
JAMESON RESOURCES LIMITED

ACN 126 398 294

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.00 am EST

DATE: Wednesday, 15 November 2017

PLACE: MELBOURNE MARRIOTT HOTEL
CNR LONSDALE & EXHIBITION STREETS
MELBOURNE, VICTORIA,
AUSTRALIA 3000

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00pm EST on 13 November 2017.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2017."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR JOEL NICHOLLS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Joel Nicholls, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – ISSUE OF PERFORMANCE RIGHTS AND OPTIONS TO MR ARTHUR PALM

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 3,000,000 Performance Rights and 4,000,000 Options to Mr Arthur Palm (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Arthur Palm (or his nominee) and any of their associates (**Resolution 3 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 3 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- Provided the Chair is not a Resolution 3 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

5. RESOLUTION 4 - RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 27,473,685 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 5 - RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,999,015 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 6 October 2017

By order of the Board



**Suzie Foreman
Company Secretary**

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9200 4473.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.jamesonresources.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for a financial year.

The chair of the Meeting must allow a reasonable opportunity for its Shareholders to ask questions about or make comments on the Remuneration Report at the Annual General Meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR JOEL NICHOLLS

3.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Joel Nicholls, who has served as a director since 15 September 2016 and was last re-elected on 10 November 2016, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Nicholls has over 10 years financial and technical experience in the resources industry. He formerly worked for PricewaterhouseCoopers and has excellent financial skills specific to the resources industry in the areas of mergers, acquisitions, joint ventures, and corporate governance. Based in Melbourne, Mr Nicholls manages a private resources fund. Mr Nicholls does not hold any other material directorships.

3.3 Independence

If elected the board considers Mr Joel Nicholls will be an independent director.

3.4 Board recommendation

The Board supports the re-election of Mr Joel Nicholls and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – ISSUE OF PERFORMANCE RIGHTS AND OPTIONS TO MR ARTHUR PALM

4.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 3,000,000 Performance Rights (**Performance Rights**) and 4,000,000 Options (**Options**) (together, the **Related Party Securities**) to Mr Arthur Palm on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Securities constitutes giving a financial benefit and Mr Arthur Palm is a related party of the Company by virtue of being a Director.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Related Party Securities to the Related Parties.

4.2 Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.14

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Related Party Securities:

- (a) the related party is Mr Arthur Palm and he is a related party by virtue of being a Director;
- (b) the maximum number of Related Party Securities to be issued to Mr Palm (or their nominee) is:
 - (i) 3,000,000 Performance Rights; and
 - (ii) 4,000,000 Options.
- (c) the Related Party Securities will be granted to Mr Palm no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Securities will be issued on one date;
- (d) the Related Party Securities will be granted for nil cash consideration; accordingly no funds will be raised;
- (e) the terms and conditions of the Options are set out in Schedule 1;
- (f) the terms and conditions of the Performance Rights are set out in Schedule 2;
- (g) the value of the Options and the pricing methodology is set out in Schedule 3
- (h) the value of the Performance Rights is set out in Schedule 4;

- (i) the relevant interests of Mr Palm in securities of the Company is set out below:

Related Party	Shares
Arthur Palm	2,234,000

- (j) the remuneration and emoluments from the Company to Mr Palm for the previous financial year and the proposed remuneration and emoluments for the current financial year is set out below:

Related Party	Current Financial year	Previous Financial Year (ending 30 June 2017)
Arthur Palm	350,810 ²	\$306,417 ¹

¹ Mr Palm received US\$230,000 in 2017 versus his contracted compensation of US\$275,000. The reduced remuneration resulted from voluntary pay reductions of US\$45,000 Mr Palm agreed to take during the year.

² Contracted compensation for 2017/8 financial year being US\$275,000 converted at the current US/AU exchange rate of 0.7839.

- (k) if the Related Party Securities issued to Mr Palm are exercised or converted, a total of 7,000,000 Shares would be issued. This will increase the number of Shares on issue from 256,624,033 to 263,624,033 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by 2.65%.
- (l) The market price for Shares during the term of the Options would normally determine whether or not the Options are exercised. If, at any time any of the Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company.
- (m) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price (cents)	Date
Highest	14.0	11 November 2016
Lowest	7.0	4 – 20 October 2016
Last	11.0	6 October 2017

- (n) the primary purpose of the grant of the Related Party Securities to Mr Palm is to provide a performance linked incentive component in the remuneration package for Mr Palm to motivate and reward the performance of Mr Palm in his role as Director to deliver short term goals based upon real and defined KPI's with input from management;
- (o) Mr Palm declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Securities in the Company should Resolution 3 be passed.

