

18 OCTOBER 2016

Fast Facts

ASX: JAL

Share Price Range (6mths)	\$0.01 - \$0.07
Shares on Issue	222,851,333
Options	7,142,857
Exercise price	\$0.105
Market Capitalisation	~\$15M

Major Shareholders (as at 17 October 2016)

Zero Nominees Pty Ltd	8.8%
JP Morgan Nominees	6.4%
Hillboi Nominees	5.5%

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 update	Q1 2017
Crown enviro permit progress	ongoing

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Rising Coking Coal Prices Drive Crown Mountain Economics Beyond Pre-Feasibility Study Assumptions

Highlights

- Coking coal prices have continued their recent surge, with a Q4 benchmark settlement being reported at USD \$200 per tonne.
- At the current CAD:USD exchange rate of 0.76 this equates to a CAD sales price of \$263/tonne, an increase of 40 percent versus the CAD \$185/tonne assumed as the initial sales price in the 2014 Pre-feasibility study ("PFS").
- As a result, project economics improve significantly when current benchmark prices and foreign exchange rates are utilised.
- The 40 percent relative increase in prices enhances the already attractive project economics: for example, the PFS' low capital case already had a pre-tax NPV10 of USD \$409 million and IRR of 61 percent.
- The preceding figures do not include potential upsides identified by Jameson over the past two years; the PFS will be updated to reflect those changes in the near future.

Jameson Resources ("Jameson", the "Company") is pleased to provide an update of the effect on PFS economics of the Crown Mountain Coking Coal Project ("Crown Mountain", the "Project") due to recent changes in coking coal benchmark prices and exchange rates.

The Q4 benchmark for coking coal has reportedly settled at USD \$200/tonne. This compares to the Q3 settlement of approximately USD \$92/tonne. Similarly, the benchmark PCI price for Q4 is reportedly USD \$133/tonne.

These prices compare to the PFS-estimated prices of USD \$170/tonne and USD \$113/tonne for coking coal and PCI respectively (increasing to USD \$190/tonne and USD \$126/tonne after year 4).

The PFS assumed a CAD:USD exchange rate of 0.92; that rate is now 0.76.

These price increases and the favourable exchange rate have a significant effect on Project economics: Crown Mountain is estimated to ship 84 percent of its product as hard coking coal, with the balance as PCI.

The Company is proceeding with updating the PFS to reflect not only current FOREX and market conditions, but also numerous potential savings it and its consultants have identified, with the objective of significant reductions in CAPEX and OPEX.

DISCUSSION

Since the PFS release in 2014, Jameson has conducted internal and third party reviews with the objective of reducing CAPEX and OPEX. An interim update of those efforts was outlined in our announcement 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. Following a successful capital raise earlier this month, the Company now intends to move forward with updating the PFS.

Coking coal prices, as defined by the Q4 settlement announced earlier this week, are currently higher than assumed in the PFS:

- The PFS assumed benchmark coking coal price was USD \$170/tonne for the first four years of operation and USD \$190/tonne thereafter, versus the current USD \$200/tonne.
- The PFS assumed an exchange rate of 0.92 CAD:USD versus the current 0.76. This is a major benefit for a Canadian-based project such as Crown Mountain.
- The USD \$170/tonne PFS-assumed sales price at the 0.92 exchange rate results in a CAD sales price of \$185/tonne versus CAD \$ 263/tonne calculated from the current sales price and exchange rate: an increase of over 40 percent.

The low capital case (USD \$123 million) in the PFS had a 61 percent IRR and pre-tax NPV10 of USD \$409 million. At today's prices and exchange rate, the IRR and NPV's have significant scope for improvement well beyond these estimates.

While the surge in coal sales prices greatly enhances project economics, Jameson is targeting significant reductions in both CAPEX and OPEX resulting from several potential savings identified over the past 2 years. A lower CAPEX will more favourably position Jameson in attracting investors/financing, while a reduced OPEX will serve to establish Crown Mountain as a low cost producer capable of not only thriving in good coal markets, but operating profitably in poor markets as well.

The updated PFS will define these potential savings and revise economics based on current exchange rates and updated pricing forecasts.

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.