ASX ANNOUNCEMENT

31 July 2014 **ASX: PML**

QUARTERLY ACTIVITIES REPORT APRIL 2014 - JUNE 2014

Highlights:

- **SIGNIFICANT NICKEL-SULPHIDE EXPLORATION POTENTIAL IDENTIFIED AT 100% OWNED JAURDI HILLS PROJECT**
- **SECURED EXCLUSIVE RIGHT TO ACQUIRE 80% INTEREST IN STRATEGIC KAMBALDA NICKEL SULPHIDE TENEMENT**
- **COMPLETED NON-RENOUNCEABLE RIGHTS ISSUE OF OPTIONS**
- **IDENTIFICATION AND EVALUATION OF ADDITIONAL HIGH QUALITY NICKEL –SULPHIDE OPPORTUNITIES CONTINUES**

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During the quarter the company made significant progress towards achieving its goal of establishing a portfolio of high quality nickel-sulphide assets. The on-going process of identification and evaluation of high tenor nickel-sulphide opportunities resulted in two important additions to our nickel portfolio. Firstly, a number of significant nickel-sulphide exploration targets were identified at our 100% owned Jaurdi Hills project. Secondly, the company secured the rights to acquire an 80% interest in a strategic Kambalda nickel-sulphide project called Spa Go West. Both of these additions to our portfolio are discussed in further detail below.

In addition to our exploration initiatives the company completed a non-renounceable rights issue of options to shareholders. The offer was well supported by shareholders and subsequent demand for the shortfall has exceeded supply.

Exploration

Jaurdi Hills Project – Nickel-Sulphide Exploration

During the quarter the company conducted an independent analysis of historic soil geochemistry data, drilling, geological mapping and aeromagnetic imagery that has identified significant magmatic nickel-sulphide exploration potential at its Jaurdi Hills Project located north-east of Coolgardie, Western Australia (Figure 1).

Highlights

- **Significant and previously unrecognised magmatic nickel-sulphide exploration potential identified at the new Dunnsville Nickel Prospect in the north-east of the Jaurdi Hills Project area as defined by Ni-Cu-Co-PGE anomalism in legacy soil geochemistry coincident with the basal contact of the komatiitic Jaurdi Hills Ultramafic Belt.**
- **Dunnsville comprises two high priority and three low priority nickel-sulphide exploration targets spread along a 5km strike-extent of the Jaurdi Ultramafic Belt's basal contact.**
- **Komatiitic geological setting at Dunnsville, which is approx. 100km north west of the Kambalda Dome, is conceptually prospective for Kambalda-type massive and disseminated nickel-sulphide mineralisation of the type recently discovered at Polar Bear by Sirius Resources and at Killaloe by Matsa Resources.**
- **Non-coincident peak assay results returned from two historical soil sample programs at Dunnsville include 3470ppm Ni, 390ppm Cu, and 305ppm Co from the Northern High Priority Target and 125ppb Pt+Pd from the Southern High Priority Target.**
- **Low (<1000ppm) manganese returned from samples anomalous in Ni, Cu, Co & PGE's suggests the anomalies are related to sub-surface geology or magmatic nickel-sulphide mineralisation rather than surficial scavenging by Mn-oxide minerals present in the regolith profile – i.e. the anomalies are 'real'.**
- **Regional geological study conducted by CRA during the late 1960's to early 1970's Nickel Boom determined that the Jaurdi Ultramafic Belt correlates with the ultramafic stratigraphy hosting the Miriam-Bouchers nickel-sulphide prospect and high-grade Nepean Nickel Mine near Coolgardie.**
- **CRA's nickel-sulphide exploration effort in the Jaurdi Hills/ Dunnsville region focused on the basal contact of the thick, more magnetic but geochemically less-prospective Blow Dam Ultramafic Belt leaving the thinner, stratigraphically lower but more geochemically promising Jaurdi Ultramafic Belt mostly untested.**
- **Scope remains for Parmelia to make a significant nickel-sulphide discovery in a region not properly explored for nickel since the early 1970's.**

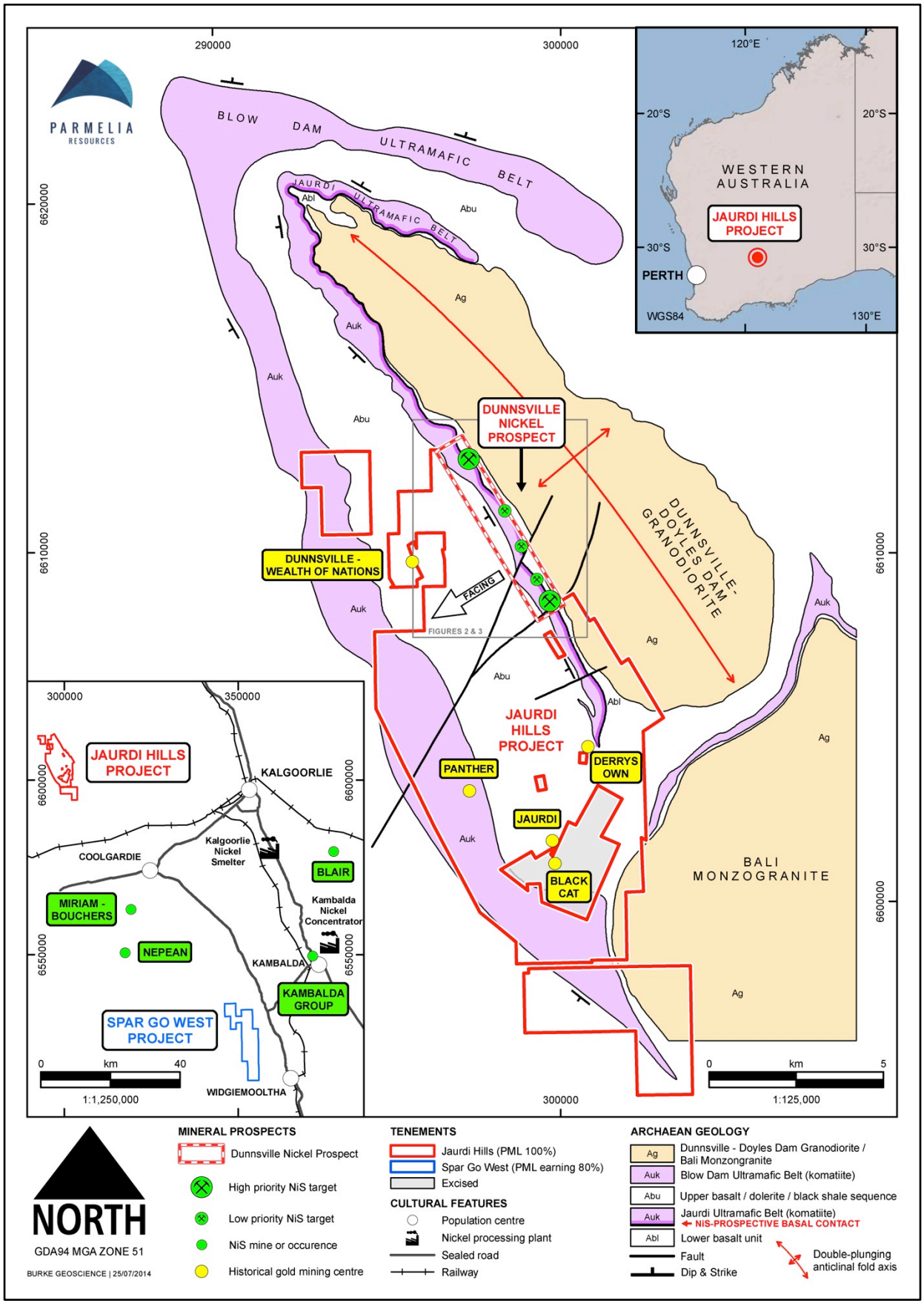

Figure 1: Jaurdi Hills Project location and simplified geology map showing the location of the Dunnsville Nickel Prospect. (Map not displayed at exact scale).

Project Background

The Jaurdi Hills Project is located approximately 40-50km northwest of Coolgardie. The town site of Coolgardie is located 550km east of Perth and 40km west of Kalgoorlie. The project tenements lie on the western flank of the Dunnsville/Doyle Dam Granodiorite Dome.

PML has undertaken extensive and comprehensive analysis of the available data over the Jaurdi Project. In some cases additional data that was either lost within the mines department system or was not easily readable was recovered and interpreted together with our existing data. This painstaking task has resulted in the identification of high tenor and significant nickel-sulphide targets.

Tenure

Jaurdi Hills comprises 16 granted Mining Leases, 24 granted Prospecting Licences and one granted Exploration Licence for a total of 85.4km^2. Parmelia Resources is the beneficial owner of all tenements via its subsidiary Toro Mining Pty Ltd. The Dunnsville Nickel Prospect is located in the north-east of the property encompassing Prospecting Licences P16/2438, 2439, 2441, 2443 and 2657.

Nickel-Sulphide Exploration Potential

A study by nickel exploration consultant Burke Geoscience has identified significant and previously unrecognised magmatic nickel-sulphide exploration potential at the new Dunnsville Nickel Prospect in the north-east of the Jaurdi Hills Project area.

The prospect comprises two high priority and three low priority nickel-sulphide exploration targets spread along a 5km strike-extent of the Jaurdi Ultramafic Belt. The 'Northern' and Southern' high priority targets are defined by coincident >500ppm nickel, 150ppm copper, (+/-) 100ppm cobalt and >60ppb platinum + palladium soil geochemical anomalism located at or near the basal contact of the Jaurdi Ultramafic Belt. The three low priority targets located between the Northern and Southern targets comprise smaller areas of >500ppm Ni coincident with >150ppm Cu overlying the Jaurdi Ultramafic Belt. See Figures 1 to 3 for the location of the Dunnsville Nickel Prospect and its exploration targets.

The anomalies were identified in legacy soil geochemical data from programs carried out by Coolgardie Gold in 1997 and Sentosa Mining in 2010. Non-coincident peak assay results returned from these programs include **3470ppm Ni**, **390ppm Cu**, **305ppm Co** and **125ppb Pt+Pd**. Table 1 details the assays results for the samples in question and their locations relative to the exploration targets can be seen in Figure 3.

TARGET	SAMPLE ID	TYPE	LOCATION		Co ppm	Cu ppm	Mg %	Mn ppm	Ni ppm	S ppm	Pt ppb	Pd ppb	Pt+Pd ppb	COMPANY	COMMENTS
			MGA94 EAST	MGA94 NORTH											
Northern Target	DNS2914	Soil	297025	6612562	175	138	5.29	892	**3470**	300	25	60	85	Sentosa Mining	Peak Ni
	E168974		297101	6612779	N/A	**390**	N/A	N/A	2500	N/A	N/A	N/A	N/A	Coolgardie Gold	Peak Cu
	DNS1138		297116	6612769	**305**	198	1.44	926	2240	150	15	20	35	Sentosa Mining	Peak Co
Southern Target	DNS0160		299664	6608607	60	150	4.73	592	456	600	45	80	**125**	Sentosa Mining	Peak Pt+Pd

Table 1: Dunnsvile Nickel Prospect peak Ni, Cu, Co and PGE soil sample assay results.

(NOTES: GDA94 MGA ZONE 51 grid projection | Peak assay results are displayed in red | 'N/A' is abbreviation for 'Not Assayed').

Significantly, low (<1000ppm) manganese assay results were returned from most samples anomalous in Ni, Cu, Co & PGE's which suggests the anomalies are related to sub-surface geology or magmatic nickel-sulphide mineralisation rather than surficial scavenging by Mn-oxide minerals present in the regolith profile – in other words the anomalies are 'real'.

Also of note is what appears to be a WSW-trending, 1km-long Ni-Cu-Co-PGE colluvial dispersion halo located down-slope and to the west of the Southern High Priority Target that if traced up-slope might lead to its source. The unexplained Pt-Pd soil anomaly located halfway between the Jaurdi and Blow Dam ultramafic belts requires further investigation as well.

Supporting the exploration potential of Dunnsville is the co-incidence of Ni-Cu-Co-PGE anomalism with the basal contact of the komatiitic Jaurdi Ultramafic Belt which has a similar geological setting to that which hosts other Kambalda-type massive and disseminated nickel-sulphide deposits of the type recently discovered at Polar Bear by Sirius Resources (see SIR ASX announcement on 16/07/2014) and at Killaloe by Matsa Resources (see MAT ASX announcement on 16/06/2014).

This is further supported by the regional geological study by CRA that determined the Jaurdi Ultramafic Belt correlates with the ultramafic stratigraphy hosting the Miriam-Bouchers nickel-sulphide prospect and the high-grade Nepean Nickel Mine near Coolgardie.

CRA's nickel-sulphide exploration effort in the Jaurdi Hills / Dunnsville region focused on the basal contact of the thick, more magnetic but geochemically less-prospective Blow Dam Ultramafic Belt leaving the thinner, stratigraphically lower but more geochemically promising Jaurdi Ultramafic Belt mostly untested and it is thought this oversight provides significant opportunity for a discovery to be made in the Jaurdi Ultramafic Belt by Parmelia.

Geology

The Jaurdi Hills Project is hosted within the Dunnsville-Ubani Greenstone Belt ('DUGB'), which is located near the western boundary of the Kalgoorlie Terrane of the central Archaean Yilgarn Craton.

The DUGB is a mafic to ultramafic volcanic sequence wrapped around the 20km-long by 4km-wide, north-west trending Dunnsville-Doyles Dam Granodiorite pluton. The belt comprises a thin lower basalt formation overlain by the 500m-thick, magnetically indistinct, komatiitic Jaurdi Ultramafic Belt which in turn is overlain by a 3km-thick upper basalt flow sequence punctuated by interflow black shale horizons and intruded by dolerite sills which in turn is overlain by the 1km-thick and strongly magnetic komatiitic sequence known as the Blow Dam Ultramafic Belt.

The stratigraphy of the DUGB dips towards the south-west in the project area due to its location on the western side of Dunnsville-Doyles Dam Granodiorite dome.

A regional geological study by CRA Exploration Pty. Limited ('CRA') during the late 1960's to early 1970's Nickel Boom determined that the Jaurdi Ultramafic Belt correlates with the ultramafic stratigraphy hosting the Miriam-Bouchers nickel-sulphide prospect located 12km south of Coolgardie (Tuite 1970). Aeromagnetics indicates that Miriam is about 13km north along strike of the high grade Nepean Nickel Mine which would suggest that the basal contact of the Jaurdi Ultramafic Belt is also conceptually prospective for komatiitie-hosted magmatic nickel-sulphide mineralisation.

The Dunnsville Nickel Prospect encompasses 5kms strike-extent of the Jaurdi Ultramafic Belt in the north-east of the project area. Refer to Figures 1 to 3 for geology maps of the Jaurdi Hills Project and Dunnsville Nickel Prospect.

