



**Jameson Resources Limited
and controlled entities**

ACN 126 398 294

Half-Year Financial Report
For the period ended 31 December 2020

Table of Contents

<i>DIRECTORS</i>	3
<i>OPERATING AND FINANCIAL REVIEW</i>	3
Introduction	3
Summary	3
Crown Mountain Coking Coal Project Elk Valley Coal Field	5
• Background.....	5
• Crown Mountain Bankable Feasibility Study.....	6
• BFS Optimisation	7
• Environmental Assessment Application	8
Dunlevy Peace River	9
Corporate Matters	9
<i>EVENTS SUBSEQUENT TO REPORTING DATE</i>	10
<i>COMPETENT PERSONS STATEMENT</i>	10
<i>AUDITORS INDEPENDENCE DECLARATION</i>	12
<i>CONDENSED CONSOLIDATED FINANCIAL STATEMENTS</i>	13
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	14
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	15
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	16
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	17
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	18
<i>DIRECTORS' DECLARATION</i>	26
<i>INDEPENDENT AUDIT REVIEW REPORT</i>	27

DIRECTORS' REPORT

For the Half Year Ended 31 December 2020



The directors present their report together with the financial report of Jameson Resources Limited (the "Company") and its controlled entities (the "Group") for the six months ended 31 December 2020 (the "period") and the review report thereon.

DIRECTORS

The names of Directors who held office during or since the end of the half year and until the date of this report are set out below.

Name	Commencement Date
Ms Nicole Hollows <i>Non-Executive Chairman</i> <i>Chairman Remuneration and Nomination Committee</i>	Director, Chairman and Chairman Remuneration and Nomination Committee 15 March 2020
Mr Steve van Barneveld <i>Non-Executive Director</i> <i>Chairman Audit and Risk Committee</i>	Director 21 February 2014 Audit and Risk Committee Chairman 17 December 2020
Mr Joel Nicholls <i>Executive Director</i>	Director 15 September 2016 Executive Director from 15 March 2020

OPERATING AND FINANCIAL REVIEW

Introduction

Jameson is well positioned in metallurgical coal with the Crown Mountain Coking Coal Project. The Bankable Feasibility Study (completed July 2020) shows the Crown Mountain Coking Coal Project to be a potential low-cost source of high-quality steel-making coal, a market that is currently strong and forecast to grow. The EA Application is due for submittal during 1H 2021, and will serve to move the Project closer to development.

The Company, in conjunction with Bathurst Resources Limited ("Bathurst"), will continue to advance Crown Mountain as aggressively as conditions allow with the aim of acquiring all necessary permits and funding and ultimately bringing the Project into production.

Summary

The Group operated during the period as a coal explorer and developer in British Columbia.

The Group has recorded a loss after tax for the period ended 31 December 2020 of (\$514,202) (31 December 2019: profit \$750,647).

The Company raised \$4,747,800 (before costs) during the period through a placement of 39,565,000 shares to progress the EA Application, commence Bankable Feasibility Study ("BFS") optimisation and for general working capital purposes.

DIRECTORS' REPORT

For the Half Year Ended 31 December 2020

During the period the Company:

1. Progressed its Crown Mountain Coking Coal Project ("Crown Mountain" or the "Project") towards permitting and development and specifically:
 - o Completed a Bankable Feasibility Study ("BFS") in July 2020.
 - o Continued to prepare the Application for an Environmental Assessment Certificate ("EA Application") which was progressed in a challenging environment where a number of the communities in which we operate and stakeholder groups were impacted with COVID-19. The targeted submission date for the EA Application is now during the June 2021 quarter.
 - o Engaged Sedgman Canada Ltd (a member of CIMIC Group), to commence the first phase of optimisation work on the aforementioned BFS to potentially improve the overall execution and economics – the initial focus has been on the impact on coking properties of a higher ash specification product at 10% and 10.9% compared with the BFS 9 to 9.5% ash specification range given the potential to achieve greater Coal Handling and Processing Plant ("CHPP") yield outcomes at a higher ash specification.
 - o Received advice from Bathurst that it would fund the Project in line with its common shareholding, being 20%, up to Final Investment Decision in line with the Shareholders Agreement between Bathurst and Jameson.
2. Adopted a strategy of assessing other opportunities in metallurgical coal, the Company has progressed desktop assessments and engagement with parties within the metallurgical coal industry to assess potential opportunities, specifically those having been progressed up the value curve beyond resource delineation and located in developed nations with a focus on Canada and Australia.

About Jameson

The Company is focused on developing a potential low-cost high-quality coking coal operation from its Crown Mountain Project located in southeast British Columbia, while future potential exists through exploration of its Dunlevy Project located in northeast British Columbia, Canada.

Western Canada benefits from world-class railways and deep-water ports, which allow operations within the Province of British Columbia to be among the leading steel-making coal suppliers to the seaborne market.

Crown Mountain represents the Company's flagship project and is being progressed through permitting toward Final Investment Decision and ultimately development in cooperation with a subsidiary of Bathurst Resources Limited (ASX: BRL) per an agreement executed in July 2018.

