



18 April 2011

## ASX RELEASE

### JAMESON RESOURCES LTD

ACN 126 398 294

79 Hay Street, Subiaco 6008  
Western Australia  
Phone +61 (8) 9200 4473  
Fax +61 (8) 9200 4463

Suite 800, 1199 West Hastings St  
Vancouver, BC V6E 3T5  
+1 (604) 687 2038

#### CONTACT:

##### JOHN HOLMES

Executive Director  
[john.holmes@jamesonresources.com.au](mailto:john.holmes@jamesonresources.com.au)

##### DAVID PRENTICE

Non Executive Director  
[david.prentice@jamesonresources.com.au](mailto:david.prentice@jamesonresources.com.au)

##### ART PALM

Non Executive Director  
[art.palm@jamesonresources.com.au](mailto:art.palm@jamesonresources.com.au)

#### WEBSITE

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

#### DIRECTORS:

Jeff Bennett (Non Exec. Chairman)  
John Holmes (Executive Director)  
David Prentice (Non Exec. Director)  
Stephen Anastos (Non Exec. Director)  
Art Palm (Non Exec. Director)

#### ASX CODE:

JAL (Fully paid Ordinary Shares)

## Jameson to Acquire Crown Mountain Coal Project

### Highlights

- Jameson has entered into an Option Agreement to acquire the Crown Mountain Coal Project
- The Project is located in the Elk Valley Coalfields in southeast British Columbia, Canada, and has the potential to host significant resources of export quality metallurgical coal
- The Line Creek and Elkview coal mines both export hard coking coal ("HCC") and are located within 20km of the Project
- Project close to infrastructure with the main rail line connecting to West Shore and Ridley coal terminals located just 15km by road
- Surface mapping and drilling has delineated up-to five outcropping coal seams ranging in thickness from 0.5m to 7.5m
- Exploration drilling to commence as soon as regulatory approvals are in place with an initial JORC compliant resource estimate completed on or before the Option exercise date
- The Option including exploration will be funded from existing cash reserves

---

The Board of Jameson Resources Limited ("Jameson" or the "Company") is pleased to announce that it has entered into an Option Agreement ("Agreement") to acquire up to 100% of the Crown Mountain Coal Project ("Project").

The project is located within Elk Valley Coalfields in British Columbia, Canada and includes two coal licences covering an area of 1,332 hectares. Elk Valley is host to some Canada's major coking coal mines including Elkview, Line Creek, Fording River, and Green Hills.

Exploration, including drilling and coal quality test work, will commence as soon as regulatory approvals are in place. As per the Option Agreement, a technical report on the exploration and development work that is compliant with JORC and NI43-101 reporting standards will be completed on or before the Option Exercise date.

## Project Overview

The Crown Mountain Project is located in the Elk Valley Coalfield in southeast British Columbia (Figure 1). Elk Valley is host to some Canada's major coking coal mines including Elkview, Line Creek, and Green Hills. The Line Creek and Elkview coal mines both export HCC and are located within 20km of Project, and the main Canadian Pacific rail line which connects to West Shore and Ridley coal terminals is located just 15km by road.

The property covers a total area of approximately 1332 hectares and includes 2 coal license applications 417687 and 417045 (Figure 2). The project is situated approximately 30 kilometres by road from the town of Sparwood. Good quality all year round coal haulage roads are located within 6km from a forestry road which connects to the project area.



Figure 1 –Project Location

## Geology and Exploration History

Crown Mountain is located 8km to the north east of Elkview, and 20km south of Line Creek (Figure 2), both of which are currently active metallurgical coal mines operated by Teck. Other operating mines within the Elk Valley Coalfield include Fording River, Coal Mountain, and Green Hills.

The only coal-bearing rocks within the coalfield belong to the Kootenay Group which comprise three formations of Jurassic-Cretaceous sedimentary rocks including the Morrissey, Mist Mountain, and the Elk Formations.

