Level 2, 79 Hay Street
Subiaco WA 6008
West Perth WA 6872

Telephone +61 8 9200 4473
Facsimile +61 8 9200 4463
www.jamesonresources.com.au

29 January 2010

The Manager
Australian Stock Exchange
Companies Announcement Centre
20 Bridge Street
Sydney NSW 2000

ACTIVITIES REPORT FOR DECEMBER QUARTER 2009

Highlights

- **Feasibility on expanded mine case on track for completion by end of March quarter 2010**
- **Drilling and Trenching program to test northern extension of resource completed**
- **Preliminary estimates support cash operating margin of US$20 per tonne**
- **Advanced discussions in progress with potential overseas off-take partner**
- **Mining and processing operations anticipated to commence within 12 months of decision to mine**
- **At 31 December 2009 the Top 20 shareholders held approximately 51% of the capital of the Company and the Company had a cash balance of $2.6 million**

Overview

The Company together with its consultants Norwest Corporation ("Norwest") has identified opportunities for revised operating cost assumptions in an expanded mine case scenario with a relatively minor impact on start up capital. As such, the Company has revised Norwest's brief to determine and complete feasibility at the optimal level for start up production for the project anticipated to be in the range of approximately 500,000 tonnes or greater per annum. Subject to reserve definition and amendments to the existing mining permit, the Company is aiming towards ramping up from the initial permitted small mine rate of 250,000 tonnes per annum to a targeted rate in excess of 500,000 tonnes per annum. Feasibility will be completed before end of Q1 2010.

Preliminary estimates of the capital required to refurbish the existing wash plant suggest that the construction of a more efficient larger capacity plant will deliver enhanced project economics. Advanced engineering studies on a new wash plant facility designed to produce a thermal product at 12.5% ash or both a thermal coal and pulverised injection coal ("PCI") product are in progress. Financial modelling on both the 100% thermal product and a combination of PCI coal and thermal coal is being undertaken as part of feasibility study. The final wash plant design will be such that production capacity can be increased with only limited capital expenditure on delineation of additional reserves. Some components of the existing wash plant can possibly be incorporated into the proposed new plant.

The outlook for thermal coal prices has improved significantly with Newcastle futures contracts for delivery late 2010 just under US$100/tonne and over US$105/tonne for delivery in 2012 (ICE Europe 19th January 2010). Chinese domestic prices are approaching US$115/tonne, providing further incentive for imports and thereby placing upward momentum on world prices.

Applying coal quality discount factors for the Basin thermal coal (at 12% ash), preliminary estimates support cash operating margin of US$20 per tonne. Discussions are continuing with likely offtake partners for the coal.

Figure 1 – Coal Mining at the Project (2005)

Figure 2 – Project Location

Project Summary

Basin is located 30km northwest of Princeton, British Columbia. Compliance Energy Corporation has the right to develop and mine the coal on licences covering 2,172 ha (Figure 2). A registered Mining Permit to produce up to 250,000 tonnes of coal per year remains in place.

Mining at the Basin Coal Mine began in 2002, but was ceased in 2006 when the provincial government abolished the use of coal power plants in British Columbia. Infrastructure remaining on site includes a coal washing process plant, crusher, road, workshop, and administration buildings.

Norwest Corporation is undertaking a feasibility study on behalf of Jameson to allow a decision on the recommissioning of the Coal Mine. The revised study is targeting a production rate of 500,000 tonnes or greater. On decision to mine, operations could recommence as soon as late 2010.

Basin is the closest mainland coal project to the Western Canadian ports and has good rail and road access with significant available capacity. Prospective buyers of thermal coal include international utilities and local cement manufacturers. Discussions with both potential overseas and domestic off-take partners have been positive, with interest confirmed in the thermal coal produced from the Basin Coal Mine.

Exploration Program

The Company has completed a diamond drilling and trenching program at Basin during the quarter. The program was designed to better define the coal quality within the northern extension of the existing pit. This program was carried out under the supervision of Moose Mountain Technical Services.

A total of 6 HQ3 diamond drill holes (09DH1 to 09DH6) were drilled for an advance of 885.77m. A summary of the drilling statistics is presented in Table 2. Drilling was undertaken by Kamloops based Foraco Drilling Ltd. The holes are located in the north half of the project, with the exception of a single hole in the existing pit area (Figure 4). Geophysical logs, descriptive logs, and survey information for all of these holes was collected. Samples were taken over composited core lengths for some holes and over the coal intervals only for other holes. All samples were submitted to Birtley Coal and Minerals Testing Division of GWIL Industries in Calgary, Alberta for coal quality analyses.

Preliminary results from the program showed good correlation with the positions of the Main and Lower Seams. However, due to drilling difficulties core recovery was lower than expected and as such usable ash data has been compromised. Ash levels were higher in the northern parts of the resource area. Final results anticipated February 2010.

A trenching program was also carried out in the November exploration program under the supervision of Moose Mountain Technical Services, with assistance from Norwest Corporation personnel. A total of 11 trenches were excavated to depths of up to 4m below surface. Trenching was undertaken predominantly in the north of the deposit covering both the Main and Lower seams (Figure 2). These trenches were logged and surveyed, although there is some uncertainty whether the trenches intersected the targeted coal seams in all cases due to access issues.

