ASX RELEASE

Jameson RESOURCES LIMITED

3 OCTOBER 2016

Fast Facts **ASX: JAL**

Share Price Range (6mths)	$0.01 - $0.06
Shares on Issue	208,565,619
Market Capitalisation	~$10M

Major Shareholders (as at September 30, 2016)

Zero Nominees Pty Ltd	9.4%
Hillboi Nominees	5.9%
Wholesalers Morley PL	5.3%

Directors & Management

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

Key Projects

Crown Mountain Coking Coal Project
Elk Valley Coal Field, Canada
Dunlevy Coal Project
Peace River Coal Field, Canada

Investment Highlights

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

Newsflow / Catalysts

Complete Crown EA pre-app	Q4 2016
Crown PFS enhancements	ongoing
Crown enviro permit progress	ongoing

Contact Details

Australia
Suite 5, 62 Ord Street
West Perth, WA 6005
P +61 (8) 9200 4473
F +61 (8) 9200 4463
E admin@jamesonresources.com .au

Canada
Suite 800, 1199 West Hastings, Vancouver
P +1 (604) 629-8605

Jameson Completes Share Placement to Continue Advancing Crown Mountain Coking Coal Project

Highlights

- **A total of $1 million has been subscribed for via a share placement.**
- **14.3 million shares will be issued at $0.07, representing a 40 percent premium to the last share price.**
- **One free attaching option is included for every two shares subscribed for, exercisable at $0.105 on or before 30 September 2018. The exercise price is more than double the pre-placement share price.**
- **Funds received will be applied, in part, to continuing to advance the Crown Mountain Coking Coal Project ("Crown Mountain" or "the Project") in a controlled manner, focusing on enhancements to the PFS targeting significant CAPEX and OPEX reductions.**
- **Jameson managed this placement internally.**

Jameson Resources ("Jameson", the "Company") is pleased to announce it has entered into an agreement to raise approximately $1 million (the "Placement").

A final firm commitment for $1 million, comprising 14,285,714 fully paid ordinary shares at a price of $0.07 per share, with an attaching free option on a 1 for 2 basis (7,142,857 options), has been received. The options are unlisted and are exercisable at $0.105 on or before 30 September 2018. The placement was made to an institutional investor, and was managed internally by the Company, avoiding any third party management fees.

The shares will be issued in accordance with Jameson's 15% annual placement capacity (the placement actually comprises a 10.3% increase in shares) under ASX Listing Rule 7.1. Settlement is expected to occur during the balance of this week.

Funds will be used to update the Crown Mountain Pre-feasibility study ("PFS"), continue the Environmental Assessment process ("EA"), perform a gap analysis on Crown Mountain baseline data, and for general corporate purposes.

The proposed work on Crown Mountain will allow Jameson to update and optimize project economic metrics from those stated in the PFS which had identified Crown Mountain as a relatively low cost producer of high quality coking coal. Opportunities identified to target lower OPEX and CAPEX will only enhance the attractiveness of Crown Mountain in a recovering market for steel making coal.

DISCUSSION

The coking coal market has been in a downturn for most of the past two years. During that period, Jameson completed several key environmental studies at Crown Mountain and advanced into the EA pre-application phase. Concurrently, the Company conducted internal and third party reviews of the 2014 PFS with the objective of reducing CAPEX and OPEX. An interim update of those efforts was announced on 30 March 2015. Due to a self-imposed spending restriction, Jameson has not yet authorized an official (JORC, NI43-101 compliant) update of the PFS.

Given the huge surge in coking coal prices during the last few months, the economics of Crown Mountain have improved significantly. In fact, today's reported spot prices in the US$200/t range exceed the assumed sales prices in the PFS. The more important quarterly benchmark settlement, which will be announced shortly for Q4, is also approaching, and perhaps exceeding, the PFS estimates, particularly when adjusted for the current exchange rate:

- The PFS assumed benchmark coking coal price was US$170/t for the first four years of operation and US$190/t thereafter.
- The PFS assumed an exchange rate of 0.92 CAD:USD.
- The current exchange rate is 0.76 CAD:USD.
- Adjusted for the exchange rate the equivalent PFS sales prices would be US$140/t and US$157/t respectively.

