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The Manager
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Companies Announcement Centre
20 Bridge Street
Sydney NSW 2000

ACTIVITIES REPORT FOR SEPTEMBER QUARTER 2014

Highlights

- ❖ Results from the Crown Mountain coking coal project's prefeasibility study were released in early August.
- ❖ Environmental and baseline monitoring studies continued at Crown Mountain during the quarter, with the objective of triggering the Environmental Assessment (EA) process later this year.
- ❖ Initial drilling was conducted at the Dunlevy metallurgical coal project in northeast British Columbia during July/August.
- ❖ The Company raised approximately \$2 million (before fees) in September, with settlement occurring in October.
- ❖ As at 30 September 2014 the Top 20 shareholders held approximately 51% of the capital of the Company and the Company held A\$1.5M in cash (excluding the capital raising funds, which will be included in the following quarter's cash balance).

Overview

Jameson Resources Limited (“Jameson” or “the Company”) continues to advance the Crown Mountain coking coal project. Results of the prefeasibility study (PFS) were released in August, and are detailed in this report. Meanwhile, environmental field activities at Crown Mountain have accelerated. A draft of the Project Description, a precursor to the EA process, was submitted during the quarter to the appropriate agencies.

At Dunlevy, Phase 1 drilling commenced in July and was completed in August. The drilling confirmed multiple seams and seam continuity. The quality results were announced on 17 October 2014, with the coal samples displaying, on balance, low clean coal ashes at relatively high recoveries, which may be expected to translate into good to excellent plant yields for low to very low ash content products.

With the Crown Mountain PFS completed, the environmental permitting process underway, and Dunlevy initial exploration concluded, both of Jameson’s main projects made significant progress during the quarter.