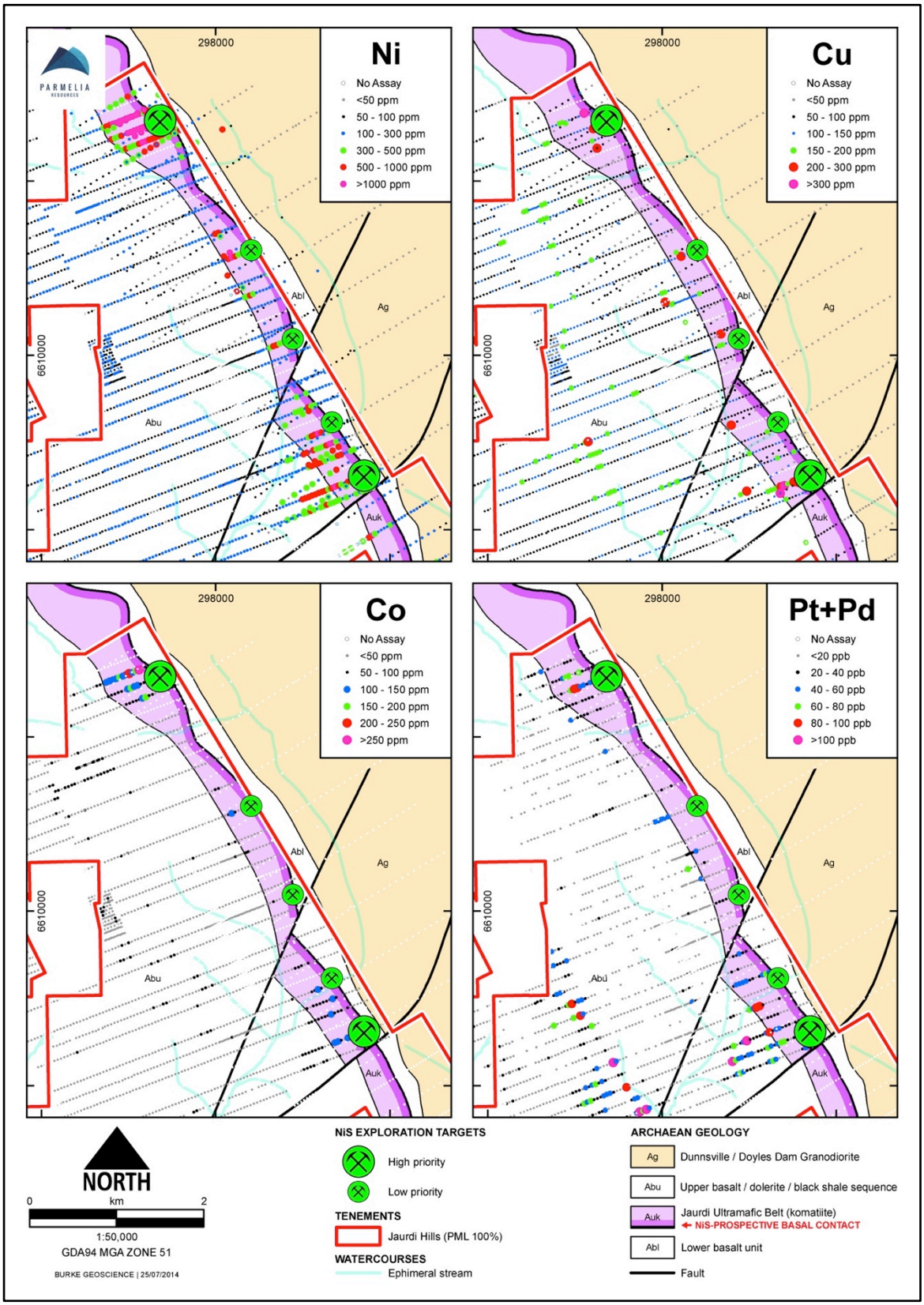

Figure 2: Dunnsville Nickel Prospect nickel, copper, cobalt and platinum + palladium soil geochemistry and nickel-sulphide exploration targets overlaid on simplified geology. Not all samples assayed for Ni, Cu and Co are assayed for Pt and Pd and vice versa. Map not displayed at exact scale.

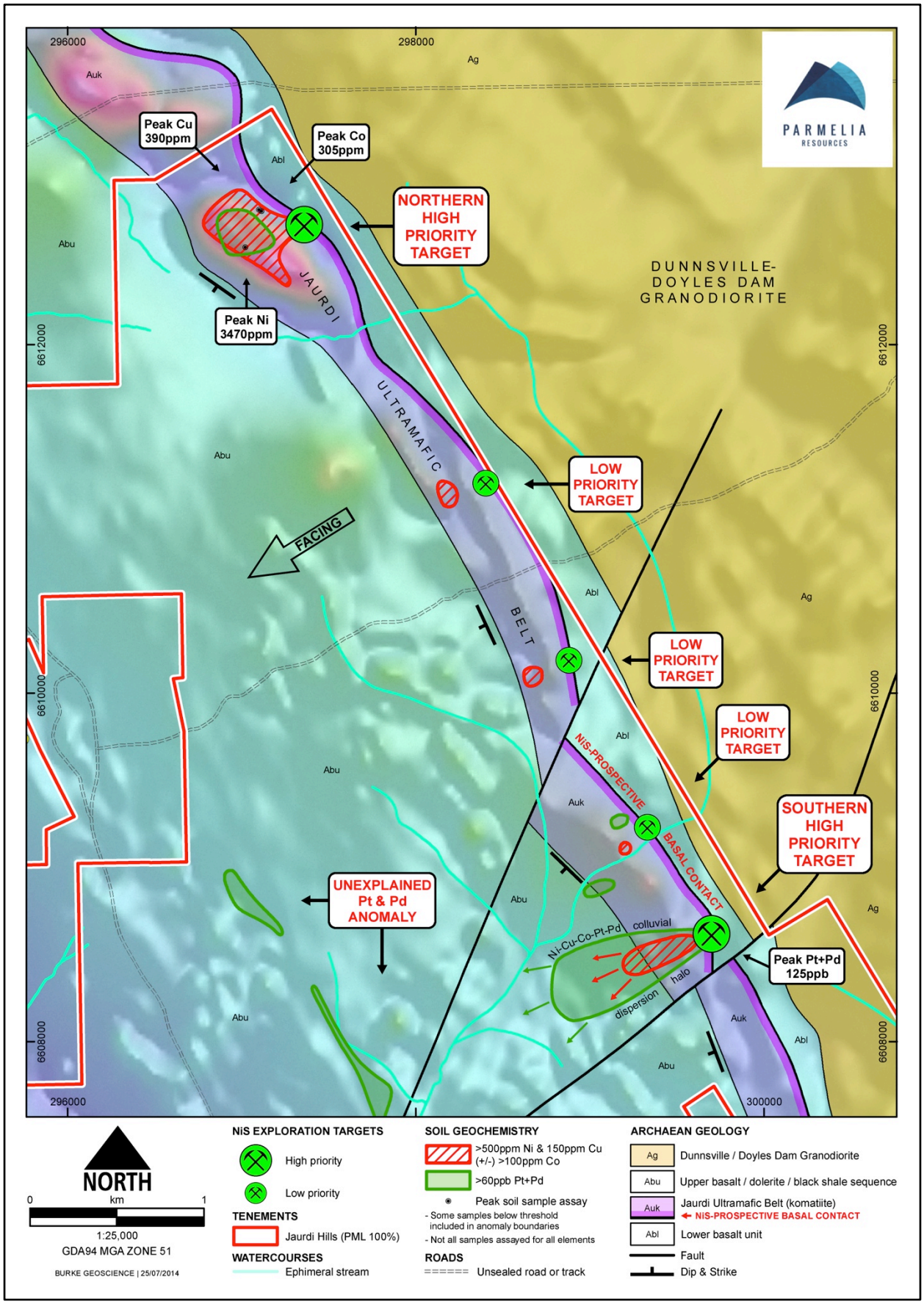

Figure 3: Map of the Dunnsville Nickel Prospect featuring nickel-sulphide exploration targets, nickel-copper +/- cobalt soil anomalies, platinum + palladium soil anomalies and the locations of peak Ni, Cu, Co and Pt+Pd (PGE) assay results overlaid on simplified geology and TMI RTP aeromagnetic imagery. For display purposes some samples below anomaly threshold are included in anomaly boundaries. Refer to Figure 2 for the raw data on which the interpreted anomaly extents are based. Map not displayed at exact scale.

Previous Work

Three phases of nickel-sulphide exploration have been carried out at Jaurdi Hills between 1966 and 1997:

- CRA EXPLORATION (1966 – 1972) – CRA explored the Jaurdi Hills / Dunnsvile area during the Nickel Boom (Atkinson 1970). Its work included geological mapping, a ground magnetic survey, geo-botanical reconnaissance, a gossan search, rock chip sampling, soil sampling, auger and percussion drilling. CRA did not discover any nickel-sulphide mineralisation however its efforts were focussed on the basal contact of the thicker, more magnetic but geochemically less-prospective Blow Dam Ultramafic Belt leaving the thinner, stratigraphically lower but more geochemically promising Jaurdi Ultramafic Belt mostly untested except for two percussions holes drilled in the Dunnsville area whose data are missing from WA Department of Mines & Petroleum archives ('WAMEX').
- UNION MINIERE (1976) – Union Miniere Development and Mining Corporation Ltd. ('Union Miniere') explored the area around what is now recognised as the Northern High Priority exploration target at Dunnsville (Williams 1976). Its work comprised geological mapping, a ground magnetic survey and four percussion holes for a total advance of 226m. Drilling retuned negative results so the company withdrew from the joint venture.
- COOLGARDIE GOLD (1997) – Although focused on gold exploration, Coolgardie Gold NL also investigated the nickel exploration potential of the Dunnsville area (Henderson 1997). Two of the four phases of soil sampling the company carried out at Dunnsville were assayed for nickel and copper and the anomalous results from this program form part of the sample support on which the nickel-sulphide exploration targets at Dunnsville are based. Coolgardie Gold also drilled 18 RAB holes in roughly the same area as the four drilled by Union Miniere but they were not assayed for copper so it cannot be determined whether the ~1500ppm to 3000ppm Ni intersected in weathered rock in most of the holes is reflective of ultramafic lithology or fertility for magmatic nickel-sulphides.

In 2010 Parmelia Resources (then Sentosa Mining Limited) conducted an extensive multi-element soil sampling program over roughly the same part of the Dunnsville Nickel Prospect that was sampled by Coolgardie Gold in 1997 (Dufresne & Parker 2011). Although this program returned significant coincident Ni-Cu-Co-PGE anomalism at the same locations that Ni-Cu anomalism was identified by Coolgardie Gold, Sentosa's focus on gold meant that it overlooked the significance of these results.

No nickel-sulphide mineralisation has been identified within the project area to date and all other work within the property has focused on gold exploration, resource evaluation and mining dating back to first recorded production at the Jaurdi Mining Centre in 1897.

Exploration Strategy

The significant nickel-sulphide exploration potential identified at Dunnsville warrants dedicated investigation by PML. The company therefore proposes carrying out further exploration at the prospect to identify potential drill targets. This further exploration may include the following:

1. HISTORICAL DATA COMPILATION – Continue legacy data compilation, verification and analysis with a particular emphasis on digitising information from a rock chip sampling program conducted in the Dunnsville / Jaurdi Hills area by CRA in 1968 (Atkinson 1970) and nickel exploration drilling programs conducted at Dunnsville by Union Miniere (Williams 1976) and Coolgardie Gold (Henderson 1997).
2. GEOTEM REPROCESSING – A GEOTEM airborne electromagnetic ('EM') survey was flown over the Jaurdi Hills Project in 2004. Although this type of airborne EM method is not ideal for detecting nickel-sulphide mineralisation in areas where conductive regolith is present such as at Jaurdi Hills, PML intends to get the data from this survey reprocessed and analysed to find

out whether it could have identified any subtle, previously unrecognised conductivity anomalies that might indicate the presence of massive nickel-sulphide mineralisation at depth.

3. GEOLOGICAL MAPPING – Ground-proof the interpreted geology of the Dunnsville Nickel Prospect, map exploration targets in detail and conduct a gossan search.
4. SOIL SAMPLING – Consider close-spaced soil sampling over high priority exploration targets to better define the areas to conduct ground electromagnetic surveys.
5. GROUND GEOPHYSICS – Conduct high-power, deep-penetrating moving-loop EM ('MLTEM') surveys over high priority targets to identify conductivity anomalies that might indicate the presence of massive nickel-sulphides.
6. DRILLING – Target generation and carefully considered reverse circulation ('RC') or RC pre-collar / diamond tail drilling of conductivity anomalies coincident with Ni-Cu-Co-PGE soil anomalies in nickel-sulphide prospective geological settings.

Spa Go West

On the 17th of June 2014, the company announced that it had secured the exclusive right to farm in and earn an 80% interest in Exploration License Application E15/1410. The tenement, known as the "Spa Go West" tenement, is located in the highly prospective Kambalda / Widgiemooltha nickel province of Western Australia (See Fig. 4). Spa Go West is an important addition to the portfolio and is considered to be a strategic acquisition for Parmelia.

Highlights

- **Tenement, is located in the highly prospective Kambalda / Widgiemooltha nickel province of Western Australia.**
- **Project encompasses approx. 15kms strike of the ultramafic sequence that hosts Mithril Resources (ASX: MTH), Hendrix and Floyd nickel-sulphide prospects which retuned a maximum historical drill intersection of 9.1m @ 2.5% Ni and 155ppm Cu.**
- **PML has so far identified three conceptual nickel-sulphide exploration targets within the project area along strike of Hendrix and Floyd. Further exploration plans to be announced in due course.**
- **Ultramafic stratigraphy within the project area is thought to be contemporaneous to the rocks that host the Spagoville Mining Centre.**
- **Parmelia has secured an exclusive right to earn an 80% interest.**

Project Background

The Spa Go West Project is located about 65km south of Kalgoorlie and 30km south-west of Kambalda in the Eastern Goldfields region of Western Australia. The project area envelops Mithril Resources' (ASX:MTH) 80% owned Logan's Find Project both north and south along strike of its highly prospective Hendrix and Floyd nickel-sulphide exploration targets (See Fig. 4).

Tenure

The Spa Go West Project comprises pending Exploration Licence E15/1410 held by Maincoast Pty Ltd. It covers an area of 34 blocks subject to excision by existing overlapping tenements on granting.

Geology & Mineralisation

Spa Go West is located on the western boundary of the Norseman-Wiluna Belt. The project area encompasses approx. 15km strike-extent of a felsic volcanic, komatiitite and basalt sequence on the western side of a SSE-plunging anticlinal feature called the Spagoville Anticline. The komatiitic sequence is known as the Spagoville Ultramafic Belt and in the vicinity of the project area, on the western side of the Spagoville Dome, the formation comprises south-west dipping and facing Upper (western) and Lower (eastern) komatiitic flows separated by felsic volcanic and basaltic rocks.

Mithril Resources' (ASX:"MTH") Hendrix and Floyd nickel-sulphide prospects are situated on the basal contact of the Lower Flow within its Logan's Find Project. They comprise anomalous Ni, Cu & PGE's in MTH soil samples & historical INCO drilling co-incident with conductivity anomalies recently identified by MTH. Hendrix is particularly prospective having returned a best intersection of 30 feet or 9.1m @ 2.5% Ni and 155ppm Cu from the weathered zone 35 feet (10.7m) down a 1970 INCO percussion hole that is adjacent to a MTH conductivity anomaly (refer ASX:MTH 7th & 27th March 2014). Both prospects are currently being drilled by MTH (refer ASX:MTH 23rd May 2014).

The Spagoville nickel-sulphide mining centre is located on the eastern side of the Spagoville Anticline. Therefore, assuming that both sides share the same stratigraphy, the ultramafic rocks on the western side of the fold in the vicinity of the project area could potentially be as prospective as those in the east thus further supporting Spa Go West's nickel-sulphide exploration potential.

Nickel-Sulphide Exploration Potential

The Spa Go West Project encompasses about a 15km strike-extent of the prospective basal contact of the Lower Flow of Spagoville Ultramafic Belt both north and south along strike of Hendrix and Floyd. The northern flank of the Hendrix lava channel just overlaps E15/1410. The Ni-Cu-PGE soil anomaly continues up to the tenement boundary but the EM anomaly terminates before the boundary (refer ASX:MTH 17th February & 27th March 2014).

PML has so far identified three conceptual nickel-sulphide exploration targets within the project area that are thought to comprise inferred lava channel pathways on the basal contact of the Lower Flow. Potential exists for numerous other similar targets along strike within the project area.

Ultramafic stratigraphy within the project area is possibly contemporaneous to that which hosts the Spagoville Mining Centre on the other side of the Spagoville Anticline.