Jameson also holds a 100% interest in the Dunlevy metallurgical coal property in northeast British Columbia, which has been retained for potential future development, subject to the economic environment and further exploration/evaluation. Its low holding cost is primarily the annual exploration licensing fee to the province, being recently paid. Dunlevy is wholly owned by Jameson and was not part of the Bathurst deal. Figure 1 depicts the locations of Jameson's coal projects.

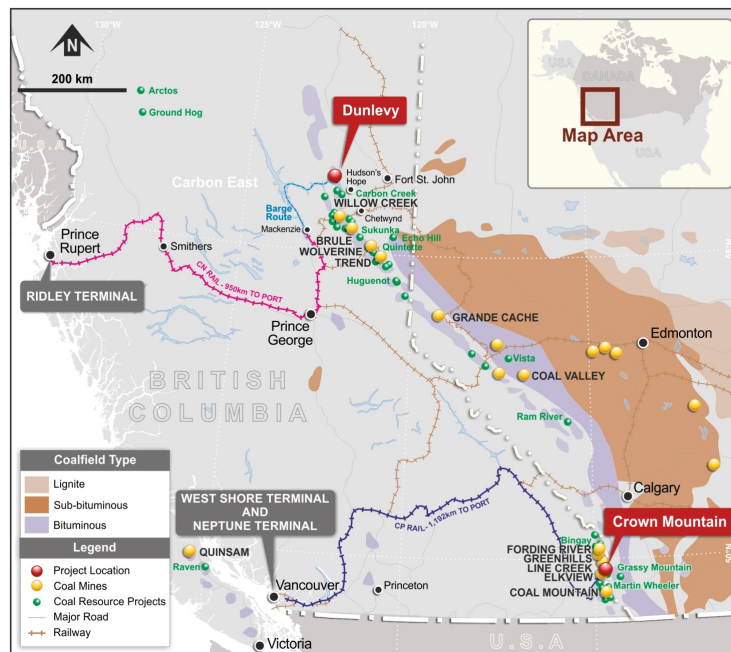


Figure 1: Project Locations

Crown Mountain Coking Coal Project | Elk Valley Coal Field

• Background

Crown Mountain is located within the Elk Valley coal field in south-eastern British Columbia. Along with the Crowsnest coal field, this region is home to four of Canada's producing coal mines. These four coal mines supply over 20 million tonnes per annum of export quality metallurgical coal, representing the majority of Canada's total coal exports.

Crown Mountain is in close proximity to two significant metallurgical coal mines: Line Creek which is 12km to the north, and Elkview which is 8km to the southwest (Figure 2).

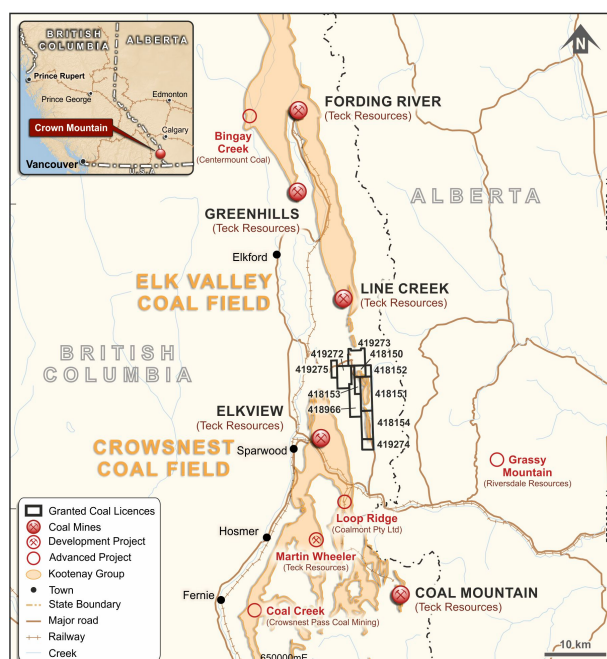


Figure 2: Crown Mountain Coal Licence Locations

The Project includes ten granted coal licences (418150, 418151, 418152, 418153, 418154, 418966, 419272, 419273, 419274, and 419275) covering an area of 5,630 hectares (Table 1).

Name	License Number	Status	Area (Ha)	Rent (CAD)
North Block	418150	Granted	334	\$3,340
South Block	418151	Granted	1,001	\$10,010
Crown East	418152	Granted	167	\$1,670
West Crown	418153	Granted	251	\$2,510
Southern Extension	418154	Granted	835	\$8,350
Northwest Extension	418966	Granted	974	\$6,818
Northern Extension	419273	Granted	705	\$4,935
Grave Creek	419272	Granted	778	\$5,446
Alexander Creek	419274	Granted	334	\$2,338
Grave Creek West	419275	Granted	250	\$1,750
TOTAL			5,629	\$47,167

Table 1 – Crown Mountain Coal Licence Summary Table (CAD)

In July 2020, Stantec Consulting Ltd completed a Bankable Feasibility Study (see the ASX announcement dated 9 July 2020) that determined Crown Mountain contained run-of-mine reserves totalling 57.5 million tonnes as shown in Table 2.