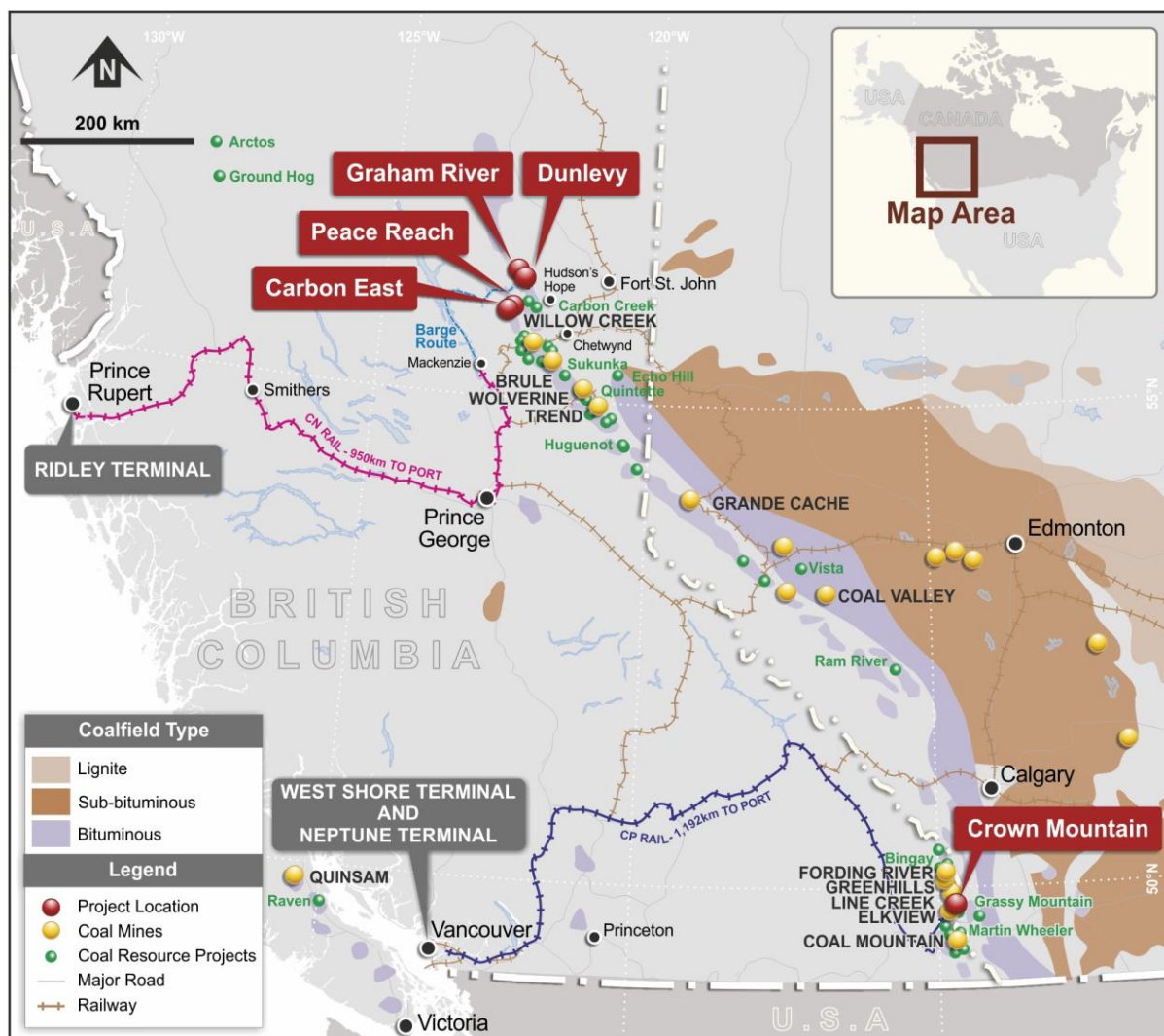


Figure 1 – Project Location Plan

Project Summary

Crown Mountain Project - Elk Valley Coal Field, British Columbia

(Jameson 90%)

The Crown Mountain coking coal project is located in western Canada's prolific Elk Valley, source of the majority of Canada's hard coking coal production.

Norwest Corporation (Norwest) completed the PFS evaluation in August and is finalizing the complete text. Highlights of the PFS include:

- After-tax Payback Period of 2.7 years is exceptional and serves to mitigate project investment risk.
- Internal Rate of Return (IRR) is 33% pre-tax (26% after-tax) on base case start-up capital cost of US\$339 million (includes 10% contingency).
- IRR increases to as high as 61% pre-tax with start-up capital cost of US\$123 million if maximum leasing option is selected.
- NPV10 US\$369 million pre-tax (US\$223 million after-tax) on base case, increasing to up to US\$410 million if leasing is selected.
- Early mine life production peaks at 2 million clean tpa, levelling off at 1.7 million tpa average over the project's 16 year mine life.
- Low life-of-mine clean coal strip ratio of 9.9:1 BCM:t supports low cost production, with an average of 7.6:1 BCM:t during the first four years of operation.
- Hard coking coal comprises approximately 84% of life-of-mine sales, with the balance a low to mid volatile PCI product. Average coal sales price (all products) life-of-mine is US\$165/tonne
- FOB cost averages US\$88.64 during the first four years of operation for the base case: life-of-mine average is US\$100.38/tonne.
- Plant yield averages 52% life-of-mine, peaking in the early years with 59% average in the North block.
- ROM reserves total 56 million tonnes, of which 50 million tonnes are Proven and 6 million tonnes Probable. These figures totally exclude the high potential Southern Extension inferred resource area.

For full details including the PFS assumptions, design parameters, and key risks, refer to ASX Announcement dated 11 August 2014, entitled "Prefeasibility study confirms Crown Mountain coking coal project will enjoy outstanding economics," available on the ASX and Jameson websites.

Next Steps and Potential Upside

The PFS examined Jameson building and operating the Project as a company-owned stand-alone entity. This represents a worst-case with respect to capital. Additionally, the South block reserve is mined immediately after the North and East reserves, ignoring the potential value of the Southern Extension.

Over the next few months Jameson will be evaluating several value-enhancing alternatives, including but not limited to the following:

- Discussions will be held with contract mining firms to develop a cost estimate for utilizing contract mining.
- Alternative annual production levels will be examined to test their effect on overall project economics.
- A mining strategy based on optimizing coal quality (and resulting in higher overall sales prices life-of-mine) will be evaluated. Blending of North and South Block coals was evaluated during coal quality testing. The PFS was performed based on a logical progression of mining North, East, and South.
- Emerging technologies will be evaluated as potential replacements for the use of a traditional thermal drier in the plant.
- The potential of the Southern Extension will be examined in greater detail to determine the viability of mining the Southern Extension immediately after the North and East Blocks. There is limited information available; meaning some level of additional exploration will be required in the future.
- Synergies between Crown Mountain and other regional projects will be evaluated, and the appropriate parties approached to engage in discussions.
- The Company intends to initiate a Feasibility gap analysis within a few months to identify outstanding data collection requirements for a Bankable Feasibility Study (“BFS”). The results of that evaluation will determine the scope of any 2015 field work required to support the BFS.