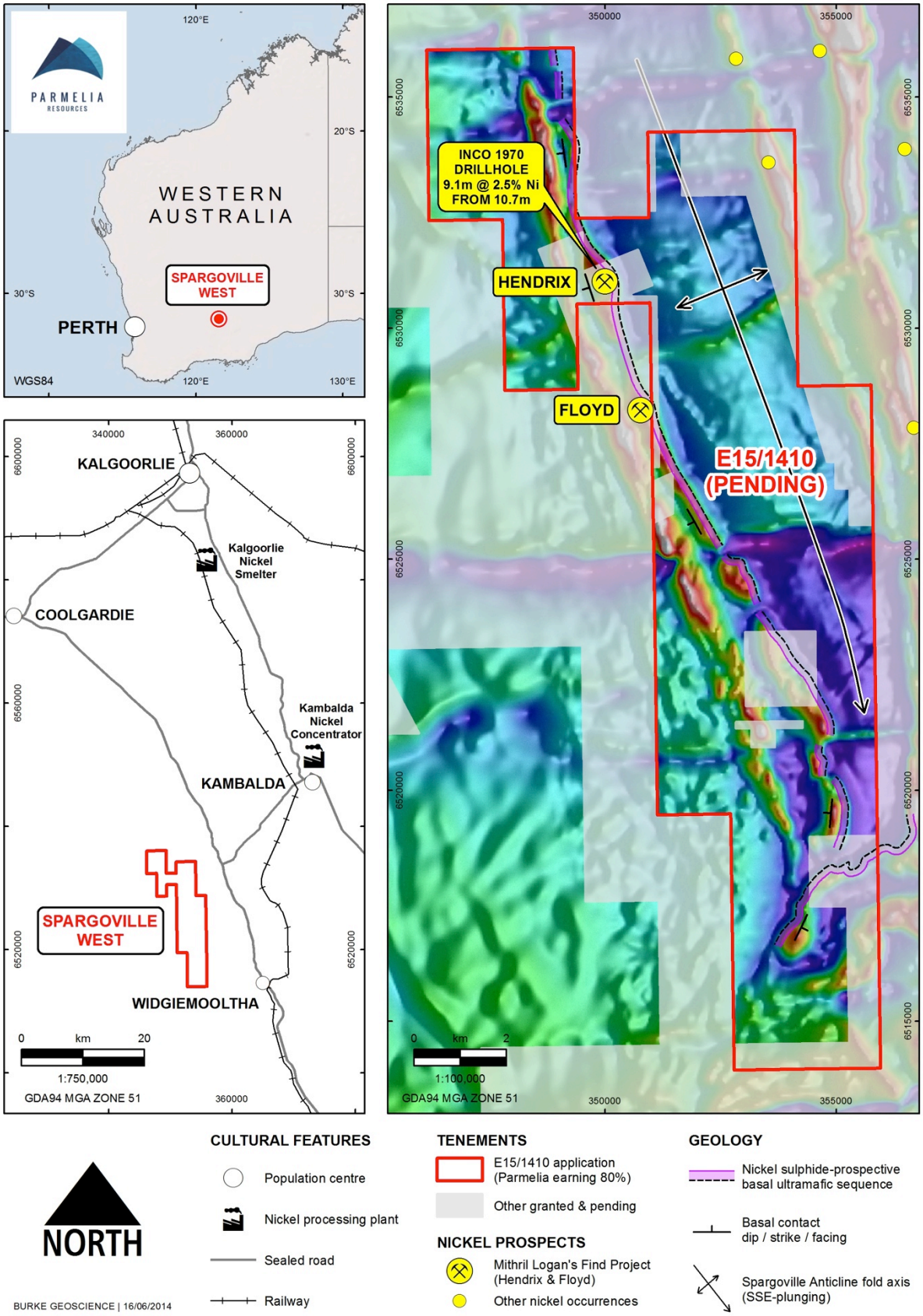

Figure 4: Location of tenement E15/1410, *featuring the location of nickel-sulphide prospective ultramafic stratigraphy and Mithril Resources' Logan's Find nickel-sulphide prospects* together with important infrastructure and processing facilities. *Background image is TMI RTP aeromagnetic imagery. (Map not displayed at exact scale).*

Agreement

The key terms of the Agreement are as follows:

- Maincoast has granted Parmelia the sole and exclusive right to farm in and earn an 80% interest in the Tenement in consideration for Parmelia paying $15,000 cash and issuing 2.5 million shares to Maincoast. Maincoast has agreed to enter into a voluntary escrow agreement in respect of the 2.5 million shares pursuant to which it will be restricted from selling those shares for 12 months.
- In order to earn an 80% interest in the Tenement, Parmelia must complete 10 line kilometres of moving loop electromagnetic survey and an aggregate of 1,000 metres of reverse circulation and/or diamond drilling on the Tenement within 2 years.
- Parmelia may elect to withdraw from the Agreement at any time before it completes the earn in of the 80% interest in the Tenement.
- If there is a nickel sulphide discovery (being a first drill hole intersection of at least 5 contiguous metres with a minimum grade 2.5% Ni, 1000ppm Cu and 2% S) or gold discovery (being a minimum JORC 2012 mineral resource estimation of 100,000 oz of contained gold with an average grade of 2g/t) on the Tenement, Parmelia will issue to Maincoast the number of shares equivalent to a 15% interest in Parmelia at that time, subject to shareholder approval under Listing Rule 7.1 (if required).
- Upon completing the earn in of the 80% interest in the Tenement, Parmelia will sole fund exploration on the Tenement until completion of a bankable feasibility study (**BFS**). Once a BFS is completed, if the parties elect to proceed with a mining operation, they will enter into a separate mining joint venture agreement and will contribute to expenditure in proportion to their respective joint venture interests.

Historic and Previously Reported Exploration Summary

Fraser Range

As reported in the companies April 2014 quarterly report, the company secured an option to acquire a 100% interest in tenement E28/1915 held by entities associated with Blackfire Minerals Ltd ("Blackfire") and Entrée Gold Inc ("Entrée").

The tenement, located in the Fraser Range region of Western Australia (See Fig. 5), is considered to be a potentially strategic acquisition for PML for the following reasons:

- Exploration by Blackfire and Entrée has focused primarily on historically identified gold anomalies. PML believes there may be potential for additional types and styles of mineralisation within the tenement.

- E28/1915 is located in close proximity to tenements held by existing active explorers in the region, including Winward Resources, Sirius Resources, Bolgart Rise and other Mark Creasy associated companies.

- Exploration Licence E28/1915 was applied for in 2009, primarily with a gold focus, prior to some of the adjoining tenements currently held by existing active explorers in the region.

- The tenement is located immediately adjacent to a historically reported Ni soil anomaly of 1640ppm, identified by Geographe Resources on a broad spaced (1km x 1km) soil geochemical sampling program during the late 1990's (refer ASX: BFE October 18, 2012).

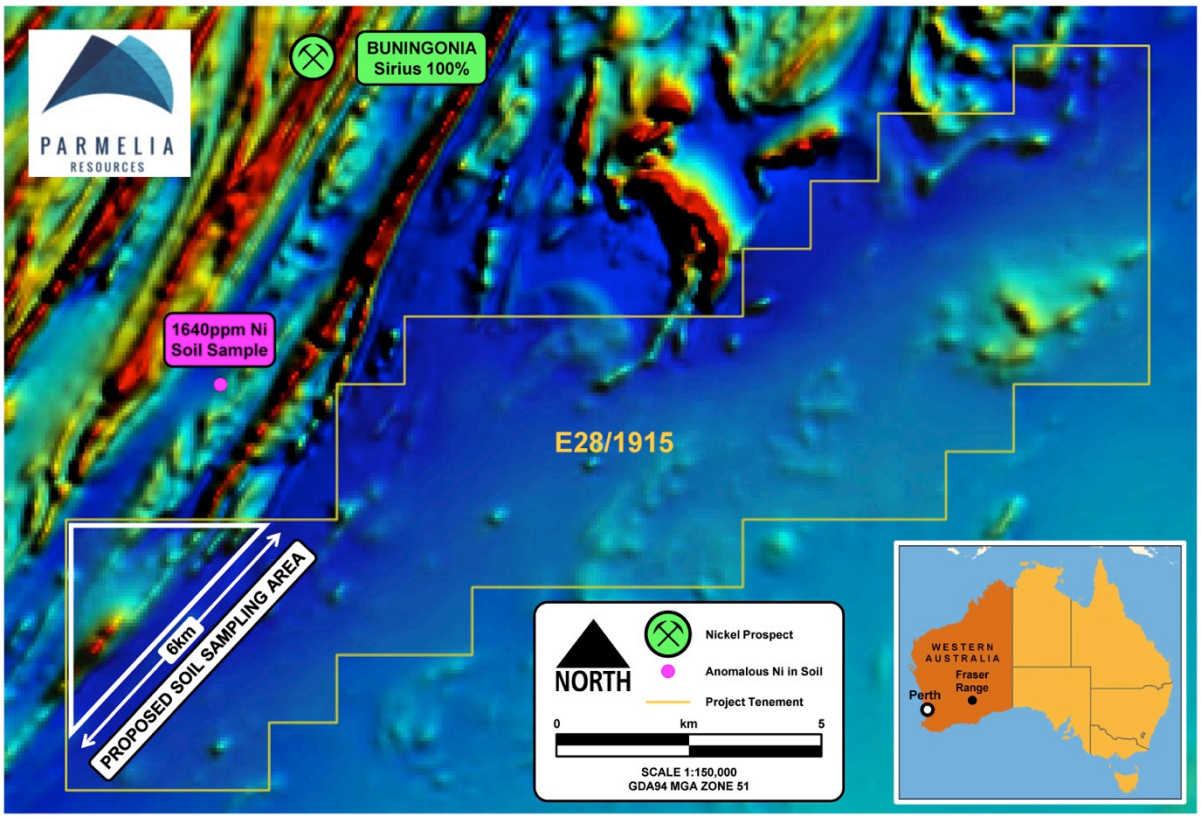

Figure 5: Location of proposed soil sampling program relative to Sirius Resources' Buningonia Ni-Cu-PGE Prospect and the peak nickel result returned from a 1997 Geographe Resources soil geochemistry survey.

Under the terms of the Option and Sale Agreement dated the 6th March 2014, PML has secured a 6 month option to acquire a 100% interest in Exploration Licence E28/1915. PML is required to pay an Option Fee of A$12,957 upon certain conditions being satisfied. In addition, should PML elect to exercise its Option, PML can acquire a 100% interest in the tenement by paying a further A$300,000, which can be satisfied by either cash or shares in PML (shares being issued at an issue price of 2.5 cents per share), which may be settled in any combination or ratio of cash or shares that PML elects. PML's right to exercise the Option is subject to it having complied with its obligations under the Option and Sale Agreement.

Furthermore PML intends to conduct a soil sampling program to explore for nickel-sulphide mineralisation on the Fraser Range tenement. Detailed planning is in progress with a view to commencing the survey as soon as possible. The program will be designed to test, and where possible improve upon, historical exploration by Blackfire and other previous explorers. Further details and timing of the program will be announced once planning is complete.

PML intends to conduct a soil sampling program to explore for nickel-sulphide mineralisation on the recently optioned Fraser Range Exploration Licence E28/1915. Detailed planning is in progress with a view to commencing the survey as soon as possible.

The program will be designed to test, and where possible improve upon, historical exploration by Blackfire and other previous explorers. Further details and timing of the program will be announced once planning is complete.

Project Background

E28/1915 is located in the Fraser Range region of Western Australia (See Fig. 5). It is considered a potentially strategic acquisition for PML for the following reasons:

- Exploration by Black Fire and Entrée was primarily focussed on previously identified gold anomalies. PML believes there may be potential for additional styles of mineralisation including Nova-Bollinger-type Mesoproterozoic circum-cratonic nickel-sulphide occurrences.

- Close proximity to tenements held by other active Fraser Zone nickel-sulphide explorers including Winward Resources, Sirius Resources, Bolgart Rise and other Mark Creasy-associated companies.

- Application was made for the tenement in 2009 with the aim of focusing on gold exploration hence its nickel-sulphide potential remains mostly untested.

- It is located SSW along strike of an historical nickel soil anomaly identified by Geographe Resources in a broad-spaced (1km x 1km) soil geochemical sampling program conducted during the late 1990's that returned a peak result of 1640ppm Ni and 76ppm Cu (refer ASX: BFE October 18, 2012).

The exploration potential of the Albany-Fraser Belt has been significantly enhanced over the past decade, initially due to the discovery of the Tropicana gold deposit by AngloGold Ashanti and Independence Group in 2005 – which has a Mineral Resource exceeding 7.7Moz Au (refer ASX: IGO February 28 2014) – but more recently as a result of the discovery of the Nova-Bollinger nickel-sulphide deposit by Sirius Resources in 2012 (refer ASX: SIR July 26 2012).

At a regional scale the Fraser Range Project straddles the Fraser and Nornalup zones of the central Albany–Fraser Belt which is a Proterozoic orogenic belt accreted to the south and south-east margins of the Archaean Yilgarn Craton. The belt comprises highly metamorphosed metagabbros, felsic granulites and garnetiferous metasediments after reworked Archaean protoliths and Proterozoic sediments, mafic and felsic intrusions. Outcrop within E28/1915 is rare as it is mostly covered by aeolian sands, pedogenic carbonate and the eastern half of the tenement is overlain by the Tertiary Eucla Basin.

PML recognises multiple exploration opportunities within E28/1915 including following-up the partially tested historical gold targets at the Torquata and Salubris prospects and exploring for Nova-Bollinger analogues in Fraser Zone gabbroic rocks in the south-west of the tenement.

Darvii Naruu Project –Mongolia

As previously reported the company completed phase 1 exploration on its Darvii Naruu project in Govi Altai province, western Mongolia. The scout drilling programme at Darvii Naruu commenced in October 2013 with 2,020 metres of reverse circulation drilling being completed in 18 holes at six different prospects. Results from Mushroom Reef and Anomaly 13 are considered to be extremely encouraging; encountering significant mineralisation and highly prospective geology at both prospects. To aid in the further interpretation of the phase 1 scout drilling program, Parmelia commissioned a preliminary petrography study which supports Parmelia's concept that the geology at Darvii Naruu has potential for the presence of a porphyry hosted mineral system.

Highlights

- **Completed 2020m of phase 1 scout drilling at the Darvii Naruu project in Govi Altai province western Mongolia.**

- **Analyses of drill and surface samples returned mineralised intersections from Mushroom Reef prospect of 16 m @ 1.01 g/t Au, including 8 metres at 1.87 g/t Au and 1.7% Zn. In addition further high grade Cu mineralisation identified at surface from Anomaly 13, with 19.5% Cu and 9.4% Cu identified in outcrop.**

- **Completed Petrological study of the drill chips which suggests the pyritic altered zones intersected at Mushroom Reef possibly represent a peripheral alteration zone of a Cu-Au porphyry system.**

- **Hole DNRC 016 intersected 16 m @ 1.01 g/t Au, including 8 metres at 1.87 g/t Au and 1.7% Zn, in a highly altered silica-pyrite rich felsic volcanic at the Mushroom Reef prospect.**

- **Petrological study of the drill chips suggests the pyritic altered zones intersected at Mushroom Reef possibly represent a peripheral alteration zone of a Cu-Au porphyry system.**

- **Further high grade Cu mineralisation identified at surface from Anomaly 13, with 19.5% Cu and 9.4% Cu identified in outcrop.**

- **Granodiorite hosted Au–Ag–Cu–As–Zn-Pb mineralisation intersected in drilling at Anomaly 13 suggests hydrothermal genesis and potential exists for a remobilised sulphide system.**

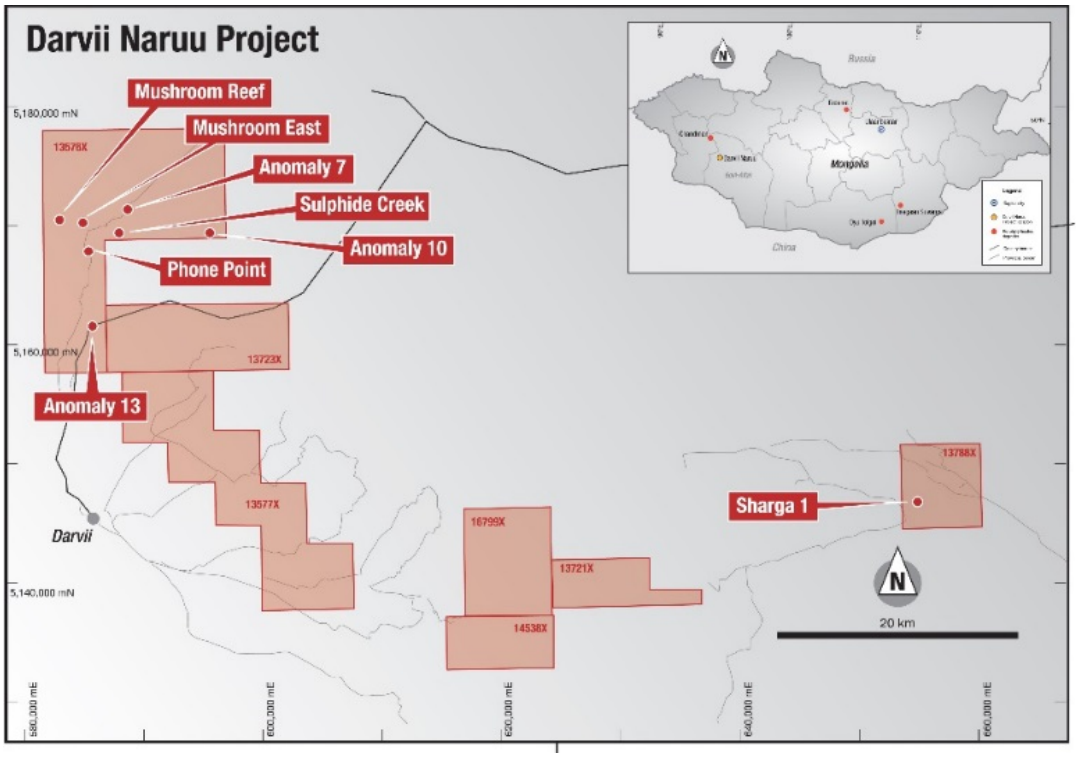

Figure 6: Locality map of prospects at the Darvii Naruu project

Mushroom Reef

Three holes were drilled to test the Mushroom Reef target (DNRC015 to 017). Central to the target is a narrow, 1.5 metre wide quartz vein which crops at surface for more than 300 metres and is hosted in a variably limonite altered felsic volcanic (see Figure 7). The magnetics over this area showed two moderate sized magnetic high targets which are coincident with a broad Au-Cu geochemical anomaly.