The drilling and coal quality program is under the supervision of Bob Morris, P. Geo., who is the Independent Qualified Person for reporting purposes as defined in NI 43 – 101 Standards of Disclosure for Mineral Projects. Results from this program will be utilised to update resources within the Mining Permit area and quantify reserves from the currently defined NI43-101 123Mt raw coal resource base as shown in Table 1. The existing JORC compliant and NI43-101 global resource base was reported by ResourceEye Services Inc in September 2009.

Figure 3 – Exploration Program (2009) – Northernmost Extension of Resource Area

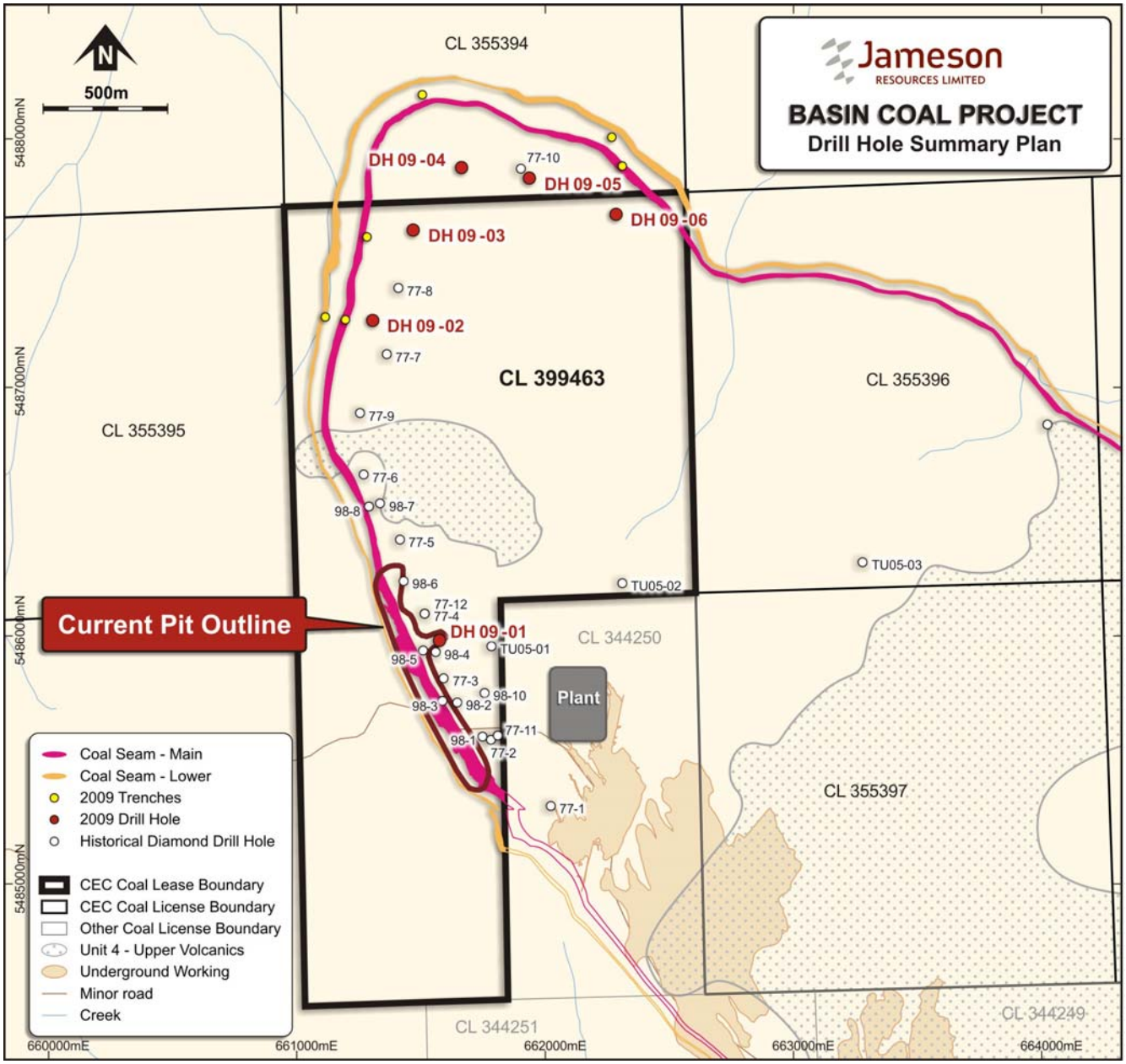

Figure 4 - Exploration Program –Diamond Drill holes and Trenches Location Plan

Category	Seam	BCM	SG	Ash	Tonnes
Measured	Main	25,656,400	1.72	48.2	44,005,000
	Lower	18,109,000	1.72	49.1	31,147,000
Indicated	Main	4,664,100	1.72	48.8	8,022,000
	Lower	2,160,800	1.72	49.1	3,717,000
Total Measured / Indicated	***Main***	***30,320,500***	***1.72***	***48.3***	***52,027,000***
	Lower	***20,269,800***	***1.72***	***48.9***	***34,864,000***
	Total				***86,891,000***
Inferred	Main	11,370,500	1.72	48.8	19,557,000
	Lower	9,958,300	1.72	49.1	17,128,000
Grand Total All Categories		**71,919,100**	**1.72**	**48.8**	**123,576,000**

