

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

JAMESON RESOURCES LIMITED

ABN

89 126 398 294

Quarter ended ("current quarter")

31 December 2011

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(193)	(391)
(b) development	-	-
(c) production	-	-
(d) administration	(284)	(474)
(e) project generation	(216)	(344)
1.3 Dividends received	-	
1.4 Interest and other items of a similar nature received	5	25
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (BC mineral tax refund)	-	168
1.7 Other – Payment for security deposit	-	-
	(688)	(1,016)
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects (Nexx and Saturn)	(175)	(175)
(b) equity investments	-	-
(c) other fixed assets	-	(9)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Payment for the Acquisition of Dunlevy Energy Inc Settlement Costs and Preferred Share Payment	(165) (77)	(165) (77)
	(417)	(426)
1.13 Total operating and investing cash flows (carried forward)	(1,105)	(1,442)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(1,105)	(1,442)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	3,119	3,119
1.15	Proceeds from exercise of options	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	(195)	(195)
1.20	Other – Proceeds from issues not yet allotted	401	401
<b>Net financing cash flows</b>		<b>3,325</b>	<b>3,325</b>
<b>Net increase (decrease) in cash held</b>		<b>2,220</b>	<b>1,883</b>
1.20	Cash at beginning of quarter/year to date	1,207	1,533
1.21	Exchange rate adjustments to item 1.20	-	11
1.22	<b>Cash at end of quarter</b>	<b>3,427</b>	<b>3,427</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	182
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 Includes gross salaries and fees to directors, and rental / administration fees paid to Zephyr Consulting Pty Ltd, an entity in which Mr Holmes has an interest.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

+ See chapter 19 for defined terms.

On 22 December 2011 the Company finalised the acquisition of Dunlevy Energy Inc, a Canadian based company, through its subsidiary NWP Coal Canada Ltd (**NWPC**) in consideration for partial cash and partial equity being non-voting, convertible, redeemable, preferred shares (**Exchangeable Shares**) in NWPC. A total of 12,000,000 Exchangeable Shares have been issued to the Dunlevy Shareholders pursuant to the acquisition. The Exchangeable Shares will be exchangeable for fully paid ordinary shares of Jameson (“Jameson Shares”) on a one for one share basis, upon the performance of the milestones detailed in the ASX Announcement dated 20 October 2011, and detailed in the Company’s Notice of Meeting dated 14 November 2011.

On 22 December 2011 the Company also completed the has completed the transaction to acquire certain assets of Nexx Coal Inc. (“Nexx”) including the Graham River, Peace Reach and Carbon East coal projects (“Nexx Projects”), through its subsidiary NWP Coal Canada Ltd (**NWPC**) in consideration for partial cash and partial equity being non-voting, convertible, redeemable, preferred shares (**Exchangeable Shares**) in NWPC. A total of 10,000,000 Exchangeable Shares have been issued to the Nexx Coal Inc. Shareholders pursuant to the acquisition. The Exchangeable Shares will be exchangeable for fully paid ordinary shares of Jameson (“Jameson Shares”) on a one for one share basis, upon the performance of the milestones detailed in the ASX Announcement dated 20 October 2011, and detailed in the Company’s Notice of Meeting dated 14 November 2011.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	148
4.2 Development	-
4.3 Project Generation	-
4.4 Administration	298
<b>Total</b>	<b>373</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	134	161
5.2 Deposits at call	3,293	1,046
5.3 Bank overdraft	-	-
5.4 Other	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>3,427</b>	<b>1,207</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

### Issued and quoted securities at end of current quarter

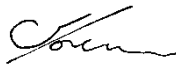
*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference + securities</b> <i>(description)</i>	10,000,000 performance shares	-	Nil	Nil
	10,400,000 Performance Rights	-	Nil	Nil
7.2 Changes during quarter				
(a) Increases through issues	10,400,000	-	Nil	Nil
(b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 <b>+Ordinary securities</b>	124,783,676	124,783,676	-	Fully Paid
7.4 Changes during quarter				
(a) Increases through issues	11,200,000	11,200,000	\$0.12 per share	\$0.12 per share
(b) Decreases through returns of capital, buy-backs	17,754,811	17,754,811	\$0.10 per share	\$0.10 per share
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	22,000,000 Exchangeable Shares issued in Jameson Resource's Canadian subsidiary NWP Coal Canada Ltd.	-	Nil	Nil
7.6 Changes during quarter				
(a) Increases through issues	22,000,000 (per above)	-	Nil	Nil
(b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	175,000	-	<i>Exercise price</i> 35 cents	<i>Expiry date</i> 31 May 2012
	175,000	-	50 cents	31 March 2013
	9,233,333	-	15 cents	30 September 2014
7.8 Issued during quarter	9,233,333	-	15 cents	30 September 2014
7.9 Exercised during quarter				
7.10 Expired / cancelled during quarter	-	-		
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## **Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: .....  ..... Date: 31 January 2012  
Company Secretary

Print name: Suzie Foreman

## **Notes**

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.