Area	ASTM Group	Run of Mine Coal Reserves			
		(Ktonnes)			
		Proven		Probable	
		COKING	PCI	COKING	PCI
North Pit	Bituminous	9,603	429	3,924	1,068
East Pit		2,271	135	532	46
South Pit		27,975	3,218	4,828	3,514
Sub-Total		39,848	3,781	9,284	4,627
Total Proven & Probable		43,629		13,911	
Total		57,540			

Table 2 – Crown Mountain Reserve Summary Table

- Crown Mountain Bankable Feasibility Study**

Crown Mountain is a potential low-cost, high-quality, open cut metallurgical coal mine currently in the final stages of the evaluation phase, which is comprised of completing optimisation of the BFS and

submitting an EA Application. Following the EA Application submittal, work will commence on the additional approvals and permits required to develop and operate the Project.

On July 9 2020, the Company released the results of the Crown Mountain Coking Coal Project BFS which was managed by Stantec (Vancouver), with Sedgman Canada Ltd (a member of CIMIC Group) ("Sedgman") and SRK Consulting ("SRK") also contributing to the study. The study delivered robust economic outcomes, with the study assuming a fully capitalised scenario (i.e. no leasing) where the Company purchases all mobile mining equipment, workshops and ancillary infrastructure. The BFS outcomes are detailed in Table 3 below:

BFS Outcome*	Unit	
Total ROM Coal Mined	Mt ROM	57.5
Mine Life	Years	15
Average ROM Strip Ratio	Bcm:ROM t	4.7
LOM Processing Yield	%	48.7
LOM Average Annual Clean Coal Production	Mtpa	1.7
Total Clean Coal Production	Mt	26.3
Clean Coal Strip Ratio	Bcm:t clean coal	10.3
Pre-production Capital Expenditure**	US\$m	309
Cash Cost (FOB Vancouver)	US/t	93.17
Low Vol, Premium Hard Coking Coal Benchmark	US/t	164
NPV(10) (Pre-tax)	US\$m	376
NPV(10) (Post-tax)	US\$m	217
IRR (Pre-tax)	%	36.4
IRR (Post-tax)	%	27.2
Crown Mountain Net Cashflow (Pre-tax)	US\$m	1,029
Crown Mountain Net Cashflow (Post-tax)	US\$m	652

*Operating costs and capital expenditure have been converted from CAD to USD at 0.75

**Excludes Contingency, Owners Costs, Reclamation Security

Table 3 Bankable Feasibility Study Outcomes

The BFS reaffirmed Crown Mountain as a compelling high quality coking coal opportunity for development with competitive operating and capital cost structure, and access to existing common user rail and port infrastructure. The Project will produce a high quality low volatile metallurgical coal, with a Life of Mine ("LOM") product mix of 86% Hard Coking Coal and 14% Pulverised Coal Injection coal. The mine plan is based on an average LOM production rate of 1.7Mtpa of saleable coal, 57.5Mt Total Run of Mine ("ROM") from the North, East and South pits over 15 years.

- BFS Optimisation**

During the finalisation of the BFS a number of areas of potential optimisation were identified to potentially improve the execution and economics of the Project.

DIRECTORS' REPORTFor the Half Year Ended 31 December 2020

During the half, optimisation work on the BFS commenced. The work undertaken included preparation of remaining bulk samples (sealed and refrigerated) from the 2018-19 exploration program. The samples were tested to ensure that they have not been adversely impacted by oxidation, and subsequently blended at Birtley lab Canada to a 10% ash specification for the North and South Pits and a 10.9% ash for the South Pit (BFS coal quality was completed in the range of 9 to 9.5% ash) and sent to Canmet to undertake Sole Heated Oven analysis. The samples are to undergo analysis at 10% and 10.9% ash to better understand if the higher ash has an impact on the coal quality parameters. The data will be used as part of the initial work Sedgman has been engaged to undertake to optimise ash yield (washability) curves. As outlined in the BFS optimisation opportunities, there is potential to increase the overall CHPP yield by producing a higher ash specification product.

Hard Coking Coals with a higher ash than benchmark specification of 9.3%¹ ash incur a penalty on the price received from end users. There are number of premium benchmarked hard coking coals sold globally that have published² ash specification of up to 10.5%. The results from the coal quality test work will be compared to other higher ash products to determine the value of the Crown Mountain higher ash product.

Additional optimisation work has been prioritised, some already scoped, however has not as yet been committed to at this stage but will be undertaken in a systematic manner as other optimisation work is completed.

- **Environmental Assessment Application**

Drafting of the Environmental Assessment Application ("EA Application") progressed during the Half, with key milestones including the completion of the social economics baselines studies, surface water effects assessment, air, noise and ground water modelling and furthering the write up of existing conditions and effects assessments, which are critical components of the EA Application. The Company now expects the EA Application to be lodged during June quarter 2021 (previously March quarter 2021) due to the impact the COVID-19 situation in British Columbia, and neighbouring Alberta, has had to date on the Company's ability to engage in a timely manner with a number of relevant stakeholders which has resulted in delays to the EA Application.

