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ASX ANNOUNCEMENT

29th April 2016 **ASX: PML**

QUARTERLY ACTIVITIES REPORT FOR MARCH 2016

Highlights

- Parmelia completed due diligence to acquire Australian predictive intelligence firm Veriluma Pty Ltd
- Initial design and scoping for the Veriluma Cloud Platform and Application Programming Interface (API) completed; development commenced
- Veriluma secured partnership with Oniqua, a global service provider to the energy and resource industry
- Veriluma entered into a commercial partnership with leading independent security consultancy Global Business Resilience
- New modern corporate website at www.veriluma.com.au completed and live
- Subsequent to the quarter, agreement secured with RPMG International, a global consultant for corporate strategy optimization subsequent

Corporate

- Rights issue shortfall of 5m shares placed to strategic technology investor
- Mr Glen Toscan appointed as Veriluma's Government Business and Relations Manager to focus on securing defence and government contracts
- Mr Richard Howard, Mr Mark Carrick, Mr Andy Hill, Mr Tim Molloy appointed to Veriluma's Advisory Board to accelerate business development and international expansion

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Activities Report

Due diligence completed to acquire Veriluma

During the quarter, Parmelia announced that it had satisfactorily completed its due diligence in relation to the acquisition of Australian technology company Veriluma. As announced previously, the acquisition of Veriluma by Parmelia will result in a significant change in the nature and scale of Parmelia's activities and will require shareholder approval under Chapter 11 of the ASX Listing Rules, as well as require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

Parmelia is well advanced with the preparation of the necessary regulatory filings and will dispatch a notice of meeting to its shareholders in the very near future seeking the relevant approvals to undertake the acquisition and issue a prospectus to raise a minimum of $3,500,000 at an issue price yet to be determined.

Oniqua Partnership

Veriluma entered into an exclusive partnership with Oniqua Intelligent MRO (Maintenance, Repair and Operations), the global leader in MRO inventory optimisation for asset-intensive industries. The partnership will explore a wide range of potential applications designed to help Oniqua customers enhance decision-making capabilities in the area of MRO spare parts and materials management.

Examples of potential applications for Oniqua customers include:

- Assigning spare parts criticality
- Reducing the risk of unforeseen and lengthy shutdowns caused by the failure of spare parts
- Identifying political, cultural, environmental and financial risk and threats to future development sites
- Improving project management, such as risk obstruction and successful delivery
- Enhancing strategic planning and competitive positioning.

The partnership represents a significant commercial milestone for Veriluma and demonstrates the potential for its predictive intelligence software to be used across a broad range of industries.

Global Business Resilience Partnership

Veriluma also entered into a commercial partnership with Global Business Resilience, a leading independent security consultancy founded by Mark Carrick, recently retired Commander of Counter Terrorism Intelligence in the NSW Police Force.

Global Business Resilience specialises in helping organisations predict and manage political, social, environmental and security risks in complex and hostile environments. Global security threats faced by governments around the world include terrorism, hostile nations, cyber attacks, humanitarian crisis and threats to our health from viruses such as Ebola and Zika.

The partnership will utilise Veriluma's patented predictive software engine to better understand the ever-changing global, regional and national threat environments and thereby provide significant insights into potential emerging and evolving issues and threats. The initial focus of this partnership will be to offer national security agencies predictive capabilities that allow them to identify and understand threats; to implement risk strategies; and to respond quickly and effectively when action is required.

New Website Now Live

During the quarter Veriluma completed a review and rebuild of its website, which is now live at www.veriluma.com.au. The new and modern corporate website contains information for shareholders and investors to review and which will assist in keeping the investment market abreast of developments with both the technology and the company's applications, operations and corporate activity.