- (p) Directors, Steve van Barneveld and Joel Nicholls, recommend that Shareholders vote in favour of Resolution 3 for the following reasons:
- (i) the grant of Related Party Securities to Mr Palm, in particular, the vesting conditions of the Options and milestones of the Performance Rights, will align the interests of Mr Palm with those of Shareholders;
 - (ii) the grant of the Related Party Securities is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Palm; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Securities upon the terms proposed;
- (q) with the exception of Mr Palm, no other Director has a personal interest in the outcome of Resolution 3;
- (r) in forming their recommendations, each Director considered the experience of Mr Palm, the current market price of Shares, the current market practices when determining the number of Performance Rights and Options to be granted as well as the performance hurdles/vesting conditions, exercise price and expiry date of those Performance Rights and Options; and
- (s) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 3.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Securities to Mr Palm as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Securities to Mr Palm will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

5. RESOLUTIONS 4 – RATIFICATION OF PRIOR ISSUE – SHARES

5.1 General

On 6 June 2017, the Company issued 27,473,685 Shares at an issue price of \$0.095 per Share to raise \$2,610,000 to progress the Crown Mountain Environmental Assessment process and for general corporate and project purposes.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 27,473,685 Shares were issued;
- (b) the issue price was \$0.095 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Acorn Capital Ltd and Sophisticated and Institutional Investors. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue were used for progressing the Crown Mountain Environmental Assessment process and for general corporate and project purposes.

6. RESOLUTIONS 5 – RATIFICATION OF PRIOR ISSUE – SHARES

6.1 General

On 19 September 2017 the Company issued 5,999,015 Shares at an issue price of \$0.10 per Share to raise \$599,901 to progress the Crown Mountain Coking Coal Project, including baseline environmental field work, design and engineering and general working capital purposes.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of ASX Listing Rule 7.1 and 7.4 is set out in section 5.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

6.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 5,999,015 Shares were issued;
- (b) the issue price was \$0.10 per Share;

- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Sophisticated and Institutional Investors. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue were used for progressing the Crown Mountain Coking Coal Project, including baseline environmental field work, design and engineering and general working capital purposes.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Jameson Resources Limited (ACN 126 398 294).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2017.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Vesting Conditions

The Options will vest based on the earlier of:

- (i) the Company's market capitalisation achieving a value greater than the tranche market capitalisation. The market capitalisation is calculated based upon a 20 consecutive market day volume weighted average share price of the Company (**Vesting Condition**) details of which are set out below:

Tranche	Expiry Date	Market Capitalisation	Exercise Price	No. of Options to vest
Tranche 1	31 December 2020	A\$120,000,000	A\$0.20	750,000
Tranche 2	31 December 2021	A\$180,000,000	A\$0.30	1,250,000
Tranche 3	31 December 2022	A\$240,000,000	A\$0.40	2,000,000

- (ii) the occurrence of a Change of Control Event, and subject to paragraph (c) below,

(together, the **Vesting Conditions**).

A Change of Control Event means either:

- (i) a bona fide takeover bid being declared unconditional and the bidder having acquired a relevant interest in at least 50.1% of the Company's issued Shares;
- (ii) a court approving, under section 411(4)(b) of the *Corporations Act 2001* (Cth) (**Corporations Act**), a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (iii) in any other case, a person obtaining voting power in the Company which the Board (which for the avoidance of doubt will comprise those directors immediately prior to the person acquiring that voting power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

(c) **Vesting Upon a Change of Control Event**

If a Change of Control Event occurs then the board has absolute discretion to determine if a pro-rata portion of the vesting Options are eligible to be received based upon the relevant performance of the Company and the holder, the Vesting conditions and any other circumstances which it considers are relevant in relation to the change of control.

(d) **Exercise Price**

Subject to paragraph (k), the amount payable upon exercise of each Option will be the Exercise Price as set out in paragraph (b) above relevant to each Tranche (**Exercise Price**).