The Company has not seen any direct impact on the safety or wellbeing of its staff, however a number of occurrences have impacted both the communities in which NWP operates and its stakeholders. Whilst the Company is confident of completing the vast majority of the EA Application prior to the end of the March quarter 2021, there is some risk to having a fully complete EA Application due to delays that have been experienced with relevant decision makers within stakeholder groups as a result of COVID-19. The Company was required to submit its EA Application under the Provincial guidelines by 26 April 2021, however, has been in ongoing communication with the relevant Regulator in relation to this matter and was granted an extension to 26 October 2021 as a contingency measure, should it be required, due to delays encountered as a result of COVID-19.

NWP Coal Canada Limited's ("NWP") views stakeholder engagement as integral to its strategy of operating in an open and transparent manner to achieve engaged stakeholders. To this end, NWP appointed Mr David ("Dave") Baines as Manager, Engagement and Environment during the Half. Mr Baines is a passionate environment and engagement practitioner, with 20 years of major project experience spanning industry, consulting, and government, most recently within industry in the Elk Valley where he resides. His expertise includes environmental assessment, developing and implementing Environmental Management Systems ("EMS") and Health, Safety and Environment

¹ Premium Low Vol HCC FOB Australia

² Specifications guide Metallurgical Coal, S&P Global Platts, April 2020

("HSE") programs, community engagement, indigenous relations and diversity and inclusion. Mr Baines will be responsible for leading the engagement side of the environmental approvals and permitting process (both pre- and post-submission), followed by building the EMS and HSE Programs for the construction and operation of the Crown Mountain Coking Coal Mine.

Bathurst advised Jameson during the Half that they would be funding the Project in line with their common equity holding in NWP. Accordingly, during the Half, Bathurst and Jameson contributed to furthering the Crown Mountain Coking Coal Project in proportion to their common shareholding in NWP, being 20% and 80% respectively. Bathurst and Jameson are continuing to fund the Project up until the receipt of permits and Final Investment Decision ("FID"), in proportion to common equity shareholdings as set out in the Investment Agreement entered into between the parties.

Dunlevy | Peace River

Dunlevy overlies the northwest extension of the Peace River coal field district of northeast British Columbia.

The Dunlevy property is located in a well-developed area, approximately 90 km from Fort St. John, a regional commercial centre. All weather highways and good quality secondary roads link the Project to Fort St. John and Chetwynd, where Canadian National Railway's track can be accessed. The rail provides a path to the Ridley, Westshore, and Neptune coal terminals. There is also potential to reduce transportation costs by utilising the large man-made Williston Lake bordering the property to transport coal by barge to rail access at the industrial town of MacKenzie.

Dunlevy drilling and coal quality results were announced in 2014. No exploration is currently planned on Dunlevy in the short term, as the Company focuses its resources on the flagship Crown Mountain asset. However, as circumstances change with respect to the coking coal market, the Company may reassess its plans for Dunlevy.

Dunlevy consists of the two issued coal exploration licenses shown in Table 4.

Project	Licence Number	Status	Area (Ha)	Annual Rent
Dunlevy	418441	Granted	1,146	\$11,460
Dunlevy	418442	Granted	1,388	\$13,880
TOTAL			2,534	\$25,340

Table 4 – Dunlevy Project Coal Licence Summary Table (CAD)

Corporate Matters

Bathurst advised Jameson they would be funding the Project in line with their common equity holding in NWP. As a result Jameson undertook, and successfully completed, a placement of 39.565 million new fully paid ordinary shares in the Company at an issue price of \$0.12 per share to raise gross proceeds of approximately \$4.74 million, with the funds to be primarily used towards the Environmental Assessment Application, June Quarter 2021 submission, undertaking optimisation work on the BFS and for general working capital purposes.

On 9 October 2020, Ms. Lisa Dalton accepted the appointment as Company Secretary. Ms. Dalton is an accomplished lawyer, governance professional, senior executive and leader with over 20 years' experience in the mining, energy, construction, manufacturing, medical and agricultural sectors.

Shareholders approved the issue of Director incentive options at the Annual General Meeting to Non-Executive Chair Ms. Nicole Hollows who joined the Company in March 2020.

DIRECTORS' REPORT

For the Half Year Ended 31 December 2020

Jameson adopted a four pillars approach – Principles of Governance, Planet, People and Prosperity – to reporting Sustainability. Jameson believe that the United Nations Sustainable Development Goals (“SDGs”) provide a roadmap that enable corporations to align their goals with the long term goals of society, and as a result have chosen to adopt, and are in the process of implementing this approach.

As at 31 December 2020 the Top 20 shareholders held approximately 68.6% of the capital of the Company and the Group held A\$5.1 million in cash (A\$4.0m in Jameson and A\$1.1m in NWP). Jameson remains debt-free.

EVENTS SUBSEQUENT TO REPORTING DATE

In January 2021, NWP received an extension to the Application Information Requirements which was due to expire on 26 April 2021. NWP has been granted an extension by the relevant regulator to 26 October 2021 due to delays encountered as a result of COVID-19.

In late February 2021, Jameson appointed Mr. Michael Gray as Managing Director and Chief Executive Officer. Mr. Gray takes up this role on 1 March 2021 at which time Joel Nicholls who has held the role of Executive Director returns to his Non-Executive Director role.