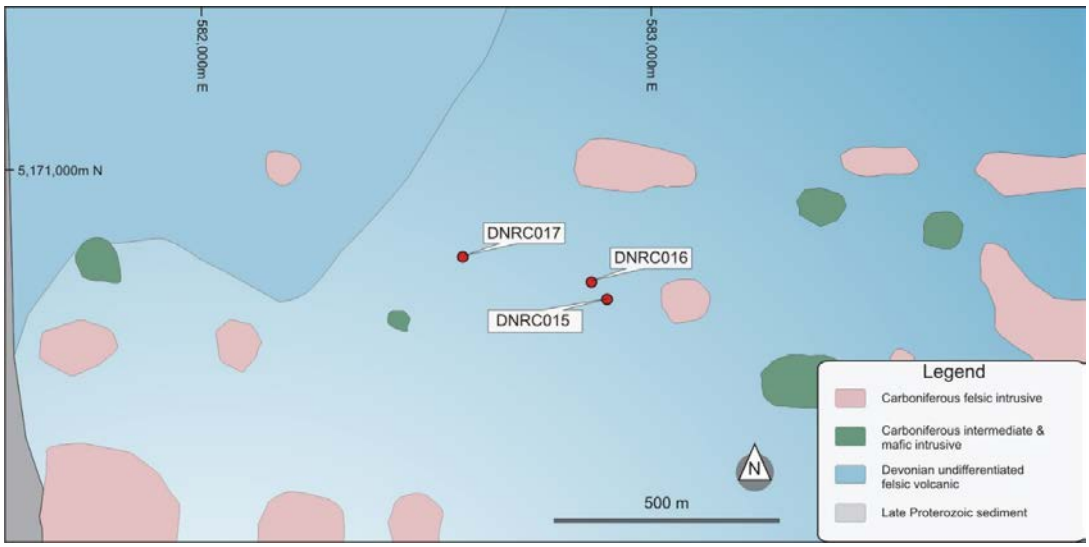

Figure 7: Geology plan at Mushroom Reef showing drill hole collar positions

The first hole DNRC015 (200m) intersected two broad zones of alteration. The first was a 20 metre zone of silicified volcanics with a sulphide content varying between 1% to 4% sulphides between 40 to 60 metres downhole. The second interval intersected was a large 80 metre variably silicified zone with a sulphide content varying from trace to 5% sulphides and was intersected between 112 to 192 m down hole. High grade mineralisation was intersected in this initial silicified zone, being 16 metres down hole at 1.01 g/t Au and 0.8% Zn was recorded, which included 8 metres at 1.87 g/t Au and 1.7% Zn (see Figure 8). Mineralisation is hosted in a highly oxidised, silicified felsic volcanic with 2-4% pyrite.

The second hole drilled at Mushroom Reef was DNRC016 (60m) and intersected the Mushroom Reef vein from 13 to 18 metres. Grades were quite low with 5 metres at 109 ppb Au being intersected. The final hole at Mushroom Reef was 200 metres deep (DNRC017). Smaller zones of silicification occurred throughout the hole with trace to 3% pyrite present; however no significant mineralisation occurred in this hole.

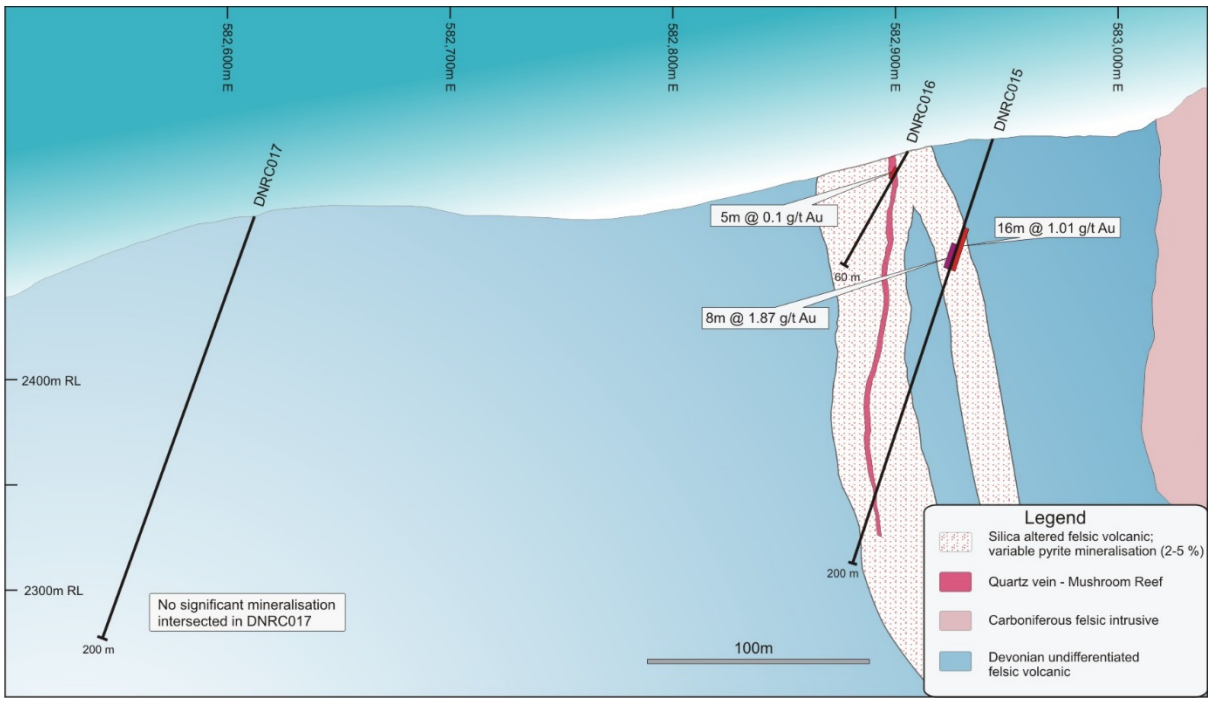

Figure 8: Cross section at Mushroom Reef showing geology and intervals of mineralisation hosted in

Hole ID	From	To	Interval	Au ppb	Ag ppm	As ppm	Cu ppm	Pb ppm	Zn ppm
DNRC015	40	56	16	1013	<2	79	373	4.8	8997
including	48	56	8	1873	<2	103	634	6.5	17930
DNRC016	13	18	5	109	<2	61	70	3.2	537
DNRC017			NSI						

Table 2: Results from holes DNRC015 to DNRC017 drilled at Mushroom Reef

A preliminary petrographical study was completed by Mineralium on six of the RC samples from Mushroom Reef. The majority of the samples were highly enriched in sulphur (up to 4.28 wt%), accounting for the relative abundance of pyrite. This pyrite is hydrothermal in origin and its presence suggests significant hydrothermal fluid flux post-volcanism. Several significant porphyry Cu deposits show a strong zonation of sulphide and metal species, with an outer sulphide zone dominated by pyrite or very high ratios of pyrite to chalcopyrite. Examples include San Manuel (Arizona), Santa Rita (New Mexico) and Safford (Arizona), with the pyritic zone usually corresponding to sericite-silica alteration.

It is possible that the pyritic altered zones intersected in the Mushroom Reef drilling represent a peripheral alteration zone of a Cu-Au porphyry system. Further host rock alteration studies are currently in progress and any material findings will be released to the market in due course.

Anomaly 13

Five holes were drilled at Anomaly 13 (DNRC010 to 014, see Figures 5 and 6). A fence of four holes (DNRC010 to 013) were drilled over the main zone targeting the source of a narrow malachite gossan with the dual objective of obtaining a stratigraphic cross section of the geology. The fifth hole drilled at Anomaly 13 was DNRC014 and targeted the contact between the limonitic rich, carbonate altered ultramafic with the granodiorite.

The objective of the fence of holes was to test the potential mineralisation below a narrow malachite rich outcropping vein, found in the immediate vicinity of the historic float sample which assayed 21.7% Cu. The 20 to 30 cm wide gossanous outcropping vein returned a grade of 19.5% Cu. The hole DNRC014 was drilled to test potential mineralisation below a second malachite gossanous vein found in outcrop 250 metres to the east of the "main zone"; a sample collected from this outcrop returned a value of 9.4% Cu.

Hole DNRC010 (100 m) intersected 3 m @ 0.5 g/t Au, 7.6 g/t Ag and 0.05% Cu between 17 to 20 metres down hole (see Table 3). A 10 metre anomalous zone between 17 and 27 metres intersected 188 ppb Au, 3.7 g/t Ag and 963 ppm As. This anomalism is hosted in an altered granodiorite. The elevated As over this interval is suggestive the anomalous Au, Ag and Cu is of a hydrothermal nature, which is supported by subsequent petrography analyses.

The second hole drilled on this "fence line" is DNRC011 (80 m) and intersected anomalous Au, Ag, Cu, Pb and Zn. The interval intersected was 2 m @ 0.3 g/t Au, 17445 ppm As, 17 g/t Ag, 0.26% Pb and 0.3% Zn. Again, elevated arsenic mineralisation was coincident with the elevated precious and base metals, and suggests hydrothermal fluids are responsible for the transport of these metals.

Anomalous gold mineralisation was intersected in DNRC012 (80 m) and 013 (150 m). Hole DNRC012 intersected 4 m @ 165 ppb Au and DNRC013 intersected 6 m @ 165 ppb Au. The final hole drilled at this prospect was DNRC014 which intersected 4 m @ 0.03% Cu.

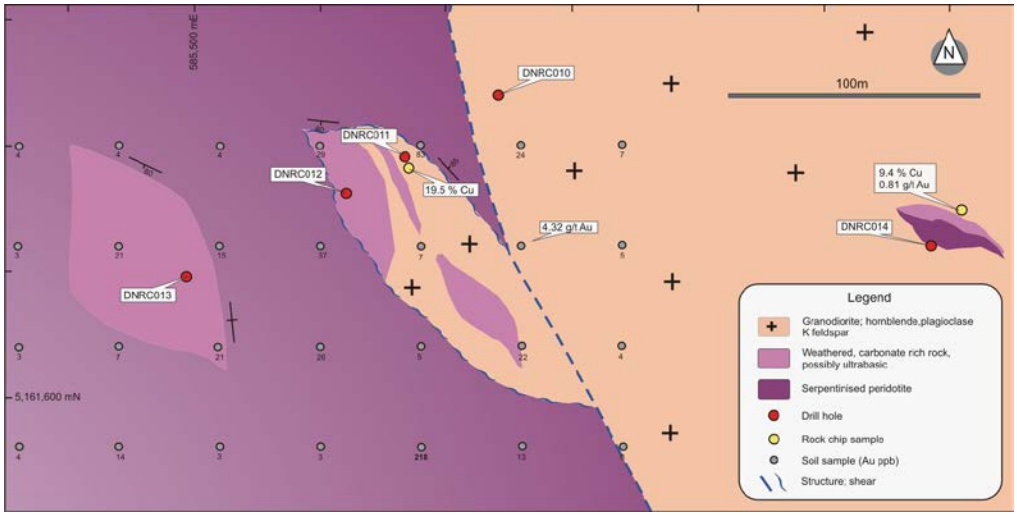

Figure 9: Geology of the Anomaly 13 prospect area with drill holler collar positions

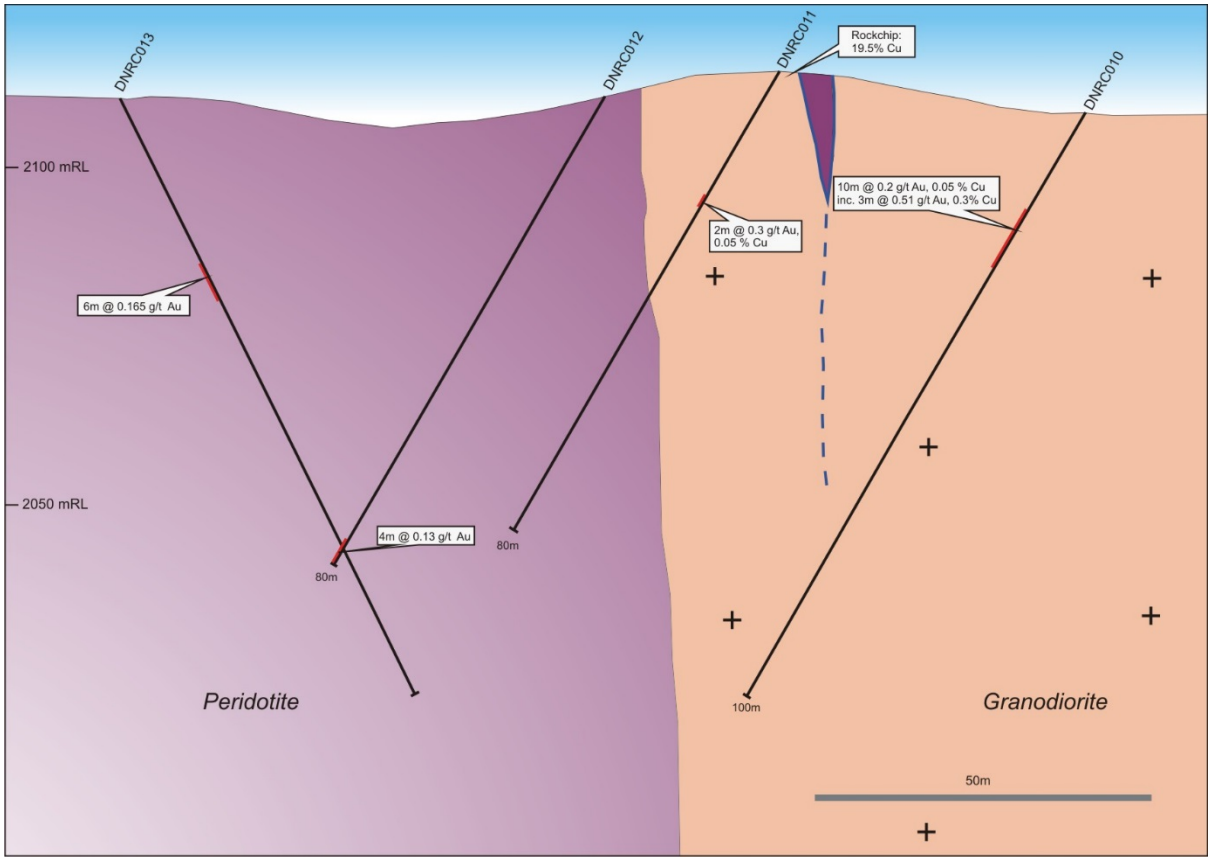

Figure 10: Anomaly 13 cross section showing geology and intervals of mineralisation hosted in granodiorite

Hole ID	From	To	Interval	Au ppb	Ag ppm	As ppm	Cu	Pb	Zn
DNRC010	17	27	11	188	3.7	963	457	114	200
including	17	20	3	505	7.6	2454	2917	160	227
DNRC011	22	24	2	321	17	17445	551	2625	2960
DNRC012	76	80	4	130					
DNRC013	45	51	6	165					
DNRC014	4	8	4				283		

Table 3: Results from holes DNRC010 to DNRC014 drilled at Anomaly 13

A suite of seven RC samples from the Anomaly 13 drilling was analysed as part of the petrographical study. The granodiorite-hosted samples examined from Anomaly 13 show generally similar sulphide assemblages from sample to sample dominated by pyrite with variable amounts of base metal sulphides (chalcopyrite, sphalerite with 'chalcopyrite disease', galena and arsenopyrite). The exceptionally high arsenic sample contained coarsely crystalline arsenopyrite. The textures and assemblages are consistent with a gold and base metal association formed at mesothermal temperatures, and the clear geochemical association is Au-Ag-Cu-As-Zn-Pb. The sulphur content is relatively high and mainly accounted for by abundant pyrite.

