

# INVESTOR PRESENTATION

## APRIL 2017 UPDATED PFS



**POSITIONED IN WORLD CLASS  
COKING COAL FIELDS**

Jameson is a pure coking coal Company with its flagship project, Crown Mountain, located within Canada's prolific Elk Valley coal field, home to five operating mines.

**PROXIMAL TO  
INFRASTRUCTURE**

Crown Mountain is located in a mature mining region, proximal to a road network and an extensive rail system linking to three well established deep water coal ports.

**KEY PROJECT MOVING  
FORWARD IN 2017**

PFS Update shows robust economics at lower OPEX, CAPEX. FOB cash cost US\$75/t. Crown Mountain is completing the formal phase of the EA pre-application process.

**SIGNIFICANT DEVELOPMENT  
EXPERTISE ON BOARD**

Jameson's Board has broad expertise in successfully developing and managing coal mines and processing facilities.

**INDUSTRY RECOVERY**

Crown Mountain is being positioned to take advantage of the recovery in coking coal prices and improved investor sentiment, with a targeted start of construction in 2019.

- **Original study performed in 2014**
- **Since 2014, Jameson identified opportunities in:**
  - Lower OPEX – leading to reduced FOB cash cost
  - Lower CAPEX
  - Shifting macroeconomic trends
- **PFS Update Participants:**
  - Norwest Corporation: Lead and QP
  - Kiewit: US-based miner and contractor
  - Sedgman: Processing and infrastructure
  - Koornhof: Coal market expert
- **Design Basis:**
  - 1.7 mtpa clean coal sales
  - 16 year mine life
  - Open pit mining
  - Company owned and operated mine
- **Product/Market:**
  - Hard coking coal (84%) and PCI
  - Steel makers
  - Export (Asia, Europe, S America)



For personal use only

# Crown Mountain PFS Update Highlights

- FOB cash cost of US\$75/t life-of-mine (US\$66/t first four years)
- Hard Coking Coal (HCC) comprises 84% of total clean coal production (balance is PCI)
- After-tax Payback Period of 2.3 years
- IRR is 40% pre-tax (31% after tax)
- NPV10 US\$440 million pre-tax (US\$267 million after tax)
- Start-up capital US\$281 million (pre-contingency)
- Life of mine clean coal strip ratio of 9.8:1 BCM:t (7.5:1 BCM:t in first four years) supports low cost open pit production
- Coal sales prices assumed (below) are significantly lower than the 2014 PFS and current market. (PFS Update used the average price of each range below)

	IRR %	NPV <sub>10</sub> US\$M	NPV <sub>10</sub> A\$M
Pre-Tax	40	440	587
After-Tax	31	267	356

PERIOD	COAL TYPE	NORTH	SOUTH
Life-of-mine	Hard Coking	\$140 - \$170	\$126 - \$153
	PCI	\$92 - \$112	\$92 - \$112

# Crown Mountain Operating Costs

Cost Category	Cash Cost Per Clean Tonne Initial Four Years US\$	Cash Cost Per Clean Tonne Life-Of-Mine US\$
Waste Removal	21.51	26.47
Coal Mining	3.32	4.35
Plant	6.25	7.76
Clean Coal Handling	2.24	2.24
Reclamation	1.01	1.01
Minor equipment	0.65	0.77
Marketing/Corporate	1.01	1.01
Administration	4.54	5.51
<b>Total Costs – Site</b>	<b>40.53</b>	<b>49.13</b>
Rail and Port Costs	25.50	25.50
<b>Total Costs - FOB (pre-tax and royalty)</b>	<b>66.03</b>	<b>74.63</b>

- Waste removal and coal mining costs based on Kiewit experience and comparables from other mines.
- Plant processing costs by Sedgman considering experience with similar facilities.
- Clean coal handling includes overland conveyor, trucking, and loading into rail cars.
- Administration costs include salaried staff at mine and plant.
- Rail and Port Costs based on publicly available data.
- Sustaining capital of US\$4.18/t excluded from table.

# Crown Mountain Start-up Capital

Pre-Production Capital	US\$M
Major Mobile Equipment	99.1
Minor Mobile Equipment	9.7
Wash Plant	63.7
Infrastructure (rail load-out, roads, power, offices, shop etc) and permitting	93.2
Pre-Strip	15.6
<b>SUBTOTAL – CAPITAL</b>	<b>281.3</b>
Contingency @ 10%	28.1
<b>TOTAL CAPITAL</b>	<b>309.5</b>

The capital cost represents the total investment required for the development and construction of the mine, including:

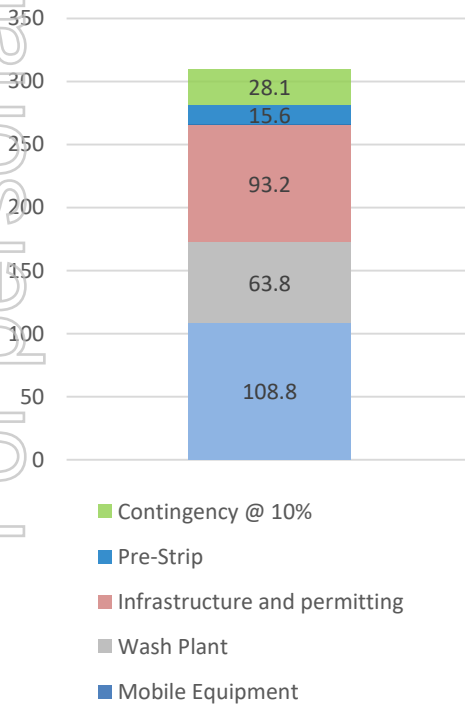
- All estimated permitting, bankable feasibility, and design engineering expenses.
- Assumes all equipment is purchased new.
- Pre-stripping and initial pit haul roads are capitalized.
- Mining fleet includes Hitachi model EX-2600, EX-3600 and EX-5600 diesel powered excavators paired with CAT 793 haul trucks.
- Wash plant located near mining pits, with clean coal conveyed down mountain to truck haul and rail loadout.