No matters or circumstances have arisen since the end of the half year period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

COMPETENT PERSONS STATEMENT

Mineral Resource Estimate, Mineral Reserve Estimate and Bankable Feasibility Study Results

The information in this report relating to the Mineral Resource Estimate, Mineral Reserve Estimate and Bankable Feasibility Study Results of the Company's Crown Mountain Coal Project are extracted from the ASX Release entitled “Crown Mountain Bankable Feasibility Study” announced on 9 July 2020 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 and reserve estimates and bankable 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.

Coal Quality and Exploration Results

The information in this report relating to the Coal Quality and Exploration Results on the Company's Crown Mountain Coal Project is extracted from the ASX Releases entitled “Crown Mountain Coal/Coke Testing Program Complete: Hard Coking Coal Confirmed (Updated)” announced on 2 August 2019, and “Additional Testing Confirms Crown Mountain as Premium Hard Coking Coal” announced on 23 April 2019, and are 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 announcements and, that all material assumptions and technical parameters underpinning the coal quality and exploration 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.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the half-year financial report.

This Independence Declaration is set out on page 12 of this report and forms part of this Directors' Report for the half-year ended 31 December 2020.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

A handwritten signature in blue ink that reads 'N Hollows'.

Nicole Hollows
Chairman

Dated this 26th day of February 2021

A handwritten signature in blue ink, appearing to be 'J Nicholls'.

Joel Nicholls
Executive Director

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Jameson Resources Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
26 February 2021



N G Neill
Partner

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income	14
Consolidated Statement of Financial Position	15
Consolidated Statement of Changes in Equity	16
Consolidated Statement of Cash Flows	17
Notes to the Condensed Consolidated Interim Financial Statements	18
Directors' Declaration	26
Independent Auditor's Review Report	27

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Half Year Ended 31 December 2020

	Note	CONSOLIDATED	
		31 December 2020	31 December 2019
		\$	\$
Revenue		34,539	3,966
Employee benefits expense		(180,859)	(398,779)
Corporate and compliance fees		(179,273)	(137,000)
Administration		(61,283)	(69,178)
Depreciation and amortisation		(2,029)	(2,512)
Interest and finance expenses		(3,531)	(5,442)
Foreign exchange gain/(loss)		(121,641)	(803)
Other expenses		(37,129)	(59,494)
Equity based payments		(26,525)	(106,903)
Impairment of exploration		-	(28,039)
Loss before income tax		(577,731)	(804,184)
Income tax benefit		63,530	1,554,831
Profit/(loss) after income tax		(514,202)	750,647
Other comprehensive income, net of income tax			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(1,265,501)	43,258
Other comprehensive income for the period, net of tax		(1,265,501)	43,258
Total comprehensive profit/(loss) for the period		(1,779,703)	793,905
(Loss)/profit attributable to:			
Members of the parent		(500,676)	436,831
Non-controlling interests		(13,526)	313,816
		(514,202)	750,647
Total comprehensive profit/(loss) attributable to:			
Members of the parent		(1,510,882)	471,438
Non-controlling interests		(268,821)	322,467
		(1,779,703)	793,905
Basic loss per share (cents)	8(b)	(0.17)	0.17
Fully diluted loss per share (cents)	8(c)	(0.17)	0.17

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

		CONSOLIDATED	
	Note	As at 31 December 2020 \$	As at 30 June 2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	5,150,661	2,615,287
Trade and other receivables		174,391	87,754
Other assets		41,774	80,249
TOTAL CURRENT ASSETS		5,366,826	2,783,290
NON-CURRENT ASSETS			
Other receivables	3	1,092,781	1,142,955
Deferred exploration and evaluation expenditure	4	28,602,611	28,089,144
Property, plant and equipment		33,740	37,366
Other assets		1,171	1,225
TOTAL NON-CURRENT ASSETS		29,730,303	29,270,690
TOTAL ASSETS		35,097,129	32,053,980
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		309,917	437,940
TOTAL CURRENT LIABILITIES		309,917	437,940
NON CURRENT LIABILITIES			
Provisions		28,160	20,033
Other payables	5	411,574	28,851
TOTAL NON CURRENT LIABILITIES		439,734	48,884
TOTAL LIABILITIES		749,651	486,824
NET ASSETS		34,347,478	31,567,156
EQUITY			
Issued capital	6	36,122,722	31,589,220
Reserves	7	10,612,998	12,209,535
Accumulated losses		(18,476,576)	(17,975,900)
Equity attributable to the members of the parent		28,259,144	25,822,855
Non-controlling interest		6,088,334	5,744,301
TOTAL EQUITY		34,347,478	31,567,156

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Half-Year Ended 31 December 2020