The occurrence of gold mineralisation with a strong arsenic (with arsenic mainly in the form of arsenopyrite rather than enargite common to porphyry Cu systems) and base metal association within granodiorites has similarities with some other intrusion-related gold systems such as the Älgträsk deposit in northern Sweden (Bejgarn *et al.* 2011). At Älgträsk, a granodiorite body is host to steeply-dipping gold-bearing veins and disseminations of pyrite, together with arsenopyrite, chalcopyrite and sphalerite in textures similar to those observed at Anomaly 13. The granodiorite is cut by mafic dykes, and the close spatial relationship between Älgträsk and the Tallberg porphyry Cu deposit suggests there may be a genetic link between the two deposit styles.

A single ultramafic sample from Anomaly 13 was analysed and had a low modal sulphide content, dominated by minute chalcopyrite particles and scattered pyrite crystals. The nickel content of the sample was very low. The sulphide textures observed do not conform to magmatic textures and the anomalous gold (196ppb) in the absence of a high magmatic sulphide content indicates that the minor sulphide and gold content in this sample is likely to be of hydrothermal origin. Full PGE analysis is essential in understanding the genesis of this sample and is currently being analysed. Possibilities exist for a reworked sulphide system similar to Avebury in Tasmania.

Mushroom East

A total of five holes (DNRC003 to DNRC007) were drilled at Mushroom East targeting the quartz-gossan-malachite zones observed at surface. All holes intersected varying widths of quartz-chalcopyrite-pyrite mineralisation of varying down hole depths; however, minor anomalous zones of copper mineralisation were encountered. A larger massive sulphide zone was anticipated, however, was not intersected.

Two anomalous zones of copper mineralisation was intersected in hole DNRC003 (60m). A one metre zone between 20 and 21 metres intersected a zone of quartz-chalcopyrite vein mineralisation grading 0.4% Cu. The second anomalous zone of copper mineralisation was intersected between 56 to 60 metres downhole, recording an interval of 4 metres at 0.13% Cu (see Table 4).

Hole ID	From	To	Interval	Au ppb	Ag ppm	As ppm	Cu ppm	Pb ppm	Zn ppm
DNRC003	20	21	1				4060		
	56	60	4				1300		
DNRC004	77	84	7				2508		
DNRC005			NSI						
DNRC006	78	82	4				1430		
DNRC007			NSI						

Table 4: Results from holes DNRC010 to DNRC014 drilled at Mushroom East

Sulphide Creek

Two holes were drilled at Sulphide Creek including DNRC001 (140 metres) and 002 (150 metres). DNRC001 targeted a 5 metre wide zone of alteration identified from surface mapping. A significant zone of silica, fuchsite and pyrite alteration was intersected between 89 to 99 metres. This is a zone of hydrothermal alteration and initially thought to have potential for gold mineralisation. Samples between 88 to 104 metres exhibit elevated As and averages 298 ppm over a 16 metre interval. An anomalous interval of 4 m @ 45 ppb Au is recorded between 100 and 104 metres.

The second hole to be drilled at Sulphide Creek was DNRC002 and targeted a 3 to 4 metre zone of gossanous material with malachite staining. No visible zone corresponding to the surface outcrop was identified in the logging, and it is plausible the target zone has steepened in dip and the hole has missed the intended target. A four metre composite between 60 and 64 metres intersected elevated Au and As relative to background values. This anomalous interval is 4 m @ 0.3 g/t Au and 46 ppm As.

Phone Point

Two shallow holes, DNRC008 (60 m) and DNRC009 (80 m), targeted quartz veining surrounded by iron oxide alteration just south of the SGC potassic anomaly K6. A narrow quartz vein with minor sulphide content was intersected in both holes. No significant mineralisation was encountered in either hole.

Anomaly 7

The final hole of the programme was DNRC018 (150m). This prospect had been identified earlier by stream sediment sampling to have anomalous Au and Ni. The SGC report identified a large potassic anomaly (K4) which is coincident with the soils anomaly (Anomaly 7). The hole intersected high mag basalts and pyroxenites. A zone of variably silicified pryoxenite with quartz veining (trace to 1% sulphides) was intersected between 28m to 50m. There was no anomalous mineralisation intersected in this hole.

Jaurdi Hills Project – Historic Gold Exploration

Following the drilling of a number of potential targets in early 2013 at the company's Jaurdi Hills project north of Coolgardie in Western Australia (see Figure 11), resource and pit optimisation work at the Panther prospect was completed with evaluation of a potential joint venture, earn in or sale of the in-situ gold resource and exploration tenements continuing.

Panther

- Reverse circulation hole drilled in the previous quarter at Panther intersected a wide, high grade interval of **17 metres at 5.29 g/t Au from 83 metres down hole** supporting historic high grade results beneath the old open pit
- Resource estimate and pit optimisation for mineralisation below historic pit now completed.

Wealth of Nations

- **5 metres at 4.77 g/t Au from 55 metres down hole**
- New zone of gold mineralisation tracking to surface

Jaurdi Mining Centre

- **2 metres at 3.65 g/t Au from 66 metres down hole**
- **3 metres at 1.65 g/t Au from 135 metres down hole**
- **1 metre at 2.04 g/t Au from 41 metres down hole**
- **Geological model of gold mineralisation confirmed at JMC**

Background

The Jaurdi Hills Project is located approximately 40km northwest of Coolgardie. The town site of Coolgardie is located 550km east of Perth and 40km west of Kalgoorlie. The project tenements lie on the western flank of the Dunnsville/Doyle Dam Granodiorite Dome. The geology of the project area is dominated by the lower basaltic unit of the Dunnsville-Ubini Greenstone Belt (DUGB), which is intruded by several narrow dolerite and gabbro sills.

The basalt sequence is underlain by komatiites which are mapped on the western margin of the project. The main structural features within the project area are the Jaurdi Shear Zone along the east side of the project and a northeast trending fault that passes approximately through the middle of the project separating the Dunnsville granodiorite dome in the north from the Doyle Dam granodiorite dome to the south.

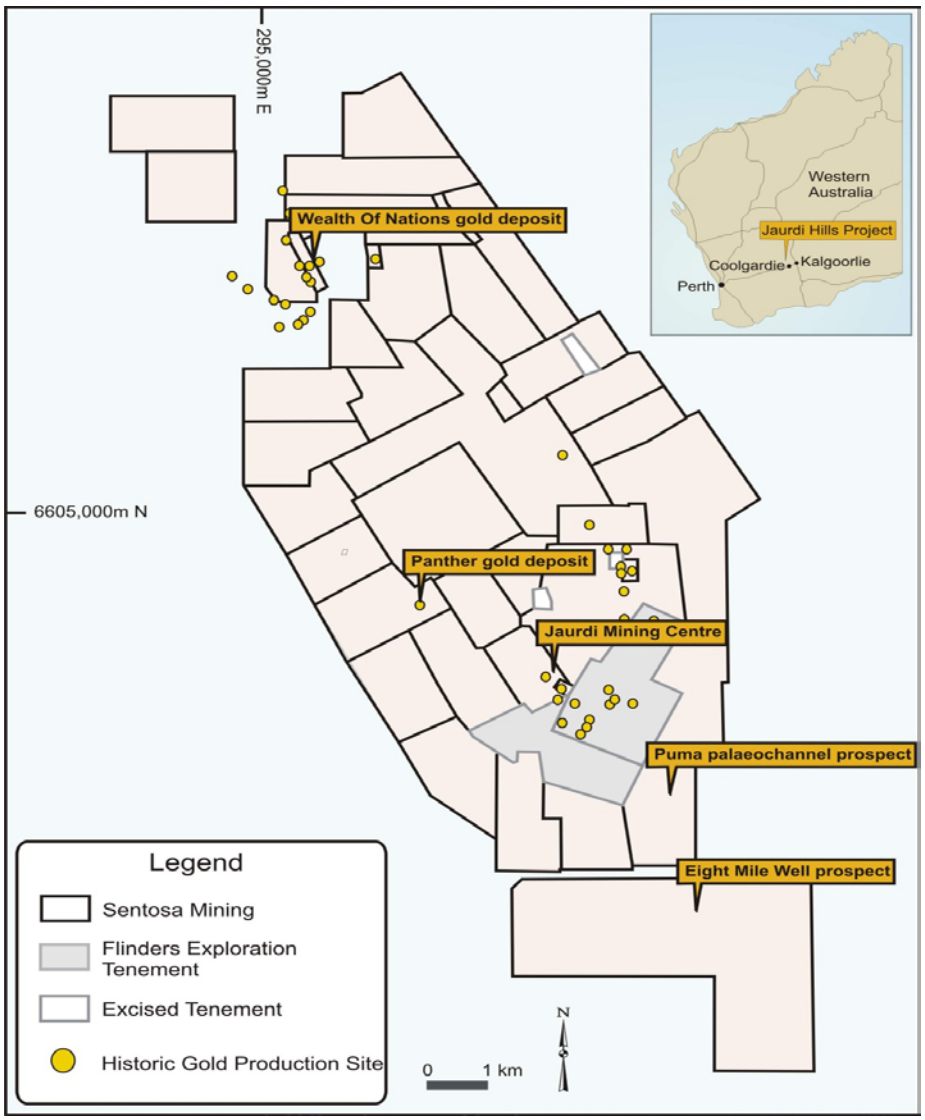

Figure 11: Sentosa tenement package at the Jaurdi Hills Project

Panther

Four reverse circulation (RC) holes were drilled at Panther in the previous quarter targeting the shallow mineralisation below the open pit; with significant mineralisation **(17m down hole at 5.29 g/t Au; including 1m at 19.06 g/t Au from 83m and 2m @ 19.46 g/t Au from 97m)** intersected in hole JRC134. This result is extremely encouraging as it represents a true width of 14.7 metres and supports the ore body geometry previously intersected in historic drilling results as reported in Table 4 and Figure 12.

The three other RC holes drilled as part of this programme (JRC135, 136 and 137) intersected low grade to barren material. The drilling of the four holes has strengthened the understanding of the control of mineralisation and it is interpreted as a moderate, north plunging quartz vein breccia pipe with a true width of up to 15 metres (see Figure 13). Further holes have been designed to test the down plunge continuity of the structurally thickened ore shoot and a preliminary resource is currently being built using the historical drill information (see Table 5 – historic results) and the new geological interpretation.

Hole ID	Collar Location MGA_51			Dip	Azimuth	Depth	From	To	Interval	Grade	Desciption
	mE	mN	mRL			(m)	(m)	(m)	(m)	(g/t Au)	
PA394-935	297411	6603076	400	-90	000	33	7	21	14	1.82	14m @ 1.82g/t Au
JHA070	297416	6603069	428	-90	000	60	40	53	13	1.05	13m @ 1.05g/t Au
JHR173	297430	6603031	428	-60	070	62	4	16	12	1.28	12m @ 1.28g/t Au
JHR174	297400	6603020	428	-60	070	71	30	34	4	1.75	4m @ 1.75g/t Au
PA394-728	297413	6603096	394	-90	000	40	9	19	10	2.84	10m @ 2.84g/t Au
PA394-748	297418	6603084	394	-90	000	24	12	22	10	8.1	10m @ 8.1g/t Au
JHA071	297399	6603107	428	-90	000	60	42	46	4	4.49	4m @ 4.49g/t Au
JHD002	297361	6603131	428	-60	070	80	69.1	80	10.9	3.31	10.9m @ 3.31g/t Au
JHA067	297411	6603094	428	-90	000	60	48	50	2	2.78	2m @ 2.78g/t Au
JRC065	297361	6603075	428	-60	070	80	79	80	1	2.26	1m @ 2.65g/t Au
JHA065	297415	6603112	428	-90	000	60	53	55	2	1.46	2m @ 1.46g/t Au
PA394-766	297371	6603137	394	-90	000	60	40	46	6	1.37	6m @ 1.37g/t Au
PA394-765	297375	6603128	394	-90	000	60	51	60	9	5.15	9m @ 5.15g/t Au
PA394-217	297399	6603163	394	-90	000	34	26	31	5	3.63	5m @ 3.63g/t Au
PA23670-01	297433	6603021	428	-90	000	10	7	10	3	1.67	3m @ 1.67 g/t Au
PA23680-01	297438	6603033	428	-90	000	10	7	10	3	1.68	3m @ 1.68 g/t Au
JHA060	297394	6603143	428	-90	000	60	52	60	8	6.19	5m @ 1.64g/t Au
JRC071	297361	6603195	428	-60	070	101	63	64	1	24.6	1m @ 24.6g/t Au
JHA042	297398	6603209	428	-90	000	60	56	60	4	4.67	4m @ 4.42g/t Au
JRC072	297324	6603181	428	-60	070	136	106	111	5	2.33	5m @ 2.33g/t Au
JHA049	297388	6603226	429	-90	000	60	51	57	6	3.07	6m @ 3.07g/t Au
PA402-009	297415	6603233	402	-90	000	8	3	7	4	3.30	4m @ 3.30g/t Au
JRC092	297395	6603250	429	-90	000	82	27	28	1	4.25	1m @ 4.25g/t Au
JRC091	297409	6603256	429	-90	000	81	26	29	3	1.09	3m @ 1.09 g/t Au
JRC094	297394	6603292	429	-90	000	82	32	35	3	1.08	3m @ 1.08 g/t Au
JRC093	297418	6603302	429	-90	000	82	18	20	2	2.11	2m @ 2.11g/t Au
JHR147	297373	6603153	428	-60	070	70	58	65	7	6.51	7m @ 6.51g/t Au
JRC064	297389	6603122	428	-60	070	76	54	56	2	1.74	2m @ 1.74g/t Au
JHA063	297425	6603148	429	-90	000	60	29	30	1	15.2	1m @ 15.2g/t Au
PA23807-1	297421	6603163	429	-90	000	59	40	50	10	1.43	10m @ 1.43g/t Au
PA23825-3	297396	6603173	428	-90	000	78	54	61	7	2.16	7m @ 2.16g/t Au
PA23807-3	297402	6603156	428	-90	000	72	59	60	1	17.7	1m @ 17.7g/t Au
JHA051	297380	6603178	428	-90	000	60	46	47	1	16.7	1m @ 16.7g/t Au
JRC073	297400	6603210	429	-60	070	60	45	56	11	1.01	11m @ 1.01g/t Au
JRC081	297398	6603324	428	-60	070	60	20	23	3	2.30	3m @ 2.30 g/t Au