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Cloud Platform

The initial design and scoping for the Veriluma Cloud Platform and API was completed during the quarter and work commenced on implementation. The Cloud Platform allows clients to host their models in the cloud and to execute, store and retrieve assessments, using a simple set of RESTful web services APIs. The development of the Cloud Platform is a direct response to customer demand, and will enable customers and partners to more easily integrate Veriluma's technology into their own solutions.

The Cloud Platform is being implemented using the very latest in architecture, taking full advantage of the modern services that the major cloud providers have to offer, and the lessons learned from cloud pioneers such as Amazon and Netflix. As such, the Cloud Platform has been designed to provide consistent performance at any scale. This paves the way for Veriluma's technology to be used in solutions that require higher throughput.

RPMG International Commercial Agreement with Veriluma

Subsequent to the end of the quarter, Veriluma entered into a License Agreement with RPM Group International (RPMG) to provide Veriluma's patented predictive intelligence technology for application across RPMG's client base. The Agreement covers a range of licence and subscription fee applications and has potential for recurring revenue. RPMG specialises in Revenue Performance Management, Revenue Growth, Sales Process Engineering, Sales and Marketing Alignment and consults to global enterprises across all industries.

RPMG has been in operation since 2005 and has worked with many major organisations including McDonalds, Google, Invacare, BT Financial and Telecom NZ. As part of the Agreement, Veriluma will work with RPMG to develop predictive models that will be initially embedded within RPMG's hosted analytics application, Telemetry.

EXPLORATION

JAURDI HILLS PROJECT

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.

CORPORATE

Rights Issue – Shortfall Shares Placed to Asia-based technology investor

During the quarter, Parmelia Resources placed the 5m shortfall shares from the Non-Renounceable Rights Issue announced on the 8 December 2015 to a strategic Asia-based technology investor.

The shortfall shares will not be quoted and will be subject to holding locks pending a determination by the ASX in relation to escrow under Chapter 9 of the ASX Listing Rules (ASX release 9/12/15).

Parmelia and Veriluma welcome this new high profile strategic investor to the register, and Parmelia looks forward to building a close relationship as the company progresses towards the completion of the acquisition of Veriluma.

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Management Appointment

Mr Glen Toscan – Government Business and Relations Manager

Glen is a former RAAF Group Captain and Defence and Security industry executive. He has consulted to the Australian Defence Department since 2008 when he joined the global technology solutions and services firm CSC. As Client Manager, Glen was responsible for Intelligence Agencies, Defence and Air Services. Glen's experience and government relations network bring considerable weight to Veriluma's strategy of developing strong partnerships within Australian government departments and agencies. Glen joins us as Government Business and Relations Manager with a focus on managing existing client and partner relationships; extending our software footprint within defence; and building and maintaining a client base across federal agencies.

Advisory Board Formation

During the quarter Veriluma assembled a highly credentialed Advisory Board to provide advice to the Veriluma leadership team on strategy, business development and company growth. The members are:

Mr Richard Howard

Richard Howard has more than 20 years' experience in financial services, including 16 years with J.P. Morgan in investment banking and fixed income in London, New York, Sydney and Melbourne and more recently as an investor and advisor to numerous emerging financial services companies. He brings invaluable international banking, advisory and capital markets experience to Veriluma. Richard is Director of Access 32 Capital, a venture capital investment fund.

Mr Mark Carrick

Formerly the Commander of Counter Terrorism Intelligence NSW Police and advisor to the Australian and NZ Governments, Mark is the founding director of Global Business Resilience (GBR), an independent, resilience-building consultancy specialising in building organisational resilience enabling effective strategic decisions on the allocation of resources. Mark has worked across a broad range of industries and achieved outstanding success with large Government and NGO organisations. Mark holds an MBA from the University of Sydney and is a graduate of the Australian Institute of Company Directors.