# Crown Mountain Capital Intensity

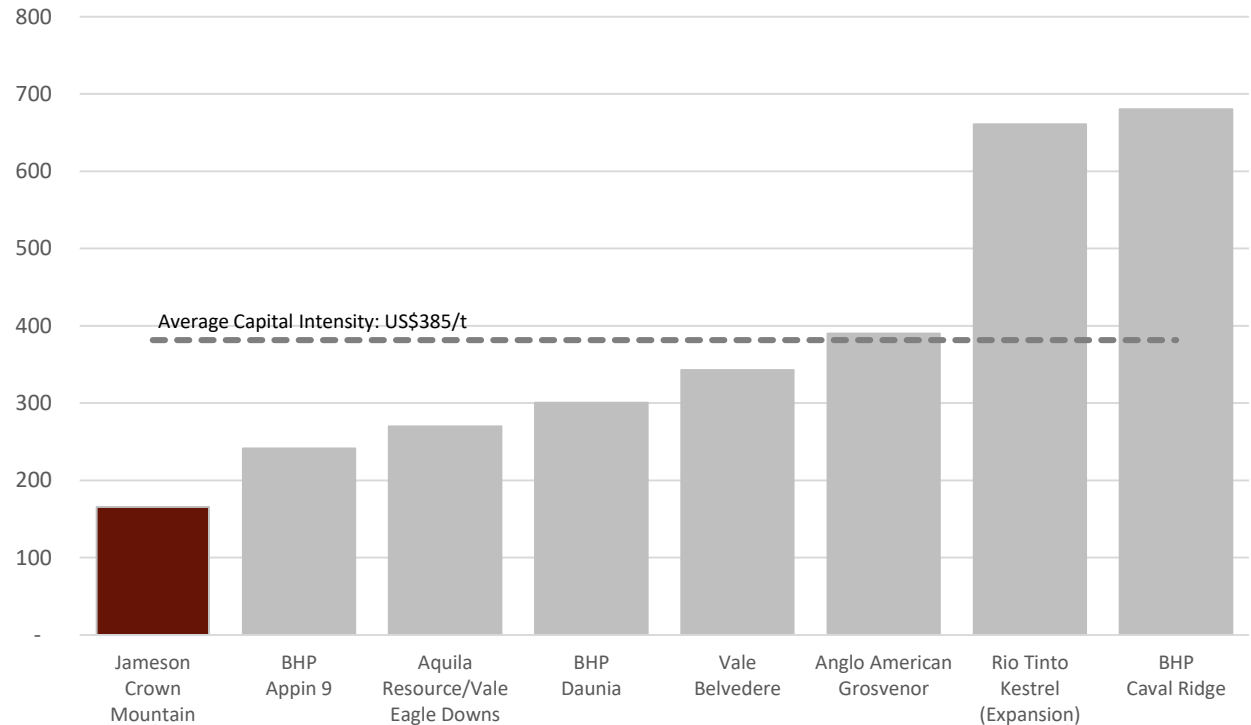
## Crown Mountain's low capital intensity is attributable to:

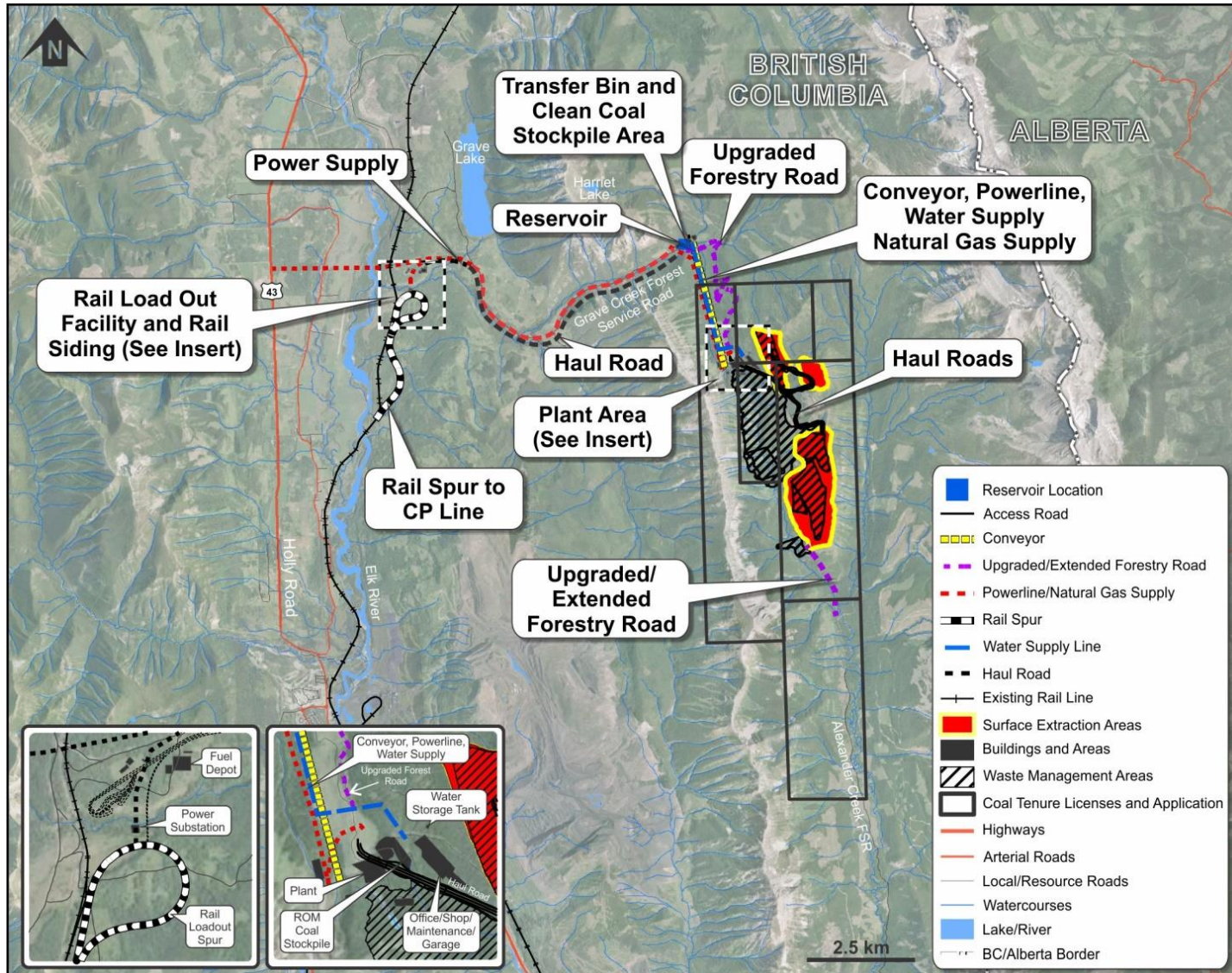
- the topography of the project
- low initial development costs due to favourable pre-stripping ratio
- proximity to established infrastructure (power, rail and port)
- the impact of exchange rate variations