Table 5: Historic drill holes beneath the Panther open pit

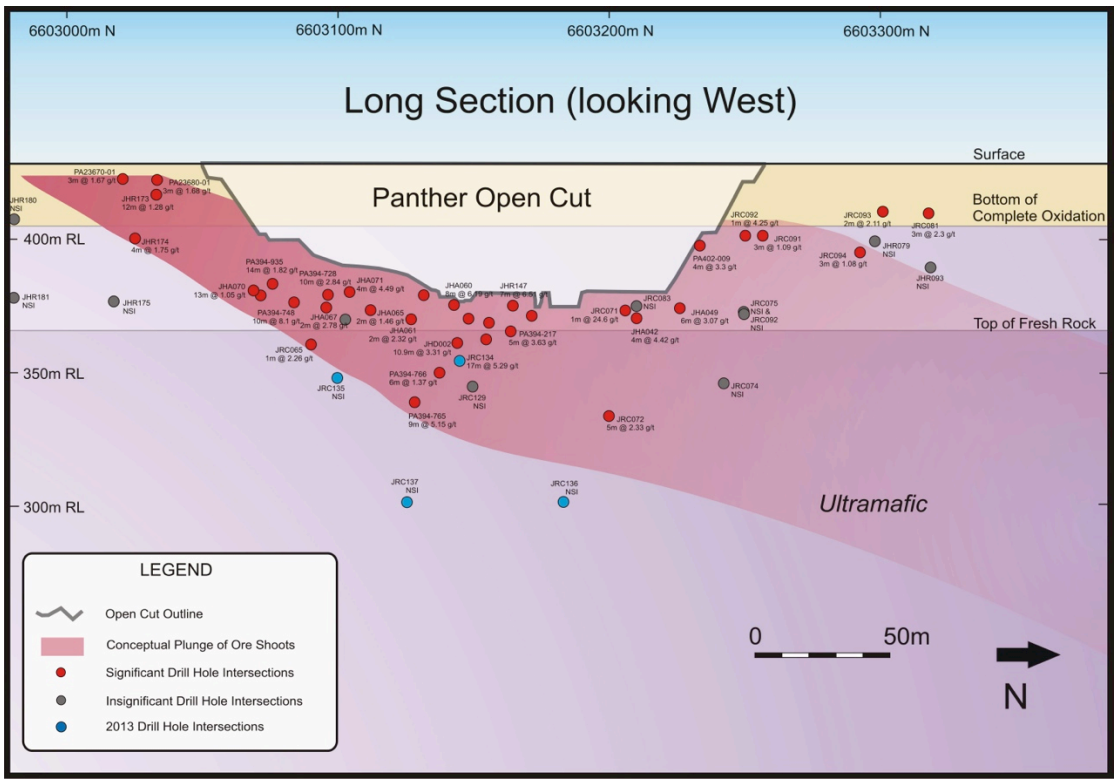

Figure 12: Long section of the Panther pit demonstrating moderate north plunge

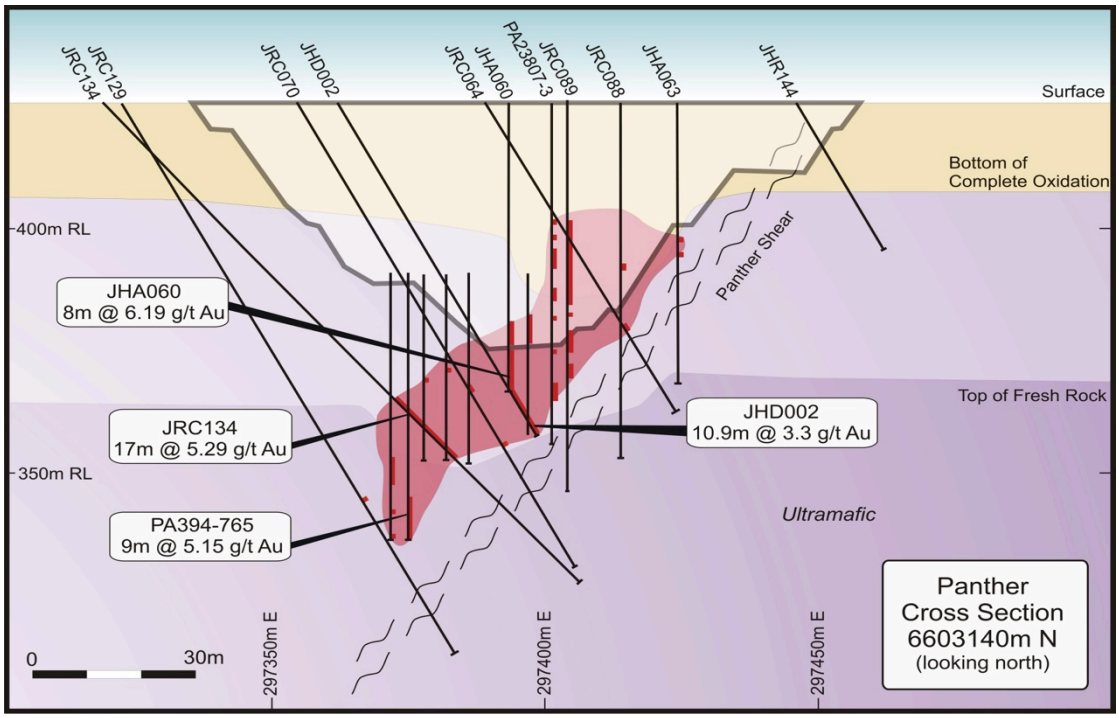

Figure 13: Cross Section 6603140mN showing structurally thickened ore shoot

Wealth of Nations

RC drilling at Wealth of Nations in the previous quarter has yielded significant gold mineralisation in hole JRC 133 which intersected **5m @ 4.77 g/t Au from 55m (including 1m at 12.87 from 56m).** Sentosa is encouraged with this result as it represents a zone of mineralisation not previously identified which potentially can be tracked to surface (see Figure 14). The mineralisation is hosted in quartz veins within sheared basalt which lies stratigraphically above a black shale unit. The mineralisation is only 47 metres below surface and further shallow RC holes have been designed to expand the current understanding of the spatial relationship of the mineralisation.

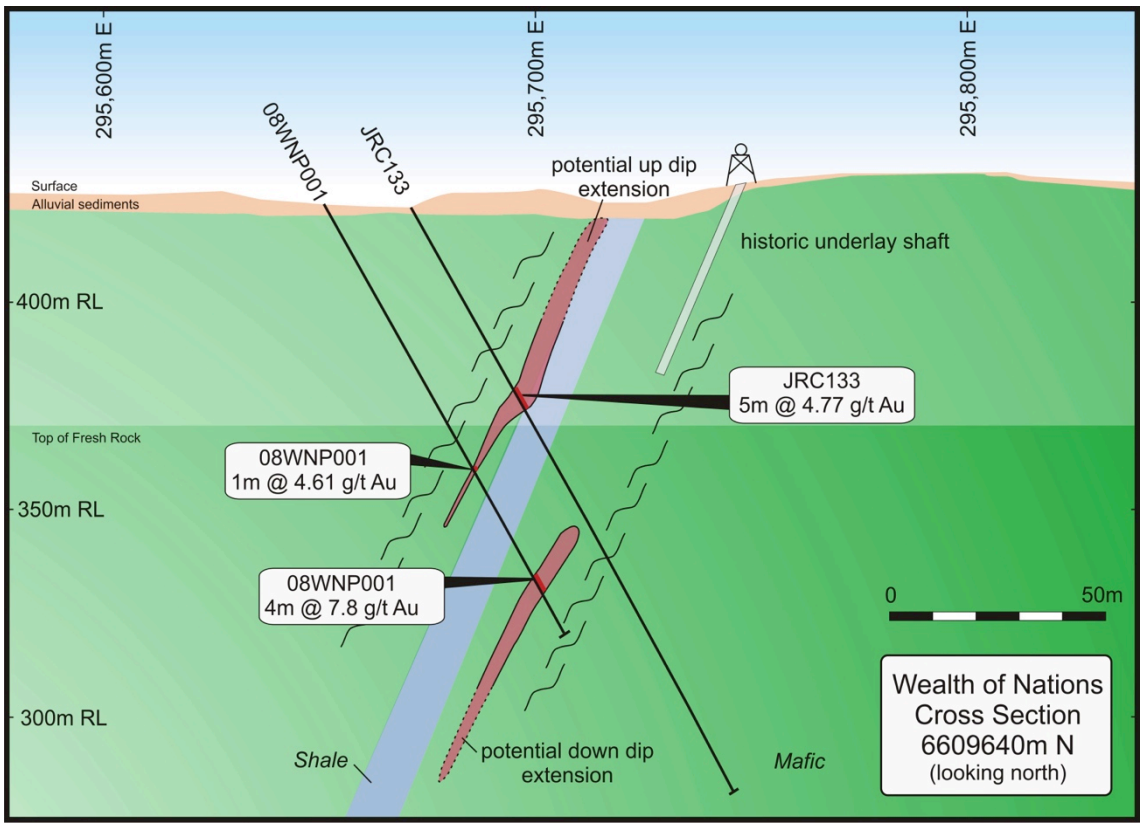

Figure 14: Wealth of Nations Cross Section 6609640mN: JRC133 5m @ 4.77g/t Au

Jaurdi Mining Centre

Two holes were drilled at Jaurdi Mining Center as part of Sentosa's February 2013, drill programme. Both holes intersected mineralisation which was consistent with the geological model. Multiple mineralised horizons were intersected in hole JRC138 (see Figures 15 & 16) and include **1m at 0.76 g/t Au from 3m, 2m at 3.5 g/t Au from 66m (including 1m at 6.59 from 66m) and 3m @ 1.65 g/t Au from 135m (including 1m @ 4.67 g/t Au from 137m).** The second reverse circulation hole drilled at JMC, JRC139 (see Figure 17), **intersected 1m at 2.04 g/t Au from 41m.**

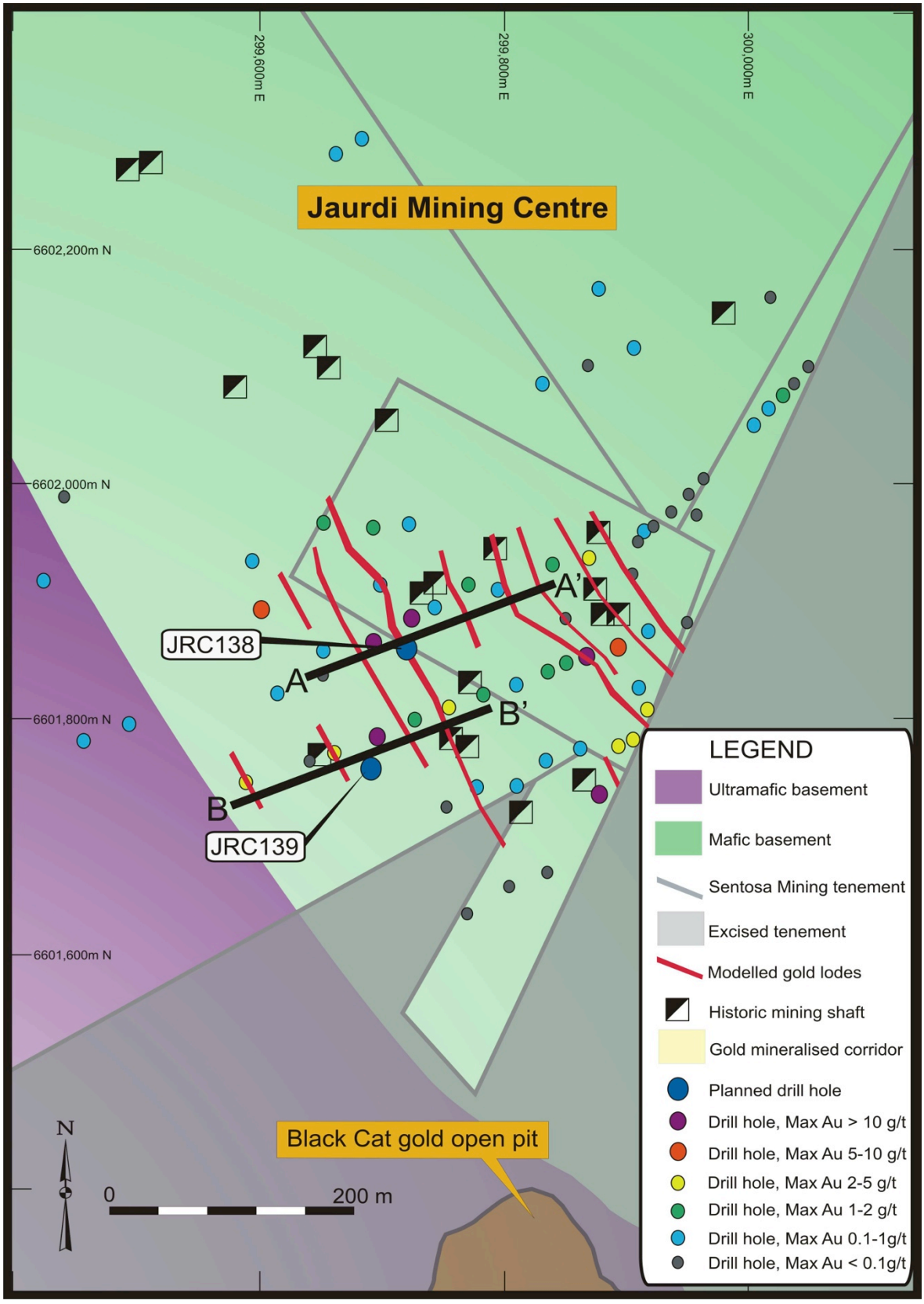

Figure 1 Plan view of JMC showing oblique sections A – A' and B – B'

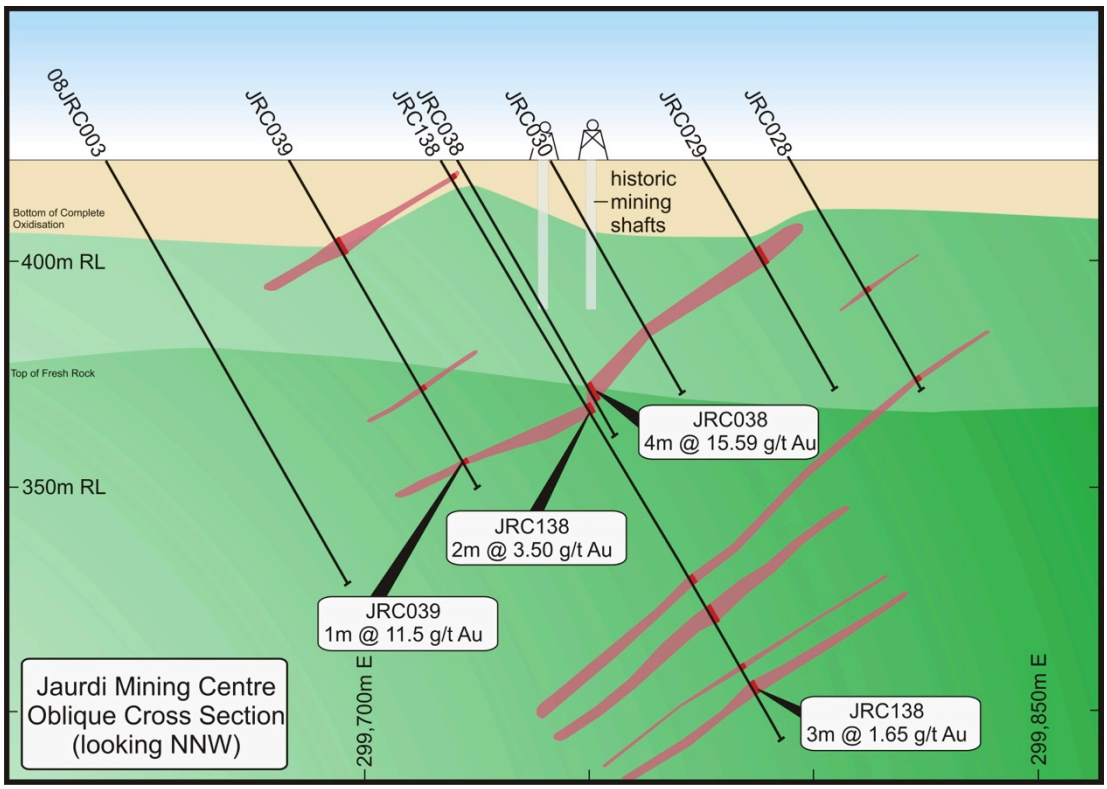

Figure 2: Jaurdi Mining Centre Oblique Cross Section A – A': JRC138 2m @ 3.50 g/t Au

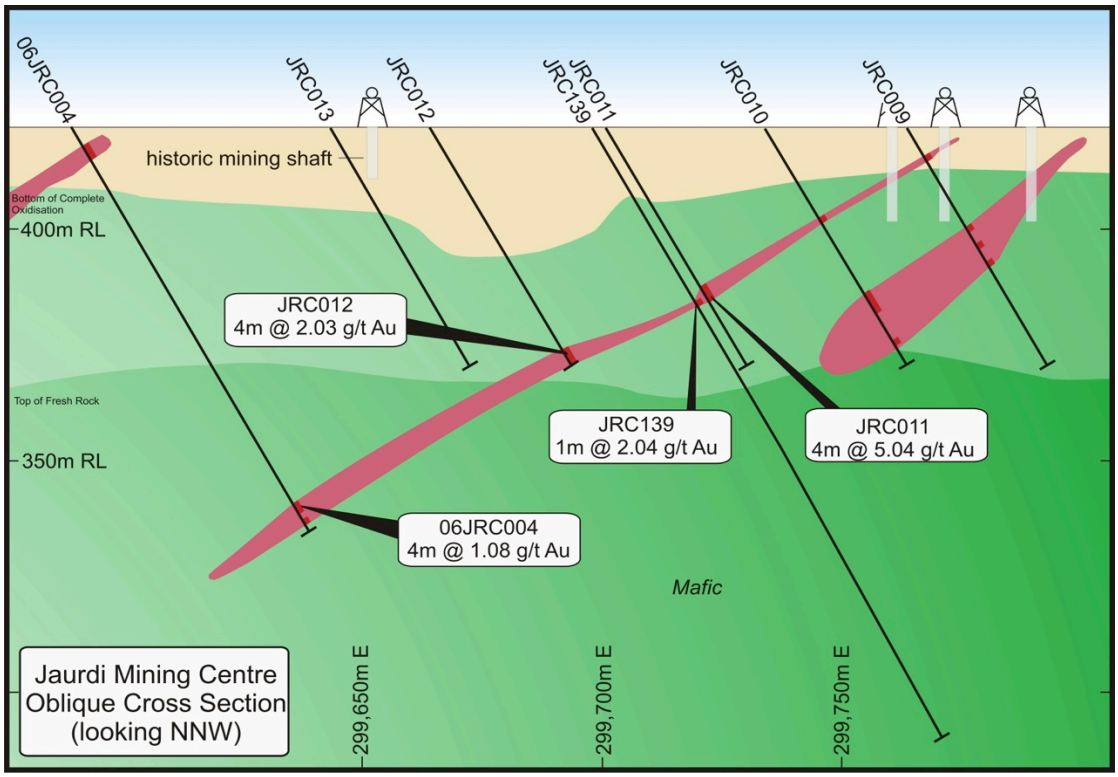

Figure 17: Jaurdi Mining Centre Oblique Cross Section B – B': JRC139 1m @ 2.04 g/t Au

Eight Mile Dam

A fence of four historic reverse circulation holes were drilled twenty metres south of the historic hole EMR003 (1m @ 69.7 g/t Au). All four holes failed to intersect significant mineralisation. Further study continues to unravel this enigmatic result.

