

14 March 2014

Jacka Resources Limited – Corporate Update

Jacka Resources Limited (“Jacka” or “the Company”) provides the following corporate update.

Update on the Tangiers takeover offer

As Jacka shareholders may be aware, the takeover offer by Tangiers Petroleum Limited (“Tangiers”) for all of the shares and listed options in Jacka is scheduled to close on 18 March 2014.

Tangiers announced to ASX on 11 March 2014 that its takeover offer remains subject to the various defeating conditions to its offer, including the 90% minimum acceptance condition. These conditions have not yet been satisfied and they have not been waived by Tangiers. As at 13 March 2014, Tangiers had received acceptances under the offer to increase its voting power in Jacka to 12.47%.

As Tangiers did not extend the closing date for its takeover offer at or before the time of their announcement on 11 March, Tangiers is now unlikely to be able to extend its takeover offer and as a result **the Tangiers takeover offer should now close on 18 March 2014.**¹

If the Tangiers takeover offer closes unsuccessfully on 18 March 2014 (which appears likely), all acceptances received into the Tangiers takeover offer will be cancelled, such that any Jacka shareholder who accepted the Tangiers offer in respect of their Jacka shares would continue to hold those shares and be free to deal with them as they see fit.

Jacka’s directors continue to recommend that shareholders **take no action** in relation to the Tangiers takeover offer.

Interim Funding

Jacka had originally intended to use funds drawn down under the Tangiers loan facility to repay approximately \$1.7 million owing to the Company’s existing lenders. The Tangiers loan facility was put in place at the time of the Tangiers takeover offer but since the resignation of all but one of the Tangiers directors, Tangiers has refused to allow Jacka to draw down any further funds under that facility.

Jacka has now reached agreement with the Company’s existing lenders to extend the due date for repayment of amounts owing under these facilities, so as to allow the Company more time to put in place alternative financing arrangements. Jacka is in regular contact with its existing lenders who are supportive of Jacka’s capital raising initiatives.

¹ Tangiers would only be able to extend the closing date for its takeover offer in the limited circumstances permitted by the Corporations Act 2001 (Cth), such as where another person makes a takeover offer for Jacka prior to the close of the Tangiers takeover bid, Tangiers decides to improve the consideration offered under its takeover bid or Tangiers voting power in Jacka increases to over 50% prior to the close of its takeover bid.

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To that end, Jacka has appointed Patersons Securities Limited and DJ Carmichaels to assess potential capital raising proposals, the proceeds of which are intended to be used to repay amounts owing under Jacka's existing loan facilities and to provide ongoing working capital. Jacka envisages that it will be able to update the market regarding these proposals shortly. Jacka notes that the \$300,000 it has drawn down under the Tangiers loan facility will be required to be repaid within 90 days of completing any proposed capital raising.

Trading in Jacka shares on ASX will remain in suspension until alternative financing arrangements are in place.

The Jacka board and management team appreciates the strong support it has received from shareholders and its existing lenders during what has been a very frustrating and difficult time for the company following the collapse of the proposal to merge with Tangiers.

Shareholders will be kept updated of any material developments.

For more information please contact:

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