## Pre-production Capex (US\$m)



## Capital Intensity (US\$/t) - Crown Mountain v Coking Coal Development Projects





For personal use only



# Crown Mountain Infrastructure – Rail and Port Capacity

No capacity constraints on rail networks and ports currently undergoing expansion

## RAIL

- Common user railway linking South East BC to deep water ports in Vancouver
- Rail is located 16km from the proposed washplant
- Canadian Pacific currently services the south-east BC coal fields

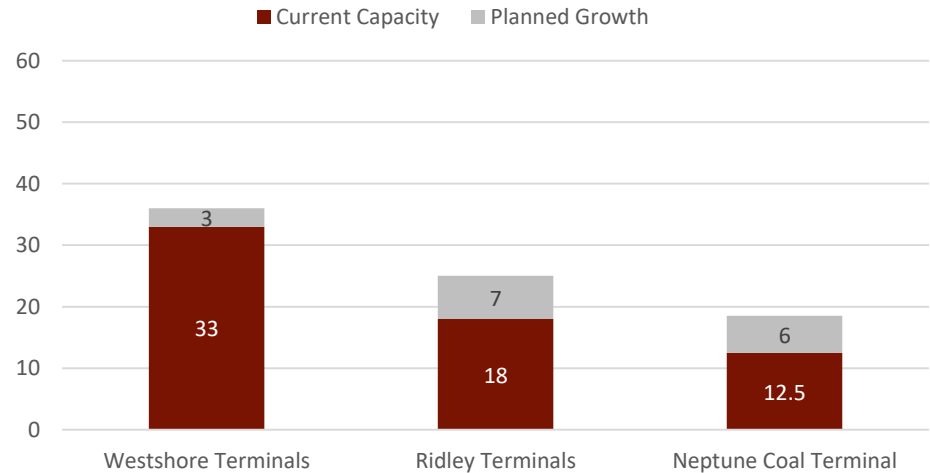
## PORTS

- Western Canada has three available ports – Westshore, Ridley and Neptune
- Existing port capacity comfortably meets current export requirements
- Expansion is planned at all three ports
- The PFS update assumes all coal is moved through Westshore terminal

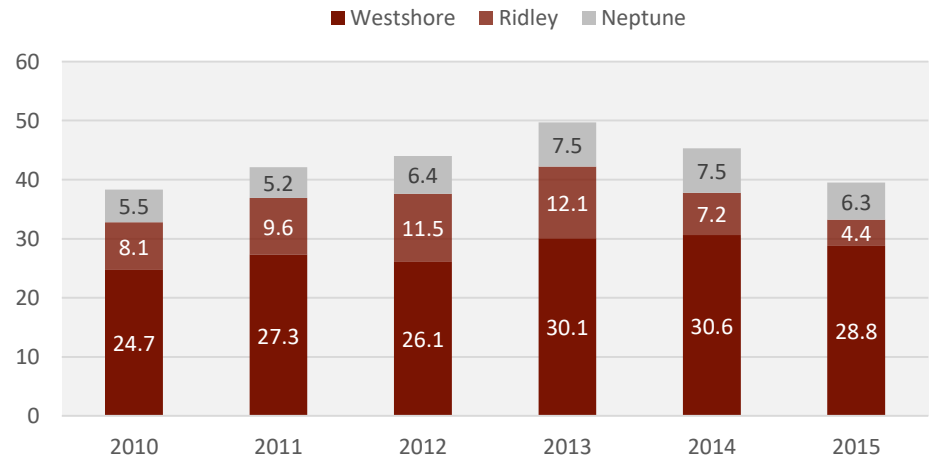


Westshore terminal

Canada - West Coast Port Capacity (Mt)



Annual Export Shipments (Mt) - West Coast Ports



# Crown Mountain Metallurgical Coal

For personal use only

## METALLURGICAL COAL

- Metallurgical coal is predominantly sold in three forms – Hard Coking Coal (HCC), Semi-Soft Coking Coal and Pulverised Coal Injection
- HCC is the most valuable form of coal as there are no substitutes and it must be used in the production of steel by blast furnace method. The Crown Mountain coals are 84% HCC.
- Met Coal is converted to coke, a critical input in the steel production process
- Coke is used as a fuel and reducing agent in steel blast furnaces to convert iron ore into iron, and ultimately steel
- The majority of steel is produced by Basic Oxygen Furnace, which requires coking coal.