Corporate Activities

Entitlement Issue of Options

The Company announced on the 23 July 2014, that the recent non-renounceable rights issue of one new option for every two shares held, at an issue price of $0.005 per new option, closed on 18th July 2014. The level of take up by shareholders was pleasing and as previously stated the demand for the shortfall has exceeded that available. An application will now be made to the ASX for quotation of these securities with trading expected to commence shortly thereafter.

Commercial Negotiations on Jaurdi Hills

The company continues to evaluate potential commercial opportunities on its gold assets at the Jaurdi Hills project these include possible, joint ventures, earn in deals or sale of the in-situ gold resource at Panther as well as the adjoining extensive and promising exploration tenement portfolio.

New Opportunities

The company continues to evaluate several additional Nickel-sulphide opportunities and are actively engaged in negotiations with respect to these possible opportunities. Further details will be made available to the market if and when negotiations reach a successful conclusion.

For further information concerning Parmelia's activities or the exploration plans for the future please contact Nigel Gellard, Executive Chairman at:

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Nigel Gellard
Executive Chairman

Competent Persons Statement

Darvii Naruu and Jaurdi Hills Project- Historic Gold Exploration- Appendix 1 & 2

Information in this report relating to the Darvii Naruu Project and the Jaurdi Hills Project was previously authorised by Mr Darryl Mapleson of BM Geological Services who is a Fellow of the Australian Institute of Mining and Metallurgy. Mr. Mapleson is a Principal Geologist and a full time employee of BM Geological Services. Mr Mapleson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to act as a competent person as defined in the 2012 edition of the "Australasian Code for reporting of Exploration results, Mineral Resources and Ore Reserves".

Jaurdi Hills Project – Nickel Sulphide Exploration – Appendix 3

The information in this report that relates to Exploration Results at the Jaurdi Hills Project – Nickel Exploration is based on information compiled by Stephen Burke, a Competent Person who is a Member of the Australian Institute of Geoscientists. Stephen is employed by Burke Geoscience Pty. Ltd. as a consultant to Parmelia Resources Limited. He has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the 'JORC Code'). Stephen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

APPENDIX 1

Drill Hole Collars – Darvii RC Programme 2013

Hole ID	Prospect	mE	mN	mRL	Dip	Azi	Depth
DNRC001	Sulphide Creek	587796	5169206	2337	-60	40	140
DNRC002	Sulphide Creek	587749	5169255	2332	-65	222	150
DNRC003	Mushroom East	585010	5170543	2363	-70	162	80
DNRC004	Mushroom East	585062	5170557	2351	-60	250	100
DNRC005	Mushroom East	585063	5170558	2350	-80	260	150
DNRC006	Mushroom East	584670	5170761	2369	-60	60	100
DNRC007	Mushroom East	584791	5170177	2376	-60	300	80
DNRC008	Phone Point	585116	5168017	2473	-60	20	60
DNRC009	Phone Point	585118	5168015	2472	-60	90	80
DNRC010	Anomaly 13	585621	5161720	2109	-60	240	100
DNRC011	Anomaly 13	585583	5161696	2116	-60	240	80
DNRC012	Anomaly 13	585561	5161681	2111	-60	240	80
DNRC013	Anomaly 13	585497	5161648	2111	-60	90	150
DNRC014	Anomaly 13	585795	5161665	2108	-60	30	60
DNRC015	Mushroom Reef	582934	5170702	2461	-60	310	200
DNRC016	Mushroom Reef	582905	5170736	2457	-60	300	60
DNRC017	Mushroom Reef	582615	5170790	2427	-60	290	200
DNRC018	Anomaly 7	588564	5171584	2083	-60	290	150
Total							**2020**

APPENDIX 2

JORC Code, 2012 Edition – Table 1 report – Darvii Naruu RC Drilling
Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	The sampling has been carried out using Reversed Circulation Drilling (**RC**). Eighteen holes were drilled in this reported programme at six different prospects. The holes were drilled to depths between 60 metres and 200 metres and angled at -60 to -70 degrees at varying azimuths (as stratigraphic and topographical variations demanded).
	Include reference to measures taken to ensure sample representation and the appropriate calibration of any measurement tools or systems used.	The drill hole location was picked up by handheld GPS. Sampling was carried out under Parmelia's protocols and QAQC procedures as per industry best practice. See further details below.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	The RC hole was drilled with a 5.5 inch face-sampling bit, 1m samples collected through a cyclone and collected in a 40 Kg plastic bag. Composite samples were typically collected on four metre intervals using a spear sampling technique to obtain 3 to 4 Kg sample. All samples were fully pulverised at the lab to -75um, to produce either a 2g charge for 4 Acid Digest with an ICP-OES finish or a 50g charge for Fire Assay with AAS finish.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	An RC drilling rig, owned and operated by AIDD LLC, was used to collect the samples. The face-sampling RC bit has a diameter of 5.5 inches (137.5 mm).
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	The majority of samples were dry. Ground water ingress occurred into some holes at variable depths of between 90 to 145 metres, depending on locality in valleys. Drilling operator's ensured water was lifted from the face of the hole at each rod change to ensure water did not interfere with drilling and to make sure samples were collected dry until water ingress was unavoidable. Wet drilling occurred in holes DNRC001, 002, 006 and 017. RC recoveries were visually estimated, and recoveries recorded in the log as a percentage. Recovery of the samples was good, generally estimated to be full, except for some sample loss at the collar of the hole.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	RC face-sample bits and dust suppression were used to minimise sample loss. Drilling airlifted the water column above the bottom of the hole to ensure dry sampling. RC samples are collected through a cyclone with the full sample deposited in a plastic bag and the lab samples between 3 to 4 Kg collected, to enable a full sample pulverisation.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	It is not possible to determine if a relationship exists between recovery and grade at this stage of the programme.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	All chips were geologically logged by Bewsher Mapleson LLC geologists, using the Parmelia Resources geological logging legend.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging of RC chips records lithology, mineralogy, mineralisation, weathering, colour and other features of the samples. All samples are wet-sieved and stored in a chip tray.
	The total length and percentage of the relevant intersections logged	All holes were logged in full.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	No core was collected.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	One-metre drill samples are collected below a rig mounted cyclone, and an average 2-3 kg sample is collected in an un-numbered calico bag, and positioned on top of the plastic bag. >80% of samples were dry.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Samples were prepared at the SGS Mongolia Laboratory in Ulaan Batar. Samples were dried, and the whole sample pulverised to 90% passing 75um, and a sub-sample of approx. 200g retained. A nominal 50g was used for the fire assay analysis and a 2g charge was used for four acid digest. The procedure is industry standard for this type of sample.
	Quality control procedures adopted for all sub-sampling stages to maximise representation of samples.	A single field duplicate sample was taken from every hole at a rate of approximately 1 in 35 samples. At the laboratory, regular Repeats and Lab Check samples are assayed.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	The technique to collect the composited samples was by the "spear" or "tube" technique. It was ensured the sample tube was speared down the side of the bag to the bottom of the bag, to ensure the entire sample in the bag was intersected.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are considered appropriate to give an indication of mineralisation given the particle size and the preference to keep the sample weight at a targeted 3 to 4kg mass.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Samples were analysed at the SGS Mongolia Laboratory in Ulaan Batar. The analytical method used was a 50g Fire Assay with AAS finish for gold and PGE's, and four acid digest for a multi element suite. The techniques are considered to be appropriate for the material and mineralization. The method gives a near total digestion of the material intercepted in RC drilling.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Not applicable.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Parmelia Resources protocol for this scout RC drill programme was for a single standard (Certified Reference Material), blank and field duplicate to be inserted per hole drilled, regardless of the hole depth. A total of 647 samples was submitted as part of the programme, with 18 standards, 18 blanks and 18 field duplicates. This at a rate of approximately 3 Standards, 3 Blanks and 3 Duplicates per 100 samples. For the programme reported the relevant assays were part of a total sample submission of 701 samples. In addition, 25 of the original pilps were submitted to an Umpire Laboratory. The second laboratory used was Actlabs Asia LLC in Ulaan Baatar. At the SGS Laboratory, regular assay Repeats, Lab Standards and Blanks are analysed. In addition 66 Lab blanks, 50 Lab Repeats and 79 Lab standards were inserted as part of their internal QA/QC programme.. Results of the Field and Lab QAQC were analysed on assay receipt. On analysis, all assays passed QAQC protocols, showing no levels of contamination or sample bias. Analysis of field duplicate assay data suggests appropriate levels of sampling precision have been achieved for the sampling technique employed.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Significant results were checked by the Mongolian Exploration Manager for Bewsher Mapleson LLC. (Bewsher Mapleson LLC is a Mongolian subsidiary of BM Geological Services Pty Ltd, Australia).
	The use of twinned holes.	Twin holes were not employed during this part of the programme.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All field logging is carried out using a customised logging sheet in hardcopy and transferred into an Acces database. Assay files are received electronically from the Laboratory. All data is stored in the Darvii Naruu Access database and managed by Bewsher Mapleson LLC in Ulaan Baatar.

Criteria	JORC Code explanation	Commentary
	Discuss any adjustment to assay data.	No assay data was adjusted.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	RC locations were determined by hand-held GPS, with an accuracy of 5m in Northing and Easting. For angled drill holes, the drill rig mast is set up using a clinometer. No down hole surveying was used in this scout programme. No follow-up down hole directional surveying using a North-seeking Gyroscopic tool will be completed.
	Specification of the grid system used.	Grid projection is WGS84, UTM Zone 46 Northern Hemisphere.
	Quality and adequacy of topographic control.	RL's are collected using hand held GPS which is satisfactory for this initial programme.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Not applicable to a scout drilling programme.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Not applicable to this data.
	Whether sample compositing has been applied.	Samples were collected as four metre composites. One metre samples will b collected on one metre intervals.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	This is not considered material at this stage of exploration.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	This is not considered material at this stage of exploration.
Sample security	*The measures taken to ensure sample security.*	Samples were transported by company transport to the SGS Mongolia LLC laboratory in Ulaan Baatar. Umpire samples (pulps) were despatched by Bewsher Mapleson LLC staff to Actlabs Asia LLC in Ulaan Baatar for assaying.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Sampling and assaying techniques are industry-standard. No specific audits or reviews have been undertaken at this stage in the programme.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The RC drilling occurred within tenement 13576X, which is fully owned by Parmelia Resources Limited. No third party issues exist with the tenure at the Darvii Naruu project.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenement is in good standing with MRAM (Mineral Resource Authority of Mongolia).
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	No previous exploration has been completed on this prospect by other parties.
Geology	*Deposit type, geological setting and style of mineralisation.*	The understanding of the styles of mineralisation present at Darvii Naruu is at an early stage. Mineralisation intersected at Mushroom Reef possibly represents a peripheral alteration zone of a Cu-Au porphyry system. Intrusions into Devonian strata of numerous, relatively small stocks and dykes of variable composition. At three locations the mafic intrusions (diorite and/or gabbro) hosted malachite in quartz + limonite breccias.. It has the necessary age, composition and mineralisation to lend support to a porphyry genesis. In addition to the outcropping mineralisation and sericite + FeO alteration assemblages, it overlies a weak magnetic feature and is surrounded by significant, long-lived deep crustal structural lineaments in a dynamic accretionary tectonic setting. Mineralisation at Anomaly 13 is hosted in a granodiorite at the contact of a Riphean aged ultabasic rock (peridotites) Sulphide textures observed in polished sections do not conform to magmatic textures and the anomalous gold in the absence of a high magmatic sulphide content indicates that the sulphides and gold content is likely to be of hydrothermal origin. Possibilities exist for a reworked sulphide system similar to Avebury in Tasmania.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ▪ easting and northing of the drill hole collar ▪ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ▪ dip and azimuth of the hole ▪ down hole length and interception depth ▪ hole length. *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Refer to Appendix 1 in the body of the text.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	Grades are reported as down-hole length-weighted averages of grades above 0.2 ppm Au and where Cu grades are considered to be anomalous to background values. No top cuts have been applied to the reporting of the assay results.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Higher grade intervals are included in the reported grade intervals.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are used.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	The geometry of the mineralisation is not well understood at Mushroom Reef or Anomaly 13. All intervals reported are "down hole" intervals.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to Figures 1 to 5 in the body of text.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	No misleading results have been presented in this announcement.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Drill hole location data are plotted on the interpreted geology map for Mushroom Reef and Anomaly 13 (see Figures 2 and 4).
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Further work is yet to be planned.

APPENDIX 3

JORC Code, 2012 Edition – Jaurdi Hills – Nickel Exploration

The following table is published to comply with the JORC Code 2012 Edition requirements for reporting of Exploration Results.