The current exchange rate favourably impacts projected OPEX as well: The PFS' base case FOB cost of US$100.38/t translates to US$82.92/t at today's exchange rate. And of note, this is before any of the potential upside identified over the two years post-PFS have been included in the model.

Capital requirements for Crown Mountain ranged between US$123 million and US$339 million for the three PFS cases. There are several reasons these CAPEX numbers can potentially be significantly reduced:

- All equipment, whether purchased outright or leased, was assumed to be new. This was during a commodities boom when equipment prices were high and little to no quality used equipment was available. That situation has changed dramatically.
- The PFS assumed several worst case scenarios which have potential for improvement. For example, an all-new haulroad was assumed versus upgrading an existing road. It also assumed Crown Mountain would require all new facilities and infrastructure, with no sharing amongst other existing or future operations.
- Perhaps most importantly, the PFS envisioned a company owned and operated mine. Work over the past 2 years reveals that contract mining shows great promise to significantly reduce CAPEX.

The Company has identified numerous areas of potential upside (and in the case of the exchange rate, real quantifiable savings) versus the PFS.

With the increasing coal price, the Company has recently received several inquiries from various entities regarding an investment in Jameson, Crown Mountain, or both. Detailed discussions have followed, and some remain in progress.

Jameson was able to reach an agreement with a highly respected fund to participate in the Placement for $1 million. The board are pleased that this opportunity provides sufficient funds raised at an attractive premium to market price to advance the project without causing unnecessary shareholder dilution.

The Company shall apply the funds as follows:

- Proceed to formally update the 2014 PFS targeting CAPEX and OPEX savings while examining a broad range of options including contract mining.
- Continue on a controlled basis to advance the EA process.
- Perform a gap analysis and identify remaining activities required for Crown Mountain with respect to baseline data collection.
- Retain the balance for future corporate and/or project purposes.

In all respects, Jameson will continue to operate in a prudent manner and balance the conservation of cash against advancing Crown Mountain.

On Behalf of the Board of Directors,

Art Palm
Chairman & Chief Executive Officer

Prefeasibility Study Results

The information in this announcement relating to Pre-feasibility Study Results of the Company's Crown Mountain Coal Project are extracted from the ASX Release entitled "Prefeasibility study confirms Crown Mountain coking coal project will enjoy outstanding economics" announced on 11 August 2014 and 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 prefeasibility 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.

About Jameson Resources Limited

Jameson Resources Limited (ASX:JAL) is a junior resources company focused on the acquisition, exploration and development of strategic coal projects in western Canada. The Company has a 90% interest in the Crown Mountain coking coal project, and a 100% interest in the Dunlevy coal project, both located in British Columbia. Jameson's tenement portfolio is positioned in coalfields responsible for the majority of Canada's metallurgical coal exports and is near railways connecting to export facilities.

To learn more, please contact the Company at +61 89200 4473, or visit: www.jamesonresources.com.au

Forward Looking Statements

This announcement contains "forward-looking statements". Such forward-looking statements include, without limitation: estimates of future earnings, the sensitivity of earnings to commodity prices and foreign exchange rate movements; estimates of future production and sales; estimates of future cash flows, the sensitivity of cash flows to commodity prices and foreign exchange rate movements; statements regarding future debt repayments; estimates of future capital expenditures; estimates of resources and statements regarding future exploration results; and where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to commodity price volatility, currency fluctuations, increased production costs and variances in resource or reserve rates from those assumed in the company's plans, as well as political and operational risks in the countries and states in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company's Annual Reports, as well as the Company's other filings. The Company does not undertake any obligation to release publicly any revisions to any "forward looking statement" to reflect events or circumstances after the date of this release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.