## BASIC OXYGEN FURNACE

- Optimal operation of the blast furnace demands the highest quality raw materials, including high CSR coals such as those from Crown Mountain.
- The carbon content of coke plays a crucial role in terms of its effect in the furnace and on the hot metal quality
- A blast furnace fed with higher quality coke requires less coke input, and results in higher quality hot metal and better productivity
- Approximately 600-750kg of metallurgical coal is used in the process to produce 1 tonne of steel

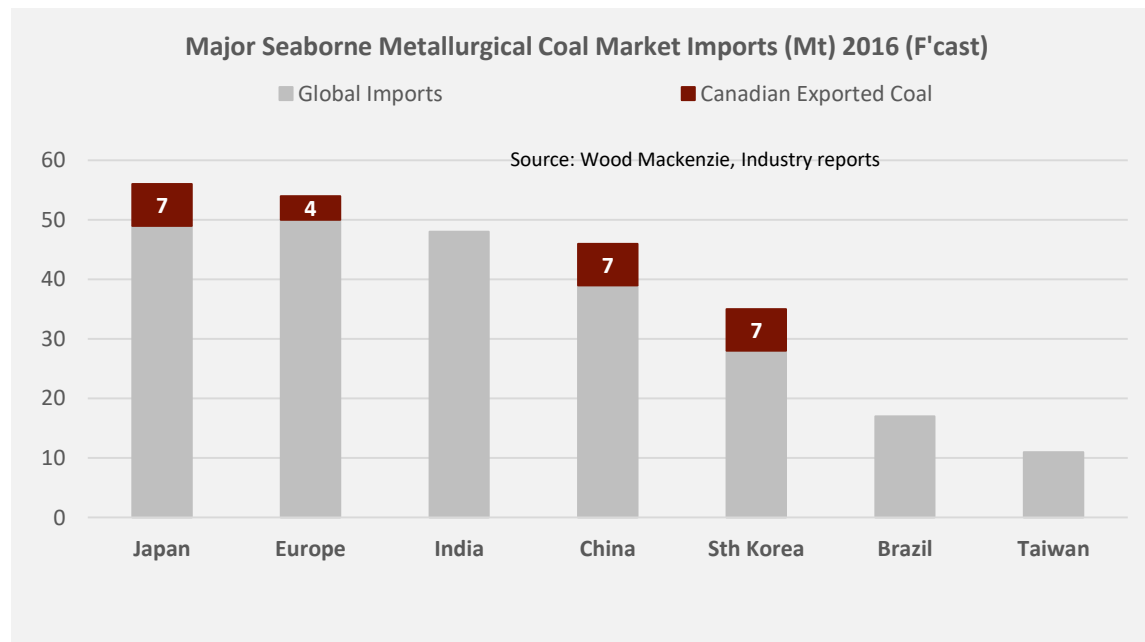


Source: World Coal Association

# Crown Mountain Seaborne Metallurgical Coal Market

## METALLURGICAL COAL MARKET

- The Global Seaborne Met Coal market is approximately 290mt
- The Global Seaborne HCC market is approximately 171mt
- Canada is the third largest Metallurgical coal exporter behind Australia and the United States
- Canada currently exports approximately 25mt of metallurgical coal annually
- Canada exports its metallurgical coal to Japan, Europe, China and South Korea for blending



For personal use only

	Crown Mountain Coking Coal <sup>1</sup>		Canadian NEBC HCC <sup>2</sup>	Canadian SEBC HCC <sup>2</sup>	Central Alberta <sup>2</sup>
	North and East Blocks	South Block			
<b>Total Moisture (% as received)</b>	8 - 9	8 - 9	8 - 9	8 - 9	8 - 9
<b>Volatile Matter (% dry)</b>	20.5	18	23 - 24.5	21 - 27	17 - 27
<b>Ash Content (% dry)</b>	9	9	8.3 - 8.6	8.5 - 9.6	8.5 - 9.5
<b>Sulphur Content (% dry)</b>	0.6	0.6	0.45 - 0.55	0.35 - 0.75	0.45 - 0.5
<b>Free Swelling Index (FSI)</b>	7 - 8	4 - 5	7 - 8	6 - 8	5 - 7
<b>Vitrinite Reflectance R<sub>o</sub>Max (%)</b>	1.45	1.59	1.15 - 1.25	1.10 - 1.35	1.10 - 1.60
<b>Maximum Fluidity (ddpm)</b>	30	5	150 - 300	40 - 300	15 - 700
<b>Phosphorus in Coal (% dry)</b>	0.060	0.100	0.008 - 0.040	0.010 - 0.065	0.016 - 0.050
<b>Base/Acid Ratio of Ash</b>	0.07	0.05	0.12 - 0.18	0.07 - 0.10	0.11
<b>CSR (Coke Strength after Reaction)</b>	75	67	58 - 60	68 - 72	58 - 60