(e) **Expiry Date**

Each Tranche Option will expire on the earlier to occur of:

(i) at 5:00 pm (WST) on the Expiry Date as set out above in paragraph (b); and

(ii) the holder ceasing to be an employee of the Company or its subsidiary,

(**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(f) **Exercise Period**

Subject to paragraph (b), the Options are exercisable at any time after the Vesting Condition has been satisfied and on or prior to the Expiry Date (**Exercise Period**).

(g) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(h) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(i) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section

708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph(i)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(j) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(k) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(l) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(n) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 2 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

Rights attaching to Performance Rights

- (a) **(Performance Rights):** Each Performance Right is a right to acquire one Share.
- (b) **(General Meetings):** A Performance Right shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. The Holder has the right to attend general meetings of Shareholders of the Company.
- (c) **(No Voting Rights):** A Performance Right does not entitle the Holder to vote on any resolutions proposed at a general meeting of Shareholders.
- (d) **(No Dividend Rights):** A Performance Right does not entitle the Holder to any dividends.
- (e) **(Rights on Winding Up):** A Performance Right does not entitle a Holder to participate in a return of capital in the Company, whether in a winding up, upon a reduction of capital or otherwise.
- (f) **(Rights to Surplus Profits):** The Holder is not entitled to participate in the surplus profits or assets of the Company upon a winding up of the Company.
- (g) **(Not Transferable):** A Performance Right is not transferable.
- (h) **(Reorganisation of Capital):** If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.
- (i) **(Application to ASX):** A Performance Right will not be quoted on ASX. However, upon conversion of the Performance Rights, the Company must within seven (7) days after the conversion, apply for the official quotation on ASX of the Shares issued upon such conversion.
- (j) **(Participation in Entitlements and Bonus Issues):** The Holder of a Performance Right will not be entitled to participate in new issues of capital offered to Holders of Shares such as bonus issues and entitlement issues.
- (k) **(No Other Rights):** A Performance Right gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Conversion of Performance Rights

- (a) **(Conversion on achievement of milestone)** Subject to paragraphs (h) to (j) above and (b) to (g) below:
 - (i) 750,000 Performance Rights will each convert into one (1) Share upon receipt of an Environmental Assessment Certificate from the province of British Columbia's Environmental Assessment Office for the Crown Mountain Project (**Class A Performance Rights**); and
 - (ii) 750,000 Performance Rights will each convert into one (1) Share upon execution of binding commitments to fully fund the construction phase of the Crown Mountain project from commencement through completion (**Class B Performance Rights**); and

- (iii) 1,500,000 Performance Rights will each convert into one (1) Share upon completion of loading the first commercial shipment of Crown Mountain coal onto truck or train for shipping to a customer under the terms of a sales agreement (**Class C Performance Rights**),

(each, a **Milestone**).

- (iv) Notwithstanding any other term, the Board may in its absolute discretion determine that any Performance Rights will vest upon a Change of Control. For the purposes of this paragraph, a Change of Control means:

- (A) a bona fide takeover bid being declared unconditional and the bidder having acquired a relevant interest in at least 50.1% of the Company's issued Shares;
- (B) a court approving, under section 411(4)(b) of the *Corporations Act 2001* (Cth) (**Corporations Act**), a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (C) in any other case, a person obtaining voting power in the Company which the Board (which for the avoidance of doubt will comprise those directors immediately prior to the person acquiring that voting power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

(b) **Vesting Upon a Change of Control Event**

If a Change of Control Event occurs then the board has absolute discretion to determine if a pro-rata portion of the vesting Performance Rights are eligible to be received based upon the relevant performance of the Company and the holder, the Vesting conditions and any other circumstances which it considers are relevant in relation to the change of control.

- (c) (**Expiry Dates**): Each Milestone must be achieved on or before the dates set out below:

- (i) the Milestone applicable to the Class A Performance Rights (**Class A Milestone**) must be satisfied by 31 December 2020; and
- (ii) the Milestone applicable to the Class B Performance Rights (**Class B Milestone**) must be satisfied by 31 December 2021; and
- (iii) the Milestone applicable to the Class C Performance Rights (**Class C Milestone**) must be satisfied by 31 December 2022,

(each, an **Expiry Date**).

- (d) (**Compliance with law**) The conversion of the Performance Rights is subject to compliance at all times with the Corporations Act and the ASX Listing Rules.