	Issued Capital	Accumulated Losses	Equity Based Payment Reserve	Foreign Currency Translation Reserve	Other Reserve	Total	Non- controlling Interest	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	31,589,220	(17,975,900)	1,518,155	1,099,252	9,592,128	25,822,855	5,744,301	31,567,156
Profit/(loss) for the period	-	(500,676)	-	-	-	(500,676)	(13,526)	(514,202)
Exchange differences arising on translation of foreign operations	-	-	-	(1,010,206)	-	(1,010,206)	(255,295)	(1,265,501)
Total comprehensive (loss) for the period	-	(500,676)	-	(1,010,206)	-	(1,510,882)	(268,821)	(1,779,703)
Transactions with owners in their capacity as owners:								
Performance rights issued during the period	-	-	-	-	-	-	-	-
Options issued during the period	-	-	26,523	-	-	26,523	-	26,523
Share Capital net of capital raising costs	4,533,502	-	-	-	-	4,533,502	-	4,533,502
Transactions with non-controlling interests:								
Preference shares issued in NWP	-	-	-	-	(612,854)	(612,854)	612,854	-
Balance at 31 December 2020	36,122,722	(18,476,576)	1,544,678	89,046	8,979,274	28,259,144	6,088,334	34,347,478
	Issued Capital	Accumulated Losses	Equity Based Payment Reserve	Foreign Currency Translation Reserve	Other Reserve	Total	Non- controlling Interest	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	31,589,220	(18,081,003)	1,403,975	1,739,829	5,807,621	22,459,642	3,543,754	26,003,396
Profit/(loss) for the period	-	436,831	-	-	-	436,831	313,816	750,647
Exchange differences arising on translation of foreign operations	-	-	-	34,606	-	34,606	8,652	43,258
Total comprehensive (loss) for the period	-	436,831	-	34,606	-	471,437	322,468	793,905
Transactions with owners in their capacity as owners:								
Performance rights issued during the period	-	-	14,603	-	-	14,603	-	14,603
Options issued during the period	-	-	92,300	-	-	92,300	-	92,300
Transactions with non-controlling interests:								
Preference shares issued in NWP	-	-	-	-	2,262,584	2,262,584	1,995,031	4,257,615
Balance at 31 December 2019	31,589,220	(17,644,172)	1,510,878	1,774,435	8,070,205	25,300,566	5,861,253	31,161,819

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Half-Year Ended 31 December 2020

	CONSOLIDATED	
	31 December 2020 \$	31 December 2019 \$
Cash flows from operating activities		
Interest received	3,825	3,572
ATO COVID Cashboost	30,713	-
Payments to suppliers and employees	(376,867)	(772,164)
Payments for exploration and evaluation	(26,381)	-
Net cash flows (used in) operating activities	(368,710)	(768,592)
Cash Flows from investing activities		
Payments for exploration and evaluation	(1,985,097)	(3,817,926)
Net cash flows (used in) investing activities	(1,985,097)	(3,817,926)
Cash flows from financing activities		
Proceeds from share issue in parent	4,747,800	-
Proceeds from share issue in NWP	-	4,245,861
Cash calls from Bathurst	384,989	-
Payments for share issue costs	(214,298)	(8,036)
Net cash flows provided by financing activities	4,918,491	4,237,825
Net increase/(decrease) in cash and cash equivalents	2,564,684	(348,693)
Cash and cash equivalents at 1 July	2,615,287	2,699,857
Foreign currency translation on cash held	(29,310)	(16,521)
Cash and cash equivalents at 31 December	5,150,661	2,334,643

The accompanying notes form part of these financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The financial report was authorised for issue by The Board on 24 February 2021.

The financial statements comprise the consolidated condensed interim financial statements for the Group. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity.

The condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by Jameson Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Basis of preparation

The half-year report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets the purpose of preparing the half-year report, the half-year has been treated as a discrete reporting period.

The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

Significant accounting estimates and judgement

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2020.

Standards and Interpretations applicable to 31 December 2020

The Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting period and determined that no material change is necessary to Group accounting policies.

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

New or mandated Accounting Standards and Interpretations adopted

In the half year ended 31 December 2020, the Company adopted all the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective from 1 July 2020. It has been determined that there is a no material impact from other revised standards and interpretations.

2. CASH AND CASH EQUIVALENTS

	31 December 2020 \$	30 June 2020 \$
Current		
Cash at Bank	5,150,661	2,615,287
	<u>5,150,661</u>	<u>2,615,287</u>

Cash at bank consists of \$3.98m in Jameson, \$1.14m in NWP and \$0.03m held in Dunlevy.

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash at bank earns interest at floating rates based on daily bank deposit rates.

3. TRADE AND OTHER RECEIVABLES

	31 December 2020 \$	30 June 2020 \$
Non-Current other receivables		

The following items are relevant in explaining the financial performance for the half-year:

Reclamation bonds	1,092,781	1,142,955
	<u>1,092,781</u>	<u>1,142,955</u>

The Reclamation Bonds are a condition of the Mines Act Permit for the Crown Mountain and Dunlevy projects. The Bonds are placed as security in the form of a certified cheque or held in trust at a nominated bank as a Safe Keeping Agreement.

The Bonds are returned once the BC Ministry of Energy and Mines has inspected the site following completion of exploration and reclamation.

4. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Half-year ended 31 December 2020 \$	Year ended 30 June 2020 \$
Costs carried forward in respect of areas of interest in the following phases	28,602,611	28,089,144
Exploration and evaluation phase – at cost		
Balance at beginning of period	28,089,144	22,307,976
Expenditure capitalised	1,785,235	6,508,471
Impairment of Dunlevy project	-	(28,150)
Foreign currency translation	(1,271,768)	(699,153)
As at balance date	28,602,611	28,089,144

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

5. NON CURRENT LIABILITIES

	31 December 2020 \$	30 June 2020 \$
Other Payables		
Bathurst NOW Bonds	(27,585)	(28,851)
Bathurst cash calls	(383,989)	-
	(411,574)	(28,851)

Bathurst cash calls relates to cash calls provided by Bathurst Resources Ltd (“Bathurst”) to NWP Coal Canada Ltd (“NWP”), this is a non-callable loan that has been contributed to funding the progression of the Environmental Assessment Application in line with Bathurst’s common equity shareholding in NWP as set out in the Investment Agreement between the two parties. Bathurst and NWP will continue to fund the Crown Mountain Coking Coal Project in line with their common equity shareholding, being 20% and 80% respectively, up until Final Investment Decision at which time Bathurst’s Tranche Two Option will either be exercised or expire, and the non-callable loan will be converted to equity in NWP in line with the Investment Agreement.

6. ISSUED CAPITAL

	Half-year ended 31 December 2020		Year ended 30 June 2020	
	Number	\$	Number	\$
<i>Fully paid ordinary shares on issue</i>	303,331,890	36,122,722	263,766,890	31,589,220
	Number	\$	Number	\$
At beginning of the reporting period	263,766,890	31,589,220	263,766,890	31,589,220
<i>Movements in ordinary shares on issue</i>				
Placement 27 July 2020 at \$0.12	39,565,000	4,747,800		
Capital raising costs	-	(214,298)	-	
At end of reporting period	303,331,890	36,122,722	263,766,890	31,589,220

7. RESERVES

	Half-year ended 31 December 2020 \$	Year ended 30 June 2020 \$
(a) Equity Based Payment Reserve	1,544,678	1,518,155
(b) Foreign Currency Translation Reserve	89,046	1,099,252
(c) Contribution Reserve	8,979,274	9,592,128
	10,612,998	12,209,535

(a) Equity Based Payment Reserve:

	Half-year ended 31 December 2020 \$	Year ended 30 June 2020 \$
Balance at the beginning of the period	1,518,155	1,403,975
Director options	26,523	160,528
Director performance rights	-	(46,348)
Balance at period end	1,544,678	1,518,155

7. RESERVES CONTINUED

(b) Foreign Currency Translation Reserve:

	Half-year ended 31 December 2020 \$	Year ended 30 June 2020 \$
Balance at the beginning of the period	1,099,252	1,739,829
Foreign exchange differences	(1,010,206)	(640,577)
Balance at the end of the period	89,046	1,099,252

Contribution Reserve:

	Half-year ended 31 December 2020 \$	Year ended 30 June 2020 \$
Balance at the beginning of the period	9,592,128	5,807,621
Contribution by BRL in relation to NWP	(612,854)	3,784,507
Balance at the end of the period	8,979,274	9,592,128

8. PROFIT/(LOSS) PER SHARE

	Half-year ended 31 December 2020 \$	Half-year ended 31 December 2019 \$
(a) Profit/(loss) used in the calculation of basic loss per share:	(500,676)	436,831
	Number of shares	Number of shares
(b) Weighted average number of ordinary shares outstanding during the reporting period used in calculation of basic loss per share:	297,586,835	263,766,890
(c) Weighted average number of ordinary shares outstanding during the reporting period used in calculation of diluted profit/(loss) per share:	297,586,835	263,766,890

8. PROFIT/(LOSS) PER SHARE CONTINUED

Basic profit/(loss) per share is calculated as net profit or loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted profit/(loss) per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

9. SEGMENT REPORTING

Jameson Resources Limited operates predominantly in one industry being the mining and exploration industry in Canada.

Segment Information

Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Company is managed primarily on the basis of its coal exploration in Canada and its corporate activities. Operating segments are therefore determined on the same basis

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

(i) Segment performance

	Corporate	Exploration	Total
31 December 2020	\$	\$	\$
Segment revenue	33,035	1,324	34,359
Segment results	(380,656)	(133,546)	(514,202)

Included within segment result:

• Depreciation	-	(2,029)	(2,029)
• Interest Revenue	2,418	1,324	3,742
• ATO COVID Cashboost	30,617	-	30,617
• BC Mining Tax Credits	-	63,530	63,530

31 December 2020

Segment assets	4,001,736	31,095,393	35,097,129
Segment liabilities	(94,167)	(655,484)	(749,651)

9. SEGMENT REPORTING CONTINUED

(i) Segment performance continued

31 December 2019	Corporate \$	Exploration \$	Total \$
Segment revenue	2,559	1,407	3,966
Segment results	(737,975)	1,488,622	750,647

Included within segment result:

• Depreciation	-	(2,512)	(2,512)
• Interest Revenue	2,559	1,407	3,966
• BC Mining Tax Credits	-	1,554,831	1,554,831

31 December 2019

Segment assets	5,333,239	26,183,809	31,517,048
Segment liabilities	(55,982)	(299,247)	(355,229)

(ii) Revenue by geographical region

There is no revenue attributable to external customers for the half year period ended 31 December 2020 (2019: nil).