Concurrent with the above items and recognizing the value of Crown Mountain, Jameson intends to continue fast-tracking the EA process with the objective of having the Project ready to enter the construction phase once market conditions improve.

Anticipating a positive PFS, Jameson had already accelerated field activities in support of Crown Mountain entering the EA process. Specific activities include surface water quality sampling, ground water evaluation, wildlife, aquatic and plant studies, and related environmental investigations. The Company and its consultants have met with representatives of the EA offices of both Canada and the

province of British Columbia, and submitted a Project Description in mid-October. The Project Description will trigger governmental evaluation, and is the gateway into the EA process.

The EA process represents by far the most significant critical path item for bringing Crown Mountain into production. Jameson will continue to focus on activities to keep the EA timeline on schedule.

Concurrent with EA activities the Company will execute other tasks essential to advancing Crown Mountain.

Jameson management remains convinced Crown Mountain represents a high quality hard coking coal project in an area with excellent infrastructure, and will continue to move the project forward.

Dunlevy Project – North East British Columbia

(Jameson 100%)

The Dunlevy Project (“Dunlevy”) overlies the northwest extension of the Peace River coal field in northeast British Columbia (*Figure 3*), and comprises approximately 2,534 hectares of highly prospective ground. In July/August Jameson executed the first ever drilling program within the Dunlevy project area. Highlights included:

- Phase 1 drilling has been successfully completed at the Dunlevy metallurgical coal project. Seam thickness is in line with expectations based on historical trenching work performed on the property.
- Review of the results by the Project Geologist confirms the existence of multiple coal seams, and continuity between drill holes.
- A total of 7 open holes were completed, all of which encountered portions of the Gething Formation.
- Three sites were twinned for acquiring core for coal quality which were sent for analysis to the Birtley Coal and Minerals lab in Calgary.
- A total of four core samples were evaluated for washability, petrography, and other coal quality parameters.
- On balance, the seams sampled by core drilling show relatively high projected yields at relatively low ash contents.

All holes intercepted portions of the coal bearing Gething Formation, with the majority finding multiple seams of varying thickness. The cumulative thicknesses of each hole were presented in an asx announcement released August 29, 2014 titled “Multiple Seams Encountered During Dunlevy Phase 1 Drilling”.

All completed open holes were geophysically logged, allowing Jameson to identify the coal bearing zones. Selected holes were twinned to acquire core samples of the target seams for coal quality testing; the collected samples were sent to Birtley Coal and Minerals Lab in Calgary for analysis.

The Dunlevy coal samples display, on balance, low clean coal ashes at relatively high recoveries, which may be expected to translate into good to excellent plant yields for low to very low ash content products. Coking coal characteristics, as measured by free swelling index (FSI) are not

attractive at higher gravities, although some samples do display fair to good FSI at a low wash gravity. This raises the possibility the Dunlevy coals can be processed through a two-stream processing plant, producing a very low ash coking coal and a still low ash PCI and/or thermal product. However, any conclusion on potential Dunlevy coal products would be premature at this time given the limited amount of data.

Full coal quality results are included in the ASX Announcement dated 17 October 2014, entitled, "First Dunlevy Coal Quality Tests Point to High Yields and Low Ash Content," which is available on the Company and ASX websites.

Limited trenching was conducted near selected areas of historical hand trenching to expose outcropping seams (Figure 2).



Figure 2: Chairman David Fawcett examines a coal seam exposed by trenching

Although just a small portion of the Dunlevy project area has now been explored, the recent program has verified the historical hand-trenching observations and confirmed multiple and continuous coal seams.

Peace River Regional Projects – North East British Columbia

(Jameson 100%)

No work was undertaken during the quarter.