- (e) (**No Conversion if Milestone not Achieved**): The Performance Rights will lapse on the earlier to occur of:

- (i) if the relevant Milestone is not achieved by the relevant Expiry Date;
and
 - (ii) the Holder ceasing to be an employee of the Company or its subsidiary.
- (f) **(Conversion Procedure):** the Company will issue the Holder with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Rights.
- (g) **(Ranking of Shares)** The Shares into which the Performance Rights will convert will rank pari passu in all respects with existing Shares.

SCHEDULE 3 – VALUATION OF OPTIONS

The Options to be issued to Mr Art Palm pursuant to Resolution 3 have been independently valued by Peter Gray, a director of the Corporate Advisory Division of Moore Stephens (WA) Pty Ltd, acting independently. Peter Gray has extensive experience in providing valuations of businesses, shares and other equities.

Using the Hull-White option and binomial pricing model, and based on the assumptions set out below, the Director Options were ascribed the following value:

	Tranche 1	Tranche 2	Tranche 3
Assumptions:			
Valuation date	03/10/2017	03/10/2017	03/10/2017
Market price of Shares	\$0.11	\$0.11	\$0.11
Exercise price	\$0.20	\$0.30	\$0.40
Expiry date	31/12/2020	31/12/2021	31/12/2022
Risk free interest rate	1.92%	2.33%	2.33%
Dividend Yield	0	0	0
Expected future volatility	86.6%	78.7%	73.9%
Vesting milestone (Market Capitalisation)	A\$120,000,000	A\$180,000,000	A\$240,000,000
Indicative value per Director Option	\$0.047	\$0.040	\$0.035
Number of options	750,000	1,250,000	2,000,000
Total Value of Director Options \$	35,250	50,000	70,000
Mr Arthur Palm - Total \$155,250			

Note: The valuation noted above is not necessarily the market price that the Director Options could be traded at and is not automatically the market price for taxation purposes.

SCHEDULE 4 – VALUATION OF PERFORMANCE RIGHTS

The Performance Rights to be issued to Mr Art Palm pursuant to Resolution 3 have been independently valued by Peter Gray, a director of the Corporate Advisory Division of Moore Stephens (WA) Pty Ltd, acting independently. Peter Gray has extensive experience in providing valuations of businesses, shares and other equities.

Using the Hull-White option and binomial pricing model and based on the assumptions set out below, the Director Options were ascribed the following value:

	Class A Milestone	Class B Milestone	Class C Milestone
Assumptions:			
Valuation date	03/10/2017	03/10/2017	03/10/2017
Market price of Shares	\$0.11	\$0.11	\$0.11
Exercise price	Nil	Nil	Nil
Expiry date	31/12/2020	31/12/2021	31/12/2022
Risk free interest rate	1.92%	2.33%	2.33%
Dividend Yield	0	0	0
Expected future volatility	86.6%	78.7%	73.9%
Vesting milestone	Environmental Assessment Certificate	Fully Fund Construction	First Commercial Coal Shipment
Vesting probability (currently)	50%	40%	25%
Indicative value per Performance Right	\$0.06	\$0.05	\$0.03
Number of performance rights	750,000	750,000	1,500,000
Total Value of Performance Rights (\$)	45,000	37,500	45,000
Mr Arthur Palm - Total \$127,500			

Note: The valuation noted above is not necessarily the market price that the Performance Rights could be traded at and is not automatically the market price for taxation purposes.

PROXY FORM

JAMESON RESOURCES LIMITED
ACN 126 398 294

ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at **10.00am EST on Wednesday, 15 November 2017** at Melbourne Marriott Hotel, Cnr Lonsdale and Exhibition Streets, Melbourne VIC 3000, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 3 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 3 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	☐	☐	☐
Resolution 2	Re-Election of Director – Mr Joel Nicholls	☐	☐	☐
Resolution 3	Issue of Performance Rights and Options to Mr Arthur Palm	☐	☐	☐
Resolution 4	Ratification of Prior Issue – Shares	☐	☐	☐
Resolution 5	Ratification of Prior Issue – Shares	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

**Consent for contact by e-mail
in relation to this Proxy Form:**

YES ☐ NO ☐

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Security Transfer Registrars, PO Box 52, Collins Street West, VIC 8007, or hand deliver to Security Transfer Registrars Suite 913, Exchange Tower, 530 Little Collins Street, Melbourne, VIC 3000, Australia,
 - (a) facsimile to Security Transfer Registrars on facsimile number +61 8 9315 2233 or
 - (b) email to the Security Transfer Registrars at registrar@securitytransfer.com.au

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.