(iii) Assets by geographical region

Reportable segment assets are located in Canada and Australia.

10. SHARE BASED PAYMENTS

Director Options

In November 2020, the Company issued 2,500,000 Director Options to Ms Nicole Hollows as a reward and incentive as follows:

Director Options Tranche	No. of Options	Exercise Price	Expiry Date	Vesting Period Expiry
1	500,000	A\$0.20	19/11/2023	19/11/2021
2	500,000	A\$0.30	19/11/2024	19/11/2022
3	500,000	A\$0.40	19/05/2025	19/05/2023
4	1,000,000	A\$0.50	19/11/2025	19/11/2023

The fair value of the Incentive Options granted are estimated at the date of grant using the Black Scholes option and binomial pricing model and based on the assumptions set out below:

	Director Options Tranche 1	Director Options Tranche 2	Director Options Tranche 3	Director Options Tranche 4
Assumptions:				
Valuation date	19/11/2020	19/11/2020	19/11/2020	19/11/2020
Market price of Shares	\$0.125	\$0.125	\$0.125	\$0.125
Exercise price	\$0.20	\$0.30	\$0.40	\$0.50
Expiry date	19/11/2023	19/11/2024	19/05/2025	19/11/2025
Risk free interest rate	0.28%	0.28%	0.45%	0.45%

	Director Options Tranche 1	Director Options Tranche 2	Director Options Tranche 3	Director Options Tranche 4
Dividend Yield	0	0	0	0
Expected future volatility	90%	90%	90%	90%
Vesting milestone (Time in office)	12 Months	24 Months	30 Months	36 Months
Indicative value per CEO Option	\$0.053	\$0.054	\$0.053	\$0.053
Number of options	500,000	500,000	500,000	1,000,000
Total Value of CEO Options \$	26,311	26,768	26,394	52,914

As at 31 December 2020, management has provided the best estimate of the number of options expected to vest. The options have been valued in accordance with AASB 2 Share Based Payments, and bought to account over their vesting periods. The length of the expected vesting period is consistent with the expiry dates for the options, and a value of \$26,523 in total has been expensed for the half year.

11. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Dunlevy Energy Inc. acquisition

As a condition for the acquisition of Dunlevy Energy Inc. and the Dunlevy Project, Jameson agreed to pay Mr Ken Murfitt C\$250,000 (plus Canadian HST) upon commencement of commercial production from the Dunlevy Project.

12. NON-CONTROLLING INTEREST and AGREEMENT WITH BATHURST RESOURCES LIMITED

On 29 June 2018, the Company and NWP Coal Canada Ltd entered into an Investment Agreement and Shareholders Agreement with Bathurst Resources Limited, a coal operator in New Zealand.

Key terms of the agreements are as follows:

- o Initial payment of C\$4 million (received 13 July 2018) and converted to 8,000,000 fully paid ordinary shares in NWP Coal Canada Inc., for an initial 8% interest
- o a Tranche One Option of C\$7.5 million; (completed 2 Oct 2019), for a further 12% interest in ordinary shares
- o a Tranche Two Option cash. advance of up to C\$5 million (C\$2.6 million drawn) and converted to 2.2% Class B Preference Shares. Class B preference shares automatically convert into fully paid ordinary shares of NWP upon the completion of the Tranche Two Option.
- o a final Tranche Two Option of C\$107.4 million (C\$110 million less any amounts drawn under the Tranche Two Option cash advance).

As a result of the above funding, Bathurst's ownership interest in NWP as at 1 July 2020 amounted to 22.2% ownership interest, 20% ordinary shares and 2.2% Class B Preference shares.

From 1 July, 2020, Jameson and Bathurst contribute cashcalls for NWP in their ordinary share ownership interests, being 80% and 20% respectively. The funding is currently via unsecured non interest bearing loans, which will be converted to shares in the future. The Bathurst's non-controlling interest in NWP for the period is a net loss of \$13,526 as a result of NWP reporting a net loss of \$60,926.

13. EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances that have arisen since the end of the half year period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION

For the Half Year Ended 31 December 2020



DIRECTORS' DECLARATION

In the opinion of the Directors of Jameson Resources Limited ("the Company"):

1. the attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) giving true and fair view of the group's financial position as at 31 December 2020 and of its performance for the half-year then ended; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

A handwritten signature in blue ink, appearing to read "N Hollows", written over a horizontal line.

Nicole Hollows
Chairman

A handwritten signature in blue ink, appearing to read "J Nicholls", written over a horizontal line.

Joel Nicholls
Executive Director

Dated this 26th day of February 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Jameson Resources Limited

Report on the Condensed Half-Year Financial Report*Conclusion*

We have reviewed the accompanying half-year financial report of Jameson Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Jameson Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and

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its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
26 February 2021



N G Neill
Partner

DIRECTORS

Ms Nicole Hollows
(Non-Executive Chairman)
Mr Joel Nicholls
(Executive Director)
Mr Steve van Barneveld
(Non-Executive Director)

COMPANY SECRETARY

Ms Lisa Dalton

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