\$2 million remains, to allow transfer to Jameson of items such as mineral tax credit refunds, corporate expense reimbursement, etc.
- Bathurst will nominate one director to NWP concurrent with execution of the Agreement, and once a 50/50 joint venture is achieved, will appoint 50% of the NWP directors. Bathurst will not have a seat on the Jameson board.
- The Agreement may be terminated prior to completion of the initial subscription by Bathurst, for material breach, if the conditions precedent to the initial subscription are not satisfied within 14 days of the date of the agreement or if a regulatory authority prohibits the Agreement proceeding. After Bathurst provides the initial subscription, the investment agreement may only be terminated by mutual consent.

Assuming both the second and final funding options are exercised and paid in full by Bathurst, Jameson's need to raise cash over the next several quarters will be significantly reduced. With the financial backing and management assistance of Bathurst, Jameson is confidently moving Crown Mountain forward on all fronts. The Crown Mountain project will no longer be cash constrained, allowing NWP to focus on executing the critical path items and optimizing the timeline. We believe that the Agreement is a milestone moment for Jameson shareholders and will be a key component in enhancing the value of Jameson going forward.

Proposed Timetable

As at the date of this announcement, Jameson anticipates that completion of the payment of the initial subscription amount by Bathurst, and the issue of the initial NWP subscription shares to Bathurst, will occur on or before 13 July 2018. This date is indicative only and subject to change.

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 coking coal project, and a 100% interest in the Dunlevy coal project, both located in British Columbia. Jameson's tenement portfolio is positioned in coalfields responsible for the majority of Canada's metallurgical coal exports and is near railways connecting to export facilities.

To learn more, please contact the Company at +61 8 9200 4473, or visit: www.jamesonresources.com.au

About Bathurst Resources Limited

Bathurst is the largest coal company operating in New Zealand with over 2.2 million tonnes per annum of coal under management. More than 70% of the coal sold is used for steel making, both domestically and for export to Asian coke makers and steel mills. The remainder is sold to domestic users in the agricultural and energy sectors.

In September 2017, Bathurst took control and ownership of three mines from Solid Energy through its 65% joint venture BT Mining. The Bathurst Group of companies now employs almost 500 people in New Zealand.

The Bathurst operations are long life assets with extension potential for all operations beyond their current mine life. Bathurst is focussed on low cost, sustainable mining with a strong focus on the local communities and environmental management.

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.