Table 1 – Basin Coal Project – Global Resources (SR 8:1)
NB 1 - Resource Eye NI43-101 Resource September 2009
NB 2 – Modified resource and reserves for Mine Permit Area utilising new drilling information due Q1 2010

Hole ID	Northing	Easting	Elevation	AZM	Dip	Total Depth
DH09-01	5485981	661572	1336	240	-60	145.5
DH09-02	5487268	661303	1314	295	-70	87.4
DH09-03	5487633	661467	1290	285	-80	128.5
DH09-04	5487884	661661	1276	0	-85	164.7
DH09-05	5487841	661935	1245	10	-80	176
DH09-06	5487696	662283	1204	40	-75	176

Table 2 – Drill Hole Summary Table

Hole ID	Main Seam			Interseam	Lower Seam		
	From	To	Thickness		From	To	Thickness
DH09-01	77.2	96.4	19.2	23.4	119.8	127.8	8
DH09-02	5.8	41.1	35.3	24.1	65.2	77.2	12
DH09-03	40.5	74.1	33.6	21.1	95.2	101.7	6.5
DH09-04	15.9	40.1	24.2	32	134.8	146.3	13
DH09-05	80.1	106	25.9	28	134.8	146.3	11.5
DH09-06	79.3	119.6	40.3	30.3	149.3	161.2	11.9

Table 3 – Coal Seam Thickness
NB 1 – Seam thicknesses represented are for top and bottom of Main and Lower Seams and include all inter-seams and ash partings
NB 2 – Analytical results summary expected February 2010

Canadian Coal Market

Canada is emerging as an alternative supplier for high quality thermal coal with its available rail and port capacity. With Australian coal shippers facing more port fee increases as well as ship wait times at Newcastle averaging over 1 week, Japanese and South Korean coal traders have expressed interest in diversifying their supply base to include more North American Coals.

In 2008, Canada produced 68.1 million tonnes (Mt) of thermal and metallurgical coal. Approximately 47% of Canadian coal produced in 2008 was exported, an increase of 3% over 2007. This increase was attributed to higher thermal coal exports which increased from 4Mt in 2007 to 5.7Mt in 2008. The largest increase in thermal coal exports was to South Korea, whose 2008 export volume doubled over 2007; Brazil and China both increased imports by 0.5Mt. Metallurgical coal still accounts for the majority of Canada's coal exports (83%) with the remainder being thermal coal.

The largest market for Canadian coal exports is the Asian market, which accounts for the majority of total Canadian exports. In 2008, Japan and South Korea were the two leading buyers of Canadian coal with 11.2Mt and 6.7Mt imported, respectively. Both countries have increased their imports of Canadian coal over the years with Japan now taking 35% of Canada's coal, up from 21% in 2004 and South Korea accounting for 21%, up from 14% in 2004.

With Canada's coal export trade known for its stability and reliability, international coal buyers are increasingly looking to countries like Canada to diversify their sources of coal and secure supply.

Corporate

On 1 October 2009 the Company announced it had entered into a Sale Agreement to divest its Ora Banda gold assets to Winchester Resources Limited ("Winchester"). Winchester has been formed to acquire, explore and exploit gold and other mineral projects both in Australia and overseas.

The sale of the assets was contingent upon Winchester successfully completing an Initial Public Offering of shares on the ASX. Winchester received conditional approval for admission to the Official List on 27 November 2009 after raising $2.0 million.

Pursuant to the Sale Agreement Jameson received 750,000 fully paid ordinary shares in Winchester upon listing and the divestment will see the project receive the attention it deserves whilst allowing Jameson to focus upon the re-commissioning of the Basin thermal coal mine in British Columbia.

Project Generation

The company is continuing with the evaluation of several other coal projects in Western Canada.

Yours faithfully,

John Holmes
Executive Director

For further information please contact:

Tel: +61 8 9200 4473
Fax: +61 8 9200 4463
Web: www.jamesonresources.com.au

The information pertaining to the technical content of this report has been reviewed by Mr John Holmes, who is a member of the Australian Institute of Geoscientists. Mr. Holmes is employed by Jameson Resources Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Holmes consents to the inclusion in the report of the technical information in the form and context in which it appears.

The information in this report relating to mineralisation and exploration results that were used in the resource estimation that has been undertaken by Mr Ron Parent of ResourceEye Services Inc.. Mr. Parent, P.Geo. is a registered Professional Geoscientist with the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC). Mr. Parent, P.Geo. has completed the Resource Estimation to NI43-101 and JORC reporting standards. Mr Parent, P.Geo. has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Qualified Person for the reporting of resources in accordance with the National Instrument 43-101 (NI43-101) standards. Mr Parent, P.Geo. consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.