

ASX ANNOUNCEMENT

13th October 2014

ASX: PML

EM SURVEY TO COMMENCE AT DUNNSVILLE NICKEL PROSPECT

Highlights

- **Gap Geophysics appointed to conduct high-power ground EM survey**
 - **Survey to commence in 3 to 4 weeks time**
 - **Planning and permitting for immediate follow up drill-testing of conductivity targets is well underway with approvals expected in 2-3 weeks**
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Parmelia Resources Limited (ASX: PML) advises that it has engaged Gap Geophysics to conduct a high-power, deep-penetrating moving-loop electromagnetic ('MLEM') survey over the Southern and Northern high priority nickel-sulphide exploration targets at the Dunnsville Nickel Prospect located within its Jaurdi Hills Project 50km north-west of Coolgardie, Western Australia. The program is expected to commence in 3 to 4 weeks time and take 2 to 3 weeks to complete.

The survey will be carried out using a high-power Gap GeoPak MLTX-200 transmitter generating a current of approximately 140 amps through a 200m by 200m transmitter loop, a SMARTem24 receiver and an EMIT three-component Fluxgate receiver sensor. Line spacing will be 200m closing to 100m in proximity to the Southern Target GEOTEM anomaly and along-line receiver station spacing will be 50m for all lines. Gap's 'deep-looking', high-sensitivity SAMSON receiver may also be used for a portion of the survey if warranted.

The program will commence at the Southern Target followed by the Northern Target with consideration given to testing for conductivity responses at the other priority targets identified along the Jaurdi Hills Ultramafic Belt depending on exploration success at the high priority targets. Core Geophysics has been engaged to supervise and interpret the results from the survey.

In addition, planning and permitting (including POW applications), is well advanced to allow immediate drill-testing of prospective bedrock conductivity targets identified by the EM survey. These approvals are expected to be received in 2 to 3 weeks time. Drilling program details will be announced once planning is finalised and government approvals have been received.

Refer to Figure 1 for a map of the proposed MLEM survey program.

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

Phone +61 (0)8 6141 3500

Fax +61 (0)8 6141 3599

www.parmeliaresources.com

Nigel Gellard
Executive Chairman