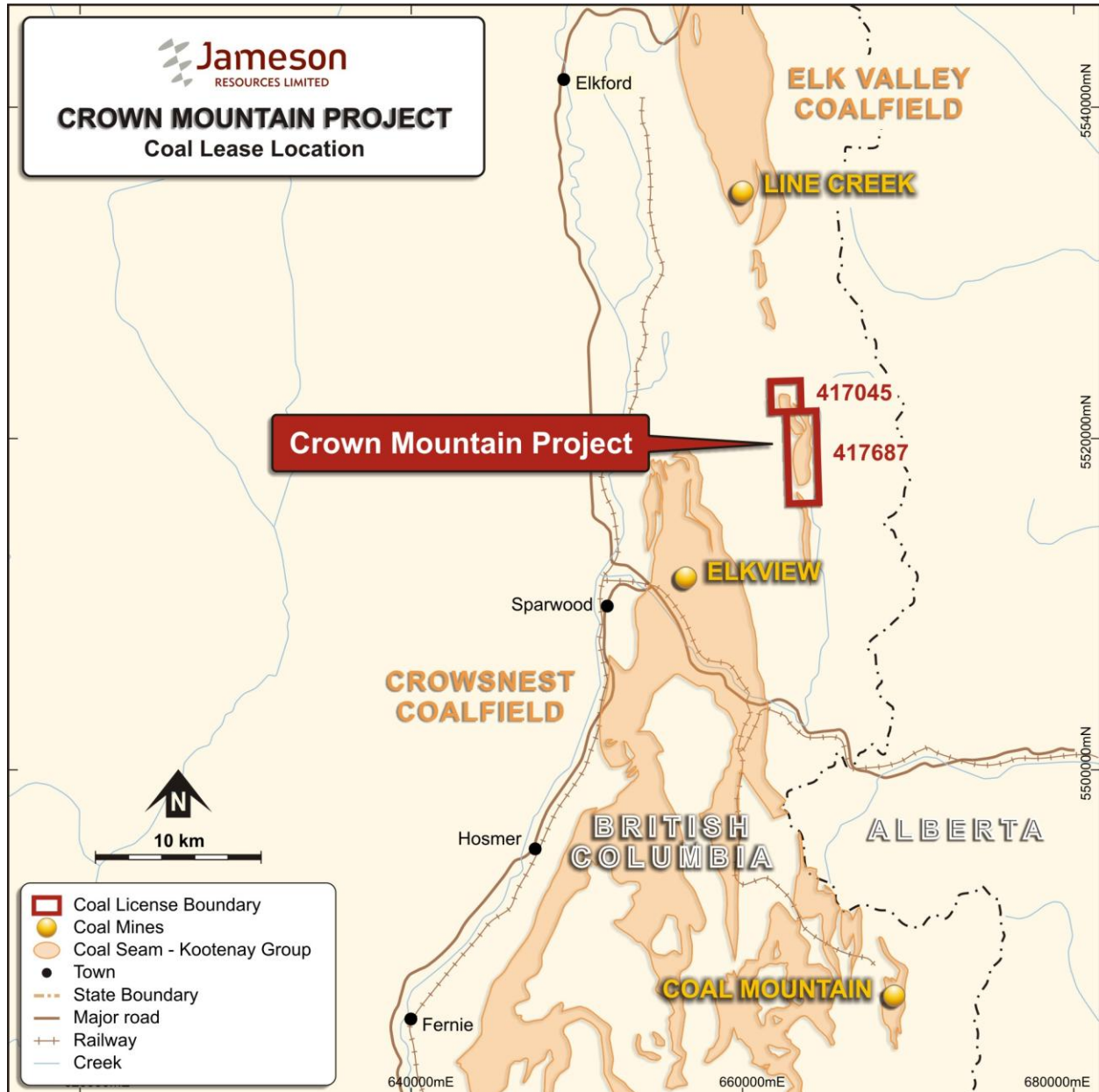


Figure 2 – Coal License Locations

Previous exploration within the Project area has delineated up-to five outcropping coal seams ranging in thickness from 0.5m to 7.5m. The seams belong to the Mist Mountain Formation, which is also the host formation to some of the major metallurgical coal mines in the district.