**Quality Comparison of Crown Mountain Coal with Other Canadian Export Coking Coals**

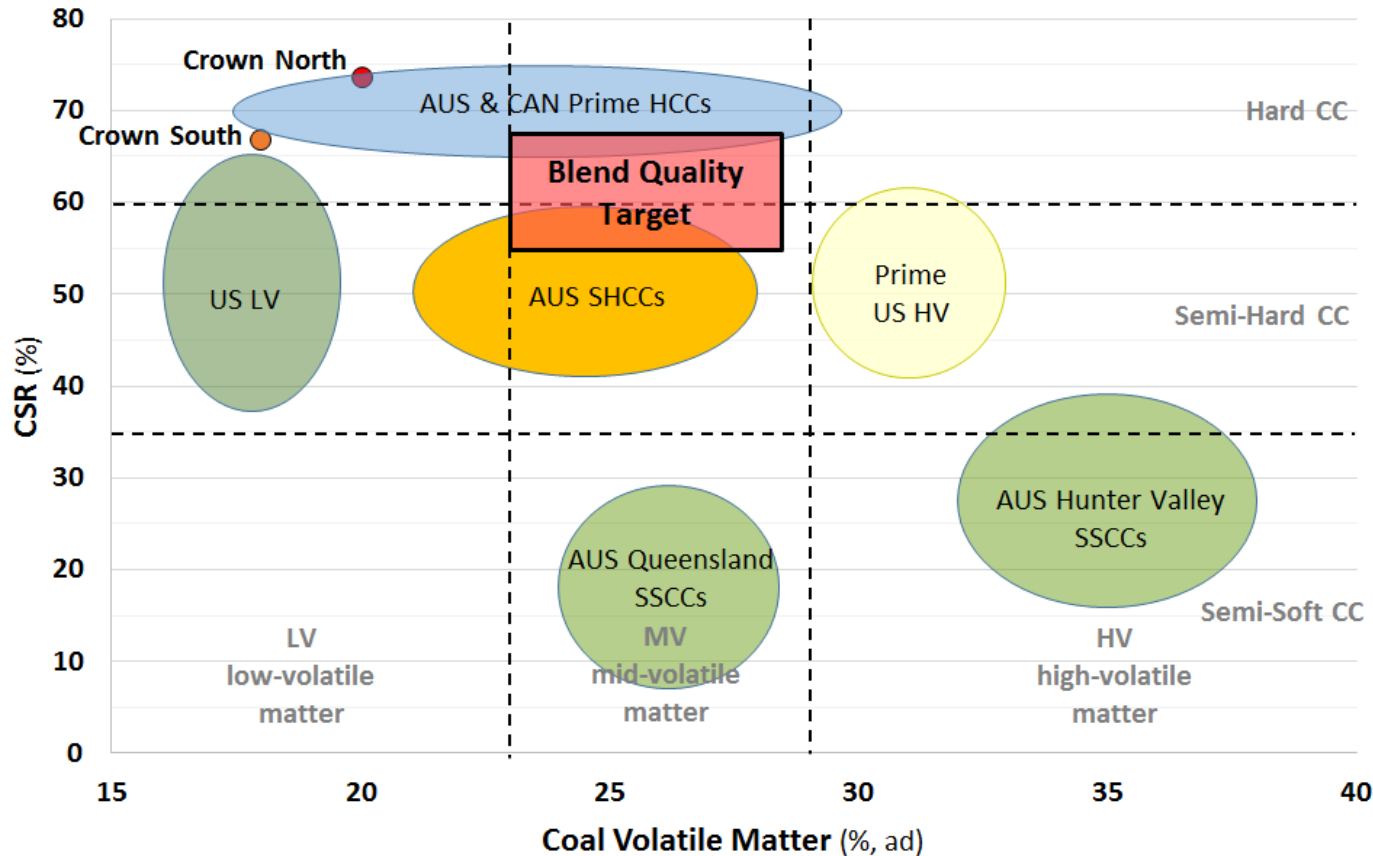
**Notes:**

<sup>1</sup> Results are based on laboratory scale washing and testing of exploration samples.

<sup>2</sup> Results are based on full washing plant under operating conditions.

Data source: Kobie Koornhof Associates

Simplified Met Coal Positioning for Blending



Source: Norwest

To attain the “blend quality target” it is necessary to include high CSR “Prime HCCs” to offset lower quality coals. As depicted above, the Crown Mountain coal products have higher CSR relative to most other coals.

For personal use only

- In addition to having successfully completed the PFS Update, **the company has been progressing the pre-application stage of environmental permitting process** over the past two years.
- Extensive environmental baseline studies are required prior to submitting an Environmental Assessment ('EA') Application, including:
  - Surface water
  - Hydrology
  - Groundwater
  - Geochemistry
  - Meteorology
  - Terrestrial Habitat (wildlife, TEM, plants)
  - Fish and Fish Habitat
- Studies on many of these topics were initiated early in project life concurrent with exploration as a result of consultation with First Nations and other entities. As a result a **large amount of environmental work has already been completed**, with the balance to be determined by a gap analysis once the formal pre-application phase is completed.



- **The company has continued to progress the pre-application stage of the EA process, with the Application Information Requirements ('AIR') expected to be completed and accepted in Q2/Q3-17.**

- The AIR is essentially **the blueprint for preparing the Application** for an EA Certificate.

- This is a significant milestone for the company.

- Once the **AIR is approved it has a three year life**, during which time the EA application must be lodged.

- The EA Certificate is a **pre-requisite** for all other mine-related permits.

- Once granted, the **EA certificate is valid for five years**, with the allowance for one renewal

- The **mine permit** application can be submitted concurrent with the EA application, or subsequent to it.



# Crown Mountain - Timeline

ACTIVITY	2016				2017				2018				2019				2020			
	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 Consultations	✓	✓																		
EA Pre-application VCD		✓	✓	✓																
EA Pre-application AIR				✓	✓															
PFS Update				✓	✓	✓														
EA / Permitting Preparation, Submittal & Approval																				
Feasibility including Drilling & Detailed Engineering																				
Mine Permit Preparation, Submittal & Approval																				
Construction																				
Production Commences																				

Above timing assumes all critical path items are executed on schedule and funding is available as required.



## Art Palm – Chief Executive Officer and Chairman

- Mining engineer with over 40 years of experience
- Engineering, Operations & Executive positions at major US coal producers
- Extensive experience designing and managing mines (surface and underground) and coal preparation plants

## Steve van Barneveld – Non-Executive Director

- Process engineer with over 28 years experience
- Majority of years spent with Sedgman Limited, ultimately as COO
- Extensive experience in asset development, design, construction, and operations management

## Joel Nicholls - Non-Executive Director

- Over 8 years financial and technical experience in resources industry.
- Chartered Accountant; graduate degree in Mineral Exploration Geoscience.

## Suzie Foreman - Company Secretary

- Chartered Accountant with over 18 years of financial and corporate governance experience specialising in mining and exploration.