JORC CODE 2012 EDITION - TABLE 1
Section 1: Sampling Techniques and Data

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	**SOIL SAMPLING:** - COOLGARDIE GOLD PHASE 1 (1997) – Surface soil sampling. - COOLGARDIE GOLD PHASE 4 (1997) – Vehicle-mounted auger sampling. - SENTOSA MINING (2010) – Surface soil sampling.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	- ALL PROGRAMS – Soil geochemistry database provided with both local & GDA94 MGA ZONE 51 co-ordinates for all samples. Sample locations have only been checked by visual reference to live tenement boundaries seen in historical exploration reports. This somewhat diminished spatial confidence is considered suitable for the type of first-pass analysis discussed in this announcement.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	- COOLGARDIE GOLD PHASE 1 (1997) – Samples were collected from the surface on a 640m by 40m grid spacing, sieved to -6mm & submitted to Genalysis Laboratory Services in Perth for analysis. Samples were assayed for Au, Ni, Cu & Zn by 50 gram multi-acid digest, carbon rod AAS finish for Au and flame AAS finish for Ni, Cu & Zn. - COOLGARDIE GOLD PHASE 4 (1997) – Samples were collected from 1m below surface on a 320m by 80m or 210m by 80m or 40m grid spacing using a vehicle-mounted auger rig. Samples were submitted to Genalysis Laboratory Services in Perth to be analysed for Au by 'B/ETA' (acid digest) and for As, Cu, Ni, Zn & Pb by 'B/AAS'. - SENTOSA MINING (2010) – Samples were collected from the surface, submitted to Amdel in Kalgoorlie and forwarded to Ultra Trace in Perth for analysis. Samples were assayed for Au, Pt & Pd by 40 gram fire assay with ICP-ES finish; Ca, Co, Cr, Cu, Fe, K, Mg, Mn, Na, Ni, P, S, Ti, V & Zn by mixed acid digest & ICP-ES finish; Ag, As, Bi, Cd, Cs, Ce, Ga, In, La, Mo, Nb, Pb, Rb, Sb, Se, Sn, Sr, Te, Th, Ii, U, W, Y by mixed acid digest & ICP-MS finish.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	- COOLGARDIE GOLD PHASE 1 (1997) – No drilling. - COOLGARDIE GOLD PHASE 4 (1997) – Toyota-mounted auger rig. 1m drill & sample collection depth where possible. - SENTOSA MINING (2010) – No drilling.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	- ALL PROGRAMS – Sample recovery not recorded.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	- ALL PROGRAMS – Measures taken to maximise sample recovery not recorded.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	- COOLGARDIE GOLD PHASES 1 & 4 (1997) – In about 100 places where they are co-located, the Phase 4 auger sampling generally reports higher Ni & Cu grades than the Phase 1 surface soil sampling hence it is thought that there is a positive bias towards the auger sampling. - SENTOSA MINING (2010) – It is speculated that the under-calling of base metal grades seen in the Coolgardie Gold surface sampling relative to the auger sampling may be applicable to the Sentosa Mining surface sampling as well. Future sampling of the prospect should therefore be carried out by auger drilling rather than surface sampling.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	- ALL PROGRAMS – Geology was not logged for any soil sample collected by either Coolgardie Gold or Sentosa Mining.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	- ALL PROGRAMS – Not applicable as samples were not logged.
	The total length and percentage of the relevant intersections logged.	- ALL PROGRAMS – Not applicable as samples were not logged.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	- ALL PROGRAMS – Not applicable as samples are not drill core.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	- COOLGARDIE GOLD PHASE 1 (1997) – Samples sieved to minus (-)6mm in the field. - COOLGARDIE GOLD PHASE 4 (1997) – It is unknown whether the samples were split or if particular size fractions were collected for analysis. - SENTOSA MINING (2010) – It is unknown whether the samples were split or if particular size fractions were collected for analysis.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	- COOLGARDIE GOLD PHASE 1 (1997) – Samples were pulverised and a 50 gram aliquot collected for analysis. This is appropriate and standard industry practice. - COOLGARDIE GOLD PHASE 4 (1997) – The sample preparation technique is not recorded. - SENTOSA MINING (2010) – Samples were dried, pulverised and a 40 gram aliquot collected for analysis. This is appropriate and standard industry practice.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	- COOLGARDIE GOLD PHASES 1 & 4 (1997) – External quality control procedures not recorded. It is assumed standard industry practices of using internal lab standards, duplicates and blanks were followed by Genalysis. - SENTOSA MINING (2010) – It appears Sentosa did not conduct any external quality control procedures and relied on Ultra Trace to randomly insert two standards every 30 samples, one blank every 90 samples and conduct one repeat analysis very 12 samples.
	Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.	- COOLGARDIE GOLD PHASES 1 & 4 (1997) – External quality control procedures not recorded. However, where they are co-located, a comparison between Ni and Cu assay results from the Phase 1 surface sampling and Phase 4 auger sampling suggests that there is a positive bias towards the auger sampling. - SENTOSA MINING (2010) – Sentosa did not collect any field duplicates during the 2010 soil sampling program.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	- ALL PROGRAMS – Sample sizes are considered appropriate for the grain size being sampled and the type of mineralisation being explored.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	- COOLGARDIE GOLD PHASE 1 (1997) – Samples were assayed by Genalysis Laboratory Services in Perth for Au, Ni, Cu & Zn by 50 gram multi-acid digest, carbon rod AAS finish for Au and flame AAS finish for Ni, Cu & Zn. This method achieves total dissolution for base metals and for Au if not occluded in sulphides. - COOLGARDIE GOLD PHASE 4 (1997) – Samples were assayed by Genalysis Laboratory Services in Perth for Au by 'B/ETA' (acid digest) and for As, Cu, Ni, Zn & Pb by 'B/AAS'. This method achieves total dissolution for As, base metals and for Au if not occluded in sulphides. - SENTOSA MINING (2010) – Samples were assayed by Ultra Trace in Perth for Au, Pt & Pd by 40 gram fire assay with ICP-ES finish; Ca, Co, Cr, Cu, Fe, K, Mg, Mn, Na, Ni, P, S, Ti, V & Zn by mixed acid digest & ICP-ES finish; Ag, As, Bi, Cd, Cs, Ce, Ga, In, La, Mo, Nb, Pb, Rb, Sb, Se, Sn, Sr, Te, Th, Ii, U, W, Y by mixed acid digest & ICP-MS finish. This method achieves total dissolution for all elements.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	- ALL PROGRAMS – Not applicable as samples were not analysed by geophysical methods or handheld analytical instruments such as XRF devices.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	- COOLGARDIE GOLD PHASES 1 & 4 (1997) – External quality control procedures were not recorded. It is assumed standard industry practices of using internal lab standards, duplicates and blanks were followed by Genalysis. The risk of inaccurate or imprecise results being reported as a result of this oversight is acceptable for the type of first-pass analysis of historical information discussed in this announcement - SENTOSA MINING (2010) – It appears Sentosa did not conduct any external quality control procedures and relied on Ultra Trace to randomly insert two standards every 30 samples, one blank every 90 samples and conduct one repeat analysis very 12 samples. This somewhat diminished level of quality control is acceptable for the type of first-pass analysis of historical information discussed in this announcement
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	- COOLGARDIE GOLD PHASES 1 & 4 (1997) – The Competent Person cross-referenced all anomalous assay results returned from both Coolgardie Gold soil sampling programs against original hardcopy records. About half a dozen anomalous Cu results were manually entered into PML's database from paper records after they were found to be missing. No other errors were identified. - SENTOSA MINING (2010) – The Competent Person checked all anomalous assay results from the Sentosa soil sampling program against original hardcopy records. No errors were indentified.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	The use of twinned holes.	- COOLGARDIE GOLD PHASES 1 & 4 (1997) – In about 100 locations the Phase 4 auger sampling twins the Phase 1 surface sampling. Generally speaking the Phase 4 samples report higher Ni & Cu grades than the co-located Phase 1 surface samples raising the possibility that the Phase 1 program may have underestimated the nickel-sulphide exploration potential of the Jaurdi Ultramafic Belt. - SENTOSA MINING (2010) – No 'twinning' or repeat sampling was conducted as part of the Sentosa soil sampling program.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	- ALL PROGRAMS – PML received a copy of the Jaurdi Hills soil geochemistry database from its previous guardian BM Geological Services on 12/05/2014. Burke Geoscience verified the data against original hardcopy records and made corrections where appropriate. The corrected digital data are stored (and backed-up) at Burke Geoscience's offices in both Micromine and Excel formats. - COOLGARDIE GOLD PHASES 1 & 4 (1997) – The data from Coolgardie Gold's soil sampling programs at Dunnsville can be found in a report by Henderson 1997 which is available on the DMP website under WAMEX # A52680. - SENTOSA MINING (2010) – The data from Sentosa's soil sampling program can be found in the 2010 Annual Technical Report for the Jaurdi Hills Project (C277/1994) by Dufresne & Parker 2011. It is a Closed File Report not available in the public domain.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	Discuss any adjustment to assay data.	- COOLGARDIE GOLD PHASES 1 & 4 (1997) – After cross-referencing against original hardcopy data, about half a dozen anomalous Cu results that were missing from the database were manually entered from hardcopy records. These adjustments have been noted in the database. - SENTOSA MINING (2010) – No adjustments were made.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	- ALL PROGRAMS – Sample locations have only been checked by visual reference to live tenement boundaries seen in historical exploration reports and have not yet been ground-proofed. This somewhat diminished level of spatial confidence is considered acceptable for the type of first-pass analysis discussed in this announcement.
	Specification of the grid system used.	- ALL PROGRAMS – GDA94 MGA ZONE 51.
	Quality and adequacy of topographic control.	- ALL PROGRAMS – All soil samples are referenced to a default elevation of 0m RL however a digital elevation model of the Jaurdi Hills Project has recently been purchased from Landgate which will allow all data to soon be resolved to their correct elevations.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	- COOLGARDIE GOLD PHASE 1 (1997) – Surface soil samples collected on a 640m by 40m grid spacing, - COOLGARDIE GOLD PHASE 4 (1997) – Auger soil samples collected on a 320m by 80m or 210m by 80m grid spacing closing to 40m in some areas. - SENTOSA MINING (2010) – Surface soil samples collected on a 320m by 20m grid spacing,
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	- ALL PROGRAMS – Not applicable. Soil sampling not a suitable sample support on which to base a Mineral Resource.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	Whether sample compositing has been applied.	- ALL PROGRAMS – Compositing has not been applied to any soil sampling program at Jaurdi Hills.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	- ALL PROGRAMS –Soil sample lines are ideally orientated perpendicular to straitigraphy.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	- ALL PROGRAMS – No orientation bias has been identified in any soil sampling program at Jaurdi Hills.
Sample security	*The measures taken to ensure sample security.*	- ALL PROGRAMS – The historic nature of the soil sampling programs means that the measure taken to ensure the security of samples cannot be determined.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	- COOLGARDIE GOLD PHASES 1 & 4 (1997) – A brief comparison between Ni and Cu assay results from twinned Phase 1 surface and Phase 4 auger soil samples suggests that there is a positive bias towards the auger results. - SENTOSA MINING (2010) – No review or audit has been conducted on the Sentosa soil sampling program.

Section 2: Reporting of Exploration Results

CRITERIA	JORC CODE EXPLANATION	COMMENTARY

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	**JAURDI HILLS – DUNNSVILLE NICKEL PROSPECT:** - The Dunnsville Nickel Prospect is located in Parmelia Resources' Jaurdi Hills Project. It encompasses five granted Prospecting Licences in the north-east of the project area; P16/2438, 2439, 2441, 2443 and 2657. All tenements are held by Toro Mining Pty Ltd which is a wholly-owned subsidiary of Parmelia Resources.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	- All five PL's covering Dunnsville are in good standing and there are no known impediments to PML maintaining tenure over this area.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	- Three phases of nickel-sulphide exploration have been carried out in the Jaurdi Hills / Dunnsville region; by CRA Exploration between 1968 and 1972, Union Miniere in 1976 and Coolgardie Gold in 1997. Refer to the 'Previous Work' section of this announcement for details on the work completed in the project area. To date, no nickel-sulphide mineralisation has been discovered in the Jaurdi Hills Project however anomalous Ni-Cu-Co-PGE results returned from soil sampling programs carried out by Coolgardie Gold in 1997 and Sentosa Mining in 2010 hint at previously unrecognised nickel-sulphide exploration potential at the Dunnsville Nickel Prospect. All other mineral exploration carried out at Jaurdi Hills has focused gold dating back to first recorded production at the Jaurdi Mining Centre in 1897.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Geology	*Deposit type, geological setting and style of mineralisation.*	- The Jaurdi Hills Project is located within the Dunnsville-Ubani Greenstone Belt ('DUGB') which is a mafic-ultramafic volcanic sequence wrapped around the north-west trending, 20km long and 4km wide Dunnsville-Doyles Dam Granodiorite pluton situated near the western boundary of the Kalgoorlie Terrane of the central Archaean Yilgarn Craton. The project area is situated on the western side of the granodiorite dome hence stratigraphy in the project area dips south-west. The DUGB comprises a 500m-thick lower komatiite sequence called the Jaurdi Ultramafic Belt which overlies a lower basalt unit and separated from a 1km-thick upper komatiite sequence called the Blow Dam Ultramafic Belt by a 3km-thick basalt/dolerite/interflow black shale sequence. The Dunnsvile Nickel Prospect is located on the basal contact of the Jaurdi Ultramafic Belt. - PML is exploring the Dunnsville Nickel Prospect for Kambalda-style, massive nickel-sulphide deposits of the type usually formed in lava channel pathways at or near the basal contact of komatiitic flows such as the Jaurdi Ultramafic Belt.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* - *easting and northing of the drill hole collar* - *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* - *dip and azimuth of the hole* - *down hole length and interception depth* - *hole length.*	- Refer to Table 1 in the body of the announcement for a summary of significant Ni, Cu, Co and PGE soil sample assay results from the Dunnsville Nickel Prospect. - Refer to Figures 1 to 3 for locations of the nickel-sulphide exploration targets identified at the prospect.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	- Averaging or truncation of grades is not used in reporting of soil sample results at Dunnsville however appropriate anomaly thresholds are used identify areas that might be prospective of nickel-sulphide mineralisation. - The threshold used to define anomalous soil geochemistry at Jaurdi Hills is coincident >500ppm Ni, 150ppm Cu, (+/-) 100ppm Co and 60ppb Pt+Pd.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	- Not applicable. Soil samples at Jaurdi Hills have not been composited.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	- No metal equivalent values are used to report legacy soil geochemistry results at Jaurdi Hills however Platinum Group Element ('PGE') anomalies an aggregate platinum (Pt) and palladium (Pd) results.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	- Not applicable to soil geochemistry samples.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	- Refer to Figures 1 to 3 in the body of the announcement.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	- The soil geochemistry data that form the basis of the Ni-Cu (+/-) Co and Pt+Pt soil anomalies at Dunnsville are displayed in Figure 2 in order to substantiate the interpreted anomalies shown in Figure 3.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	- In the 'Previous Work' and 'Exploration Strategy' sections of the announcement, reference is made to other historical exploration activities conducted in the project area that may be material to nickel-sulphide exploration at Dunnsville but are yet to digitally captured and analysed in depth. This includes rock chip sampling by CRA Exploration reported in Atkinson 1970 (WAMEX # A1092), drilling by Union Miniere reported in Williams 1976 (WAMEX # A6792) and drilling by Coolgardie Gold detailed in Henderson 1997 (WAMEX # A52680). PML intends to digitise, verify and analyse these data and if it is Material to do so the results of this analysis will be reported to the public domain.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	- The work program proposed for the Dunnsville Nickel Prospect is outlined in the 'Exploration Strategy' section of the announcement.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	- All nickel-sulphide exploration targets at Dunnsville are clearly identified in Figures 1 to 3.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Name of entity

Parmelia Resources Limited

ABN

48 142 901 353

Quarter ended ("current quarter")

June 2014

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date 12 Months $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(85)	(816)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(95)	(398)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	9
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(179)	(1,205)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid to other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(179)	(1,205)

1.13	Total operating and investing cash flows (brought forward)	(179)	(1,205)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. net of costs	(6)	1,063
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	(6)	1,063
	Net increase (decrease) in cash held	(185)	(142)
1.20	Cash at beginning of quarter/year to date	343	300
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	158	158

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	41
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director fees

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

-

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	50
4.2	Development	-
4.3	Production	-
4.4	Administration	30
	Total	**80**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	109	294
5.2	Deposits at call	49	49
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	158	343

Interests in Mining Tenements

Disclosure in accordance with ASX Listing Rule 5.3.3

	Project/ Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
6.1	Jaurdi Hills:				
	P16/2411,	Western Australia	100%	-	-
	P16/2413,	Western Australia	100%	-	-
	P16/2414,	Western Australia	100%	-	-
	P16/2438,	Western Australia	100%	-	-
	P16/2439,	Western Australia	100%	-	-
	P16/2440,	Western Australia	100%	-	-
	P16/2441,	Western Australia	100%	-	-
	P16/2442,	Western Australia	100%	-	-
	P16/2443,	Western Australia	100%	-	-
	P16/2444,	Western Australia	90%	-	-
	P16/2460,	Western Australia	100%	-	-
	P16/2627,	Western Australia	100%	-	-
	P16/2653,	Western Australia	100%	-	-
	P16/2654,	Western Australia	100%	-	-
	P16/2655,	Western Australia	100%	-	-
	P16/2656,	Western Australia	100%	-	-
	P16/2657,	Western Australia	100%	-	-
	P16/2658,	Western Australia	100%	-	-
	P16/2659,	Western Australia	100%	-	-
	P16/2678,	Western Australia	100%	-	-

6.1	**Project/ Tenements**	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
	M16/35,	Western Australia	90%	-	-
	M16/113,	Western Australia	90%	-	-
	M16/114,	Western Australia	100%	-	-
	M16/193,	Western Australia	90%	-	-
	M16/194,	Western Australia	100%	-	-
	M16/201,	Western Australia	90%	-	-
	M16/202,	Western Australia	90%	-	-
	M16/203,	Western Australia	90%	-	-
	M16/204,	Western Australia	90%	-	-
	M16/205,	Western Australia	90%	-	-
	M16/254,	Western Australia	90%	-	-
	M16/255,	Western Australia	100%	-	-
	M16/301,	Western Australia	100%	-	-
	M16/365,	Western Australia	100%	-	-
	M16/425,	Western Australia	100%	-	-
	M16/462,	Western Australia	100%	-	-
	E15/1061,	Western Australia	100%	-	-
	P16/2672,	Western Australia	100%	-	-
	P16/2673,	Western Australia	100%	-	-
	P16/2674,	Western Australia	100%	-	-
	P16/2675	Western Australia	100%		

6.2	**Farm-in Agreements / Tenements**	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
	E15/1410	Western Australia	Farm-in	Farm-In	-
	E08/2606	Western Australia	Application pending	-	-
	E28/2946	Western Australia	Application pending	-	-
	E38/2947	Western Australia	Application pending	-	-

6.3	**Farm-out Agreements / Tenements**	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+**Ordinary securities**	66,758,331	66,758,331		
7.4	Changes during quarter (a) Increases through issues	2,500,000	2,500,000	-	-
	(b) Decreases through returns of capital, buy-backs				
7.5	+**Convertible debt securities** (*description)*	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	**Options** *(description and conversion factor)*	2,000,000 335,000 15,941,667 4,500,000		*Exercise price* 25 cents 28 cents 15 cents 6.5 cents	*Expiry date* 25 August 2014 30 June 2014 15 November 2016 31 October 2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 31 July 2014
(Non-Executive Director and Company secretary)

Print name: Jay Stephenson