Crow's Nest Pass Oil and Gas conducted exploration over the property area which included drilling of 11 percussion holes, trenching and geological mapping in 1969. Shell Canada Resources Ltd completed 7 reverse circulation drill holes, trenching and bulk sampling from 1979 to 1981.

Mapping by the British Columbia Geological Survey in 1985, identified 87 coal outcrops, from which 10 samples were collected for reflectance determinations. There is no historical coal quality data.

Exploration activities including drilling and coal quality test work will commence as soon as regulatory approvals are in place. An initial JORC and NI43-101 compliant technical report and resource estimate will be undertaken as part of the first year of exploration activities following issue of coal licences.

The Option which includes initial exploration will be funded from existing cash reserves.

### **Commercial terms of the Acquisition**

Jameson Resources Limited ("Jameson" or the "Company") has entered into an option agreement to acquire through its subsidiary NWP Coal Canada Ltd an undivided 90% in the Crown Mountain Project ("the Project") with a Private Canadian vendor, Mr Robert J. Morris ("Vendor"). The Project includes the following coal licences;

<b>Licence</b>	<b>Area (Ha)</b>	<b>District</b>
417045	331	Kootenay
417687	1001	Kootenay
<b>Total</b>	<b>1332</b>	

Commercial terms of the agreement are as follows;

- (a) Jameson to pay the Vendor a sum of Five Thousand Dollars (\$5,000) as a non-refundable deposit within five (5) days following his execution of the Agreement, and
- (b) Jameson to pay the Vendor an additional Twenty-Five Thousand Dollars (\$25,000) within five (5) days following the Effective Date (the date in which the Ministry of Mines, Energy and Petroleum Resources for British Columbia has completed transfer of title for coal licence application 417045), and
- (c) Jameson to pay the Vendor an additional Twenty-Five Thousand Dollars (\$25,000) within five (5) days following the Approval Date (the date in which the coal licences are issued); and
- (d) incurring an aggregate of at least Four Hundred and Twenty-Five Thousand Dollars (\$425,000) in Expenditures on the Property within one (1) year of the Approval Date.

As part of the Expenditures noted above, and as soon practicable after such work has been performed, Jameson will prepare or have caused to be prepared a technical report on the exploration and development work carried out on the Property, in a form compliant with both the requirements of NI 43-101 and the JORC Code.

After the Option Exercise Date, and before the Final Purchase Date, Jameson agrees to pay to the Vendor for the use and possession of the Vendor's undivided Ten Percent (10%) interest in the Property, an annual rental of One Hundred Thousand Dollars (\$100,000), the first annual installment being due and payable 3 months after the Option Exercise Date, and every 12 months thereafter, but the Vendor shall not be entitled to receive any further share in the net profits from any Mining Work or other operations on the Property by Jameson. In the event that Mining Work is suspended for any reason by Jameson, then Jameson may give notice to the Vendor at least thirty (30) days prior to the renewal of the annual rental that Jameson does not intend to pay such annual rental during the period of time that the Mining Work is suspended.

Provided the Option Exercise Date has occurred, then Jameson may elect to purchase from the Vendor at any time the remaining Ten Percent (10%) interest in the Property, by the payment to the Vendor of Two Million Dollars (\$2,000,000) (the "Final Purchase Price"), payable in four annual installments of \$500,000 until fully paid, the first such installment being paid upon the Final Purchase Date, and each successive installment being due and payable on each anniversary date thereafter.

The acquisition will be subject to ASX, shareholder and other regulatory approvals if required.

Any enquiries regarding this announcement should be directed to Jameson's Executive Director, John Holmes.



John Holmes

*The information pertaining to the technical content of this report has been reviewed by Mr John Holmes, who is a member of the Australian Institute of Geoscientists. Mr. Holmes is employed by Jameson Resources Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Holmes consents to the inclusion in the report of the technical information in the form and context in which it appears.*