## Share Capital

Recent Share Price	A\$0.08
Shares Outstanding	223m
Market Capitalisation	A\$18m
Trading Range (6 month)	A\$0.08 to A\$0.12

## Cash Reserves\*

Cash on Hand (31-MAR-2017)	A\$2.0m
----------------------------	---------

## Options

Options (A\$0.105 exercise price)	7.1m
-----------------------------------	------

## Ownership

Top 20 Shareholders	61.8%
JP Morgan Nominees Australia Limited	13.6%
Hillboi Nominees	5.5%

## Resources and Reserves

Reserves	56m tonnes
Resources - Measured & Indicated	75m tonnes**
Resources - Total	99m tonnes**

\* Jameson Resources is debt-free

\*\* Measured and Indicated Resources include noted Reserves

## Competent Person Statements

### Mineral Reserves and Pre Feasibility Study Results

The information in this presentation 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 announcement and, that all material assumptions and technical parameters underpinning the reserve estimates and pre feasibility 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.

### Mineral Resource

The information in this presentation relating to the Mineral Resource estimate on the Company's Crown Mountain Coal Project is extracted from the ASX Release entitled "Positive Property-Wide Coal Quality, Crown Mountain Coking Coal Project" announced on 14 March 2014 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 announcement and, that all material assumptions and technical parameters underpinning the resource estimates 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.

*This document has been prepared as a summary only, and does not contain all information about the Jameson Resources Limited's (the "Company") assets and liabilities, financial position and performance, profits and losses, prospects and the rights and liabilities attaching to the Company's securities.*

*This document does not purport to be complete and is for informational purposes only: it does not represent financial advice. This document should be read in conjunction with any public announcements and reports (including financial reports, third party studies and disclosure documents) released by the Company. The securities issued by the Company are considered speculative and there is no guarantee that they will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future. Further details on risk factors associated with the Company's operations and its securities are contained in the Company's prospectuses and other relevant announcements to the Australian Stock Exchange.*

*The information contained here-in does not constitute an offer, solicitation or recommendation in relation to the subscription, purchase, or sale of securities in Jameson Resources. The attached document was prepared to highlight certain aspects of Jameson Resources as an introduction and/or update, and is not a comprehensive source of key information.*

*Some of the statements contained in this presentation are forward-looking statements. Forward looking statements include but are not limited to, statements concerning estimates of coal tonnages, expected costs, statements relating to the continued advancement of the Company's projects and other statements which are not historical facts. When used in this document, and on other published information of the Company, the words such as "aim", "could", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements.*

*Although the Company believes that its expectations reflected in the forward-looking statements are reasonable, such statements involve risk and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Various factors could cause actual results to differ from these forward-looking statements and include the potential that the Company's projects may experience technical, geological, metallurgical and mechanical problems, changes in product prices and other risks not anticipated by the Company or disclosed in the Company's published material.*

*The Company does not purport to give financial or investment advice. No account has been taken of the objectives, financial situation or needs of any recipient of this document. Recipients of this document should carefully consider whether the securities issued by the Company are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position.*

# APPENDIX 1

## **SENSITIVITY & FINANCING**

# Crown Mountain

## PFS Update Results – SENSITIVITY

For personal use only

NPV10 (US\$M)					
		Pre-Tax		After Tax	
	Sensitivity Range	+	-	+	-
<b>Base Case</b>		440.6		267.2	
<b>Selling Price</b>	+/-10%	590.0	291.4	364.4	169.8
<b>Selling Price</b>	+/-20%	739.4	141.7	461.6	70.6
<b>Ridley Terminal</b>	+US\$12/tonne	313.4		184.3	
<b>Operating Cost</b>	+/-10%	391.0	490.1	235.0	299.3
<b>Operating Cost</b>	+/-20%	302.2	539.7	182.2	331.5
<b>Capital Cost</b>	+/-10%	411.5	469.6	245.9	288.4
IRR %					
		Pre-Tax		After Tax	
	Sensitivity Range	+	-	+	-
<b>Base Case</b>		39.6%		31.3%	
<b>Selling Price</b>	+/-10%	47.6%	31.1%	37.7%	24.5%
<b>Selling Price</b>	+/-20%	55.0%	21.4%	43.7%	16.5%
<b>Ridley Terminal</b>	+US\$12/tonne	32.5%		25.6%	
<b>Operating Cost</b>	+/-10%	37.2%	42.0%	29.3%	33.3%
<b>Operating Cost</b>	+/-20%	34.6%	44.3%	27.2%	35.1%
<b>Capital Cost</b>	+/-10%	35.6%	44.4%	28.2%	35.1%

## Procurement/Financing Considerations

- **The used equipment market provides an opportunity to achieve significant reductions in CAPEX:**
  - Low-hour equipment is often available for a fraction of original cost
  - OPEX would increase versus new equipment
  - In the right market, this can be an attractive option
  - The used equipment market is cyclical, and any decision to explore this option can only be made during project procurement
- **Leasing equipment is another avenue to reducing capital:**
  - In a low interest rate environment leases are an attractive alternative
  - The health of the OEM equipment market also determines the competitiveness of leasing
  - Leasing is another decision best made concurrent with the procurement process
- **The financial estimates below are based on:**
  - Leasing new or buying low-hour used Major Mining equipment
  - Currently prevailing used equipment and leasing rate markets
  - 10% contingency on capital

Scenario	Start-Up Capital US\$M	LOM FOB US\$/tonne	IRR %		NPV <sub>10</sub> US\$M	
			PreTax	After Tax	PreTax	After Tax
All Capital	309	74.63	40	31	440	267
With used equipment	272	76.81	44	35	456	280
With leased equipment	227	80.11	47	38	457	284