Mr Andy Hill

Originally a Rolls-Royce Manufacturing Systems Engineer, Andy has spent the past 25 years founding and building Oniqua Intelligent MRO, a global inventory analytics software business serving many of the world's leading companies in the oil and gas, mining, and utilities industries, including ConocoPhillips, BP, BHP Billiton, Rio Tinto, Newmont Mining, Xstrata, Freeport McMoRan and Nebraska Public Power District with more than $16 billion worth of spare parts inventory under management. Oniqua was acquired by the ASCO Group in 2012. Andy's experience across the full lifecycle of a business, from start-up to exit, and expertise in analytics technology, Enterprise sales and data management provides Veriluma with invaluable opportunities and perspective.

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Mr Tim Molloy

Executive Director at Mainsheet Capital, Tim has seen a career spanning the corporate development of IT companies such as Solution 6, Exonet and MYOB. Tim's invaluable experience comes from growing IT businesses along with international experience in mergers & acquisitions, marketing & sales, strategy, and profitable revenue generation leading to wealth creation for shareholders. A company director and a Graduate of the Australian Institute of Company Directors, Tim's strength is in developing IT companies and enhancing growth opportunities.

For further information concerning Parmelia's activities please contact:

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Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Name of entity

Parmelia Resources Limited

ABN	Quarter ended ("current quarter")
48 142 901 353	March 2016

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date 9 Months $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(150)	(325)
	(b) development		
	(c) production		
	(d) administration	(100)	(207)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	2	3
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other – Refund of tenements deposit	5	31
	Net Operating Cash Flows	(243)	(498)
	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)tenements	40	80
	(b)equity investments		
	(c)other fixed assets		
1.10	Loans to other entities	(230)	(230)
1.11	Loans repaid to other entities		
1.12	Acquisition cost	(50)	(71)
	Net investing cash flows	(240)	(221)
1.13	Total operating and investing cash flows (carried forward)	(483)	(719)

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1.13	Total operating and investing cash flows (brought forward)	(483)	(719)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. net of costs	738	1,208
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 – Funds held in trust		
	Net financing cash flows	738	1,208
	Net decrease in cash held	255	489
1.20	Cash at beginning of quarter/year to date	471	237
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	726	726

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	8
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 and payments to related entities for Corporate Services and Consulting 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	-	-

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Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	87
4.2	Development	
4.3	Production	
4.4	Administration	90
	Total	**177**

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	726	471
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	726	471

Interests in Mining Tenements

Disclosure in accordance with ASX Listing Rule 5.3.3

6.1	**Project/ Tenements**	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
	P16/2444				
	P16/2460	Western Australia	90%	-	-
	P16/2627	Western Australia	100%	-	-
	P16/2678	Western Australia	-	-	100%
	M16/35	Western Australia	100%	-	-
	M16/113	Western Australia	100%	-	-
	M16/114	Western Australia	100%	-	-
	M16/193	Western Australia	100%	-	-
	M16/194	Western Australia	100%	-	-
	M16/201	Western Australia	90%	-	-
	M16/203	Western Australia	100%	-	-
	M16/204	Western Australia	90%	-	-
	M16/205	Western Australia	100%	-	-
	M16/254	Western Australia	90%	-	-
	M16/255	Western Australia	90%	-	-
	M16/301	Western Australia	90%	-	-
	M16/365	Western Australia	90%	-	-
	M16/425	Western Australia	90%	-	-
	M16/462	Western Australia	90%	-	-
	P16/2673	Western Australia	-	-	100%
	P16/2674	Western Australia	100%	-	-
	E08/2606	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	-
	E38/2946	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

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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)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	120,274,097	120,274,097		
7.4	Changes during quarter (a) Increases through issues	21,292,677	21,292,677	$0.035	$0.035
	(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)*	15,941,667 4,500,000 4,500,000 44,354,509	- - - 44,354,509	*Exercise price* 15 cents 6.5 cents 6.4 cents 5 cents	*Expiry date* 15 November 2016 31 October 2016 31 October 2017 30 May 2017
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
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: 29 April 2016
(Non-Executive Director and Company secretary)

Print name: Jay Stephenson

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