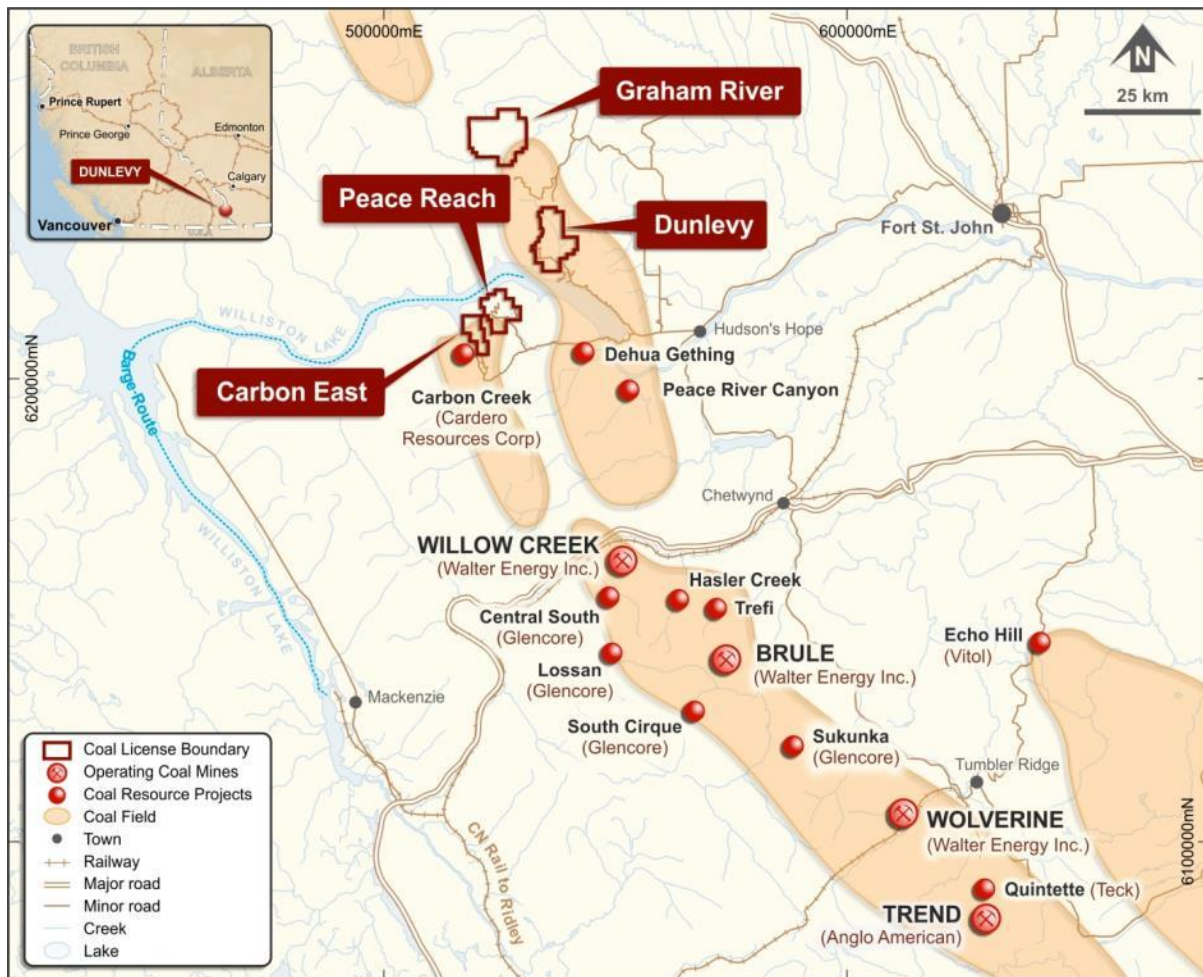


Figure 3 – Peace River Projects - Regional Location Plan

Corporate

On September 25, 2014 the Company announced a capital raising of \$2 million (before fees). The Company issued 14.3 million shares at \$0.14, each with a free attaching option at an exercise price of \$0.16 expiring September 30, 2016 following the quarter end.

As at 30 September 2014 the Company had **A\$1.5** million in cash (excluding the capital raising funds, which will be included in the following quarter's cash balance), no debt, and 189,665,619 shares on issue.

On Behalf of the Board of Directors,



Art Palm
Chief Executive Officer

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Competent Person Statements

Exploration and Laboratory Testing

The information in this presentation that relates to exploration and laboratory testing results on the Crown Mountain Coking Coal project is extracted from the ASX Release entitled “PFS Confirms Crown Mountain 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 the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

The information in this presentation that relates to exploration and laboratory testing results on the Dunlevy project is extracted from the ASX Releases entitled “Multiple Seams Encountered During Dunlevy Phase 1 Drilling” announced on 29 August 2014 and “First Dunlevy Coal Quality Tests Point to high Yields and Low Ash Content” announced on 17 October 2014, 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 announcement and the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Mineral Reserve

The information in this ASX Announcement relating to the Mineral Reserve estimate on the Company's Crown Mountain Coking Coal Project is extracted from the ASX Release entitled “PFS Confirms Crown Mountain will enjoy outstanding economics” announced on 11 August 2014 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 estimates 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.

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.