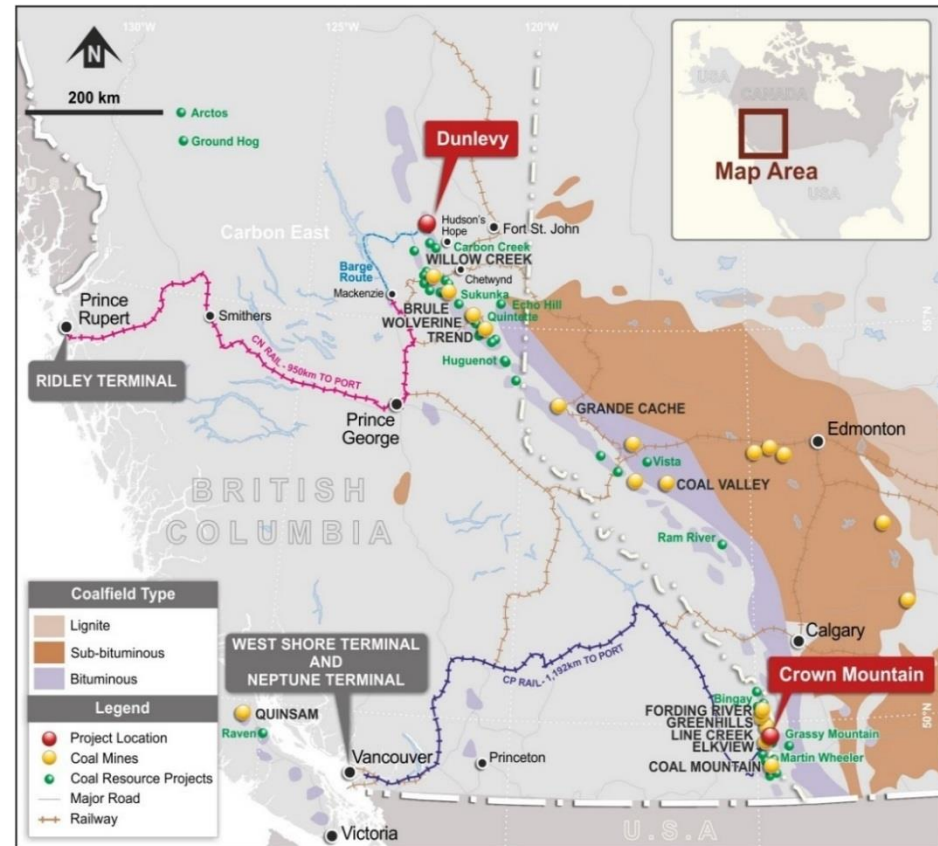
## APPENDIX 2

# LOCATION & GEOLOGY

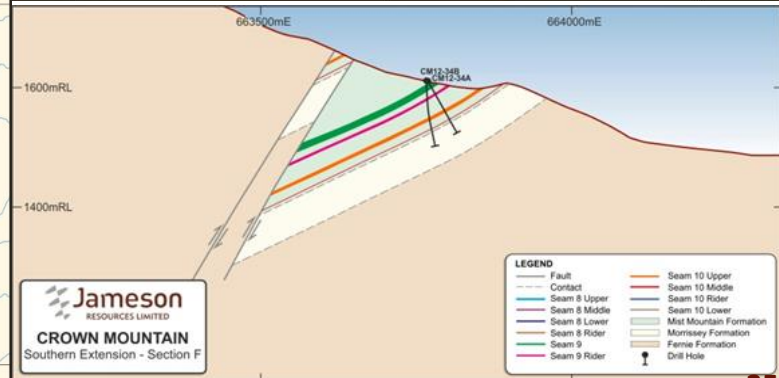
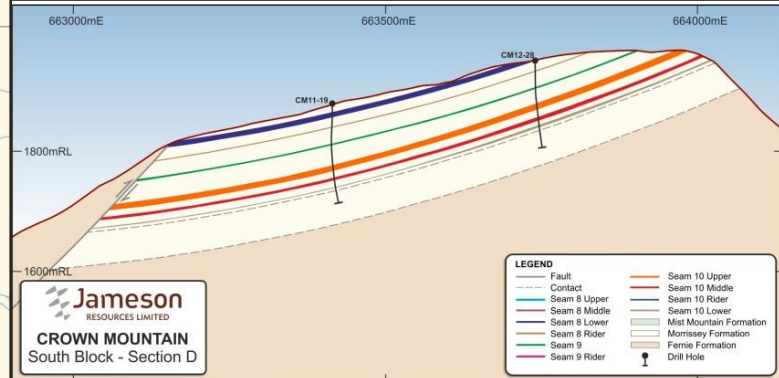
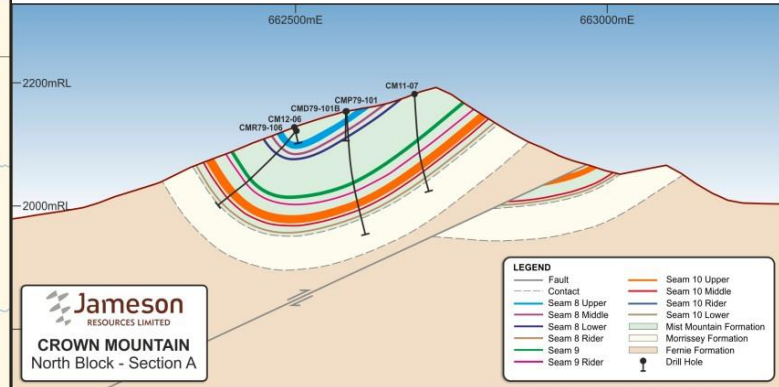
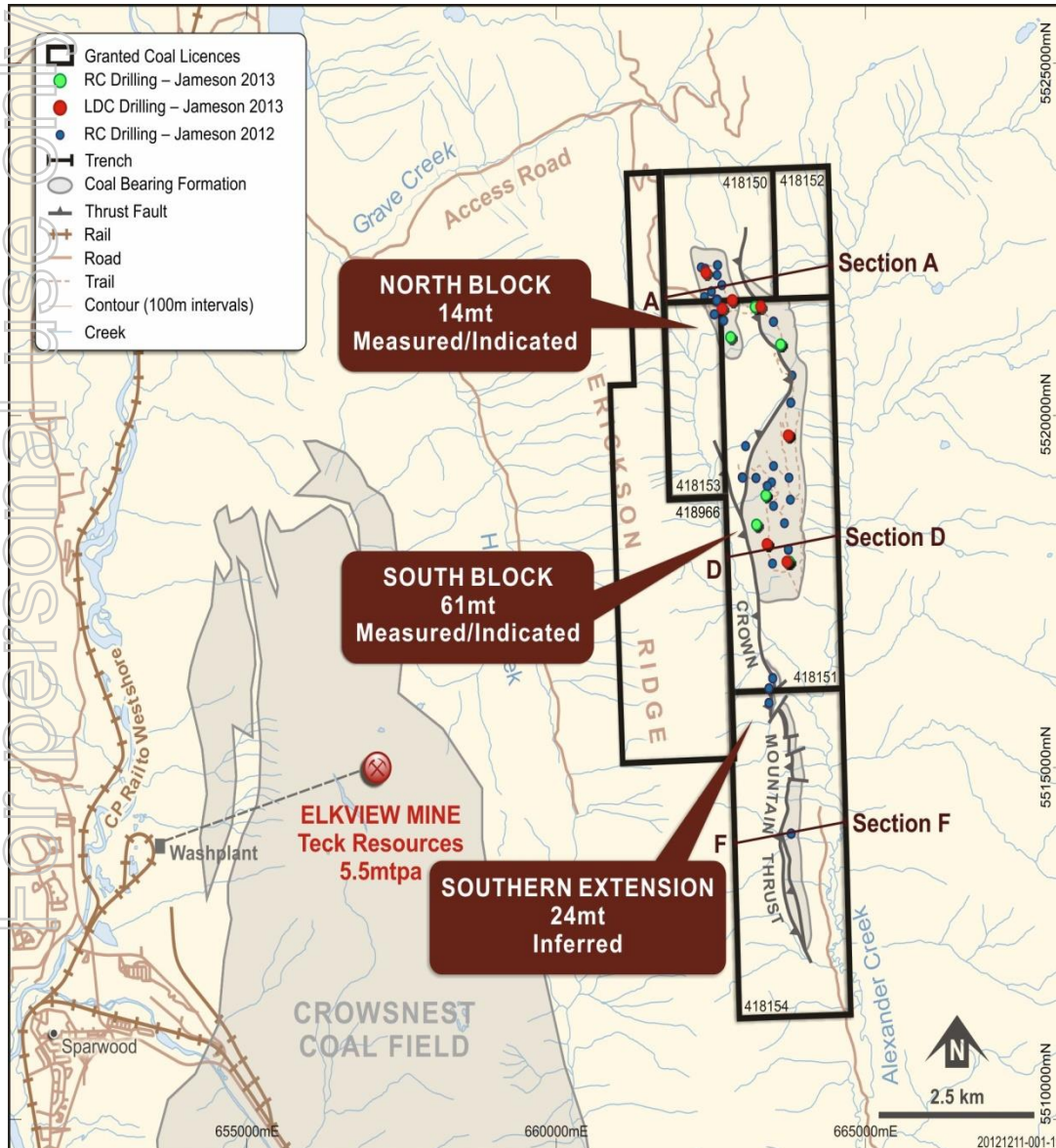
# Crown Mountain Flagship Canadian Coking Coal Asset

For personal use only

- The Crown Mountain Coking Coal Project is located in southeast British Columbia
- The high quality nature of the North and East Block coking coal is **comparable to the best Hard Coking Coal produced in British Columbia**
- **British Columbia is a first class mining jurisdiction** with significant history, numerous producing mines, established workforces and local communities that support mining
- Crown Mountain is **proximal to existing infrastructure**
- Crown Mountain is situated in the heart of the Elk Valley and Crowsnest coal fields **amongst Teck's existing Coking Coal operations**
- Teck is the world's second largest seaborne exporter of coking coal from its Elk Valley and Crowsnest coal field mines
- Crown Mountain represents a compelling opportunity for development of a coking coal project with an **attractive operating cost structure**







- The PFS Update confirmed a total reserve base at Crown Mountain of **56 million tonnes**.

**Confidence in the geologic interpretation is high**, as nearly **90% of the reserves are in the Proven category**.

- Plant yields were estimated based on the summer 2013 exploration program. Average LOM plant yield is 53%. Early years (North Block) plant yield is 61%.

- The **clean coal strip ratio** for the first 4 years averages a low 7.5:1 BCM:t, and 9.8:1 LOM

RESOURCE AREA	Measured (Mt)	Indicated (Mt)	Measured & Indicated (Mt)	Inferred (Mt)	Measured, Indicated & Inferred (Mt)
North Block	8.0	6.0	14.0	0	14.0
South Block	60.9	0	60.9	0	60.9
Southern Extension	0	0	0	23.7	23.7
<b>TOTAL</b>	<b>68.9Mt</b>	<b>6.0Mt</b>	<b>74.9Mt</b>	<b>23.7Mt</b>	<b>98.6Mt</b>

Crown Mountain Resource 2014 (Effective March 11, 2014)

RESOURCE AREA	ASTM Group	Run of Mine Coal Reserves			
		(Mt)			
		Proven		Probable	
		COKING	PCI	COKING	PCI
North Pit	Bituminous	7.3	0.7	4.9	1.2
East Pit		3.6	0.5	0	0
South Pit		31.7	5.9	0	0
Sub-Total		42.6	7.1	4.9	1.2
<b>Total Proven &amp; Probable</b>		49.7Mt		6.1Mt	
<b>Total</b>		<b>55.8Mt</b>			

Run of mine surface mineable reserve summary (Effective April 1, 2017)

For personal use only



# Jameson

RESOURCES LIMITED

[www.jamesonresources.com.au](http://www.jamesonresources.com.au)

**AUSTRALIAN OFFICE (Corporate)**

Suite 5, 62 Ord Street,  
West Perth Western Australia 6005

T: +61 (8) 9200 4473

E: [admin@jamesonresources.com.au](mailto:admin@jamesonresources.com.au)

**CANADIAN OFFICE**

Suite 800, 1199 West Hastings Street  
Vancouver, BC V6E 3 T5

T: +1 (604) 629-8605