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ASX ANNOUNCEMENT

31st October 2014 **ASX: PML**

QUARTERLY ACTIVITIES REPORT JULY – SEPTEMBER 2014

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**
- **Reinterpretation of legacy GEOTEM airborne EM data has identified a significant conductor co-incident with the Southern High Priority Target**
- **Highly anomalous historical soil samples with peak Ni (1260ppm), Cu (315ppm) and Co (150ppm) results from Southern Target are located almost exactly up-dip of the centre of the conductor**
- **Parmelia completed an over-subscribed $1.1m capital raising to sophisticated investors at a 34.9% premium to the 15 day VWAP**
- **Gap Geophysics appointed to conduct high-power ground EM survey scheduled to commence in about two weeks time**
- **Planning and permitting for immediate follow up drill-testing of conductivity targets well advanced**
- **Parmelia Resources continues with due diligence on additional base metal projects in commodities with positive future supply demand fundamentals**

During the quarter Parmelia Resources Limited ('PML' or the 'Company') made significant progress towards achieving its goal of establishing a portfolio of high quality base metal assets. The on-going process of identification and evaluation of high tenor nickel-sulphide opportunities resulted in a number of significant nickel-sulphide exploration targets being identified at our 100% owned Jaurdi Hills project, which is discussed in further detail below. In addition to our exploration initiatives the company completed a capital raising for $1.1m in an over subscribed issue ('Placement') to sophisticated investors at a 34.9% premium to the 15 day VWAP price.

Exploration

Jaurdi Hills Project – Nickel-Sulphide Exploration

Highlights

- **Reinterpretation of legacy GEOTEM airborne EM data has identified a significant conductor co-incident with the Southern High Priority Target**
- **Highly anomalous historical soil samples with peak Ni (1260ppm), Cu (315ppm) and Co (150ppm) results from Southern Target are located almost exactly up-dip of the centre of the conductor**
- **Importantly, historical soil samples with elevated PGE (>60ppb Pt+Pd) results encircle the conductor which enhances the prospect of nickel sulphides being present**
- **New rock chip sample taken by PML from outcrop 230m ENE of the surface projection of the conductivity anomaly returned highly anomalous Ni (1358ppm), Cu (1849ppm), Pt (194ppb) and Pd (125ppb) results**
- **In addition, further historical rock chip sample data confirms the presence of co-incident >1000ppm Ni and >300ppm Cu proximal to the Southern Target**
- **Mapping confirmed geological sequence typical of that which hosts Kambalda-type nickel-sulphide deposits (cumulate-textured channel and spinifex-textured sheet-flow facies komatiite)**
- **Parmelia believes latest results significantly enhance the possibility of a nickel-sulphide discovery at the Southern High Priority Target**

PML announced on the 10 September 2014, that independent analysis of legacy GEOTEM airborne electromagnetic ('EM') data, CRA Exploration ('CRA') rock chip data and surface samples taken by Parmelia has significantly enhanced the magmatic nickel-sulphide exploration potential of the Dunnsville Nickel Prospect located within its 100% owned Jaurdi Hills Project 50km north-west of Coolgardie, Western Australia (Figure 1).

Background

The Jaurdi Hills Project lies on the western flank of the Dunnsville/Doyle Dam Granodiorite Dome 50km north-west of Coolgardie, 60km west of Kalgoorlie and 550km east of Perth. It comprises 16 granted Mining Leases, 24 granted Prospecting Licences and one granted Exploration Licence for a total of 85.4km^2. The Dunnsville Nickel Prospect is located in the north-east of the property encompassing Prospecting Licences P16/2438, 2439, 2441, 2443 and 2657. PML is the 100 % beneficial owner of the tenements.

During the quarter PML re-processed and analysed the data from a GEOTEM survey conducted over the Jaurdi Hills Project in 2004, cursorily mapped the surface geology of the Northern and Southern high priority targets, re-interpreted the geology of the Jaurdi Ultramafic Belt, collected surface samples from the prospect and digitised the data from a CRA rock chip sampling program conducted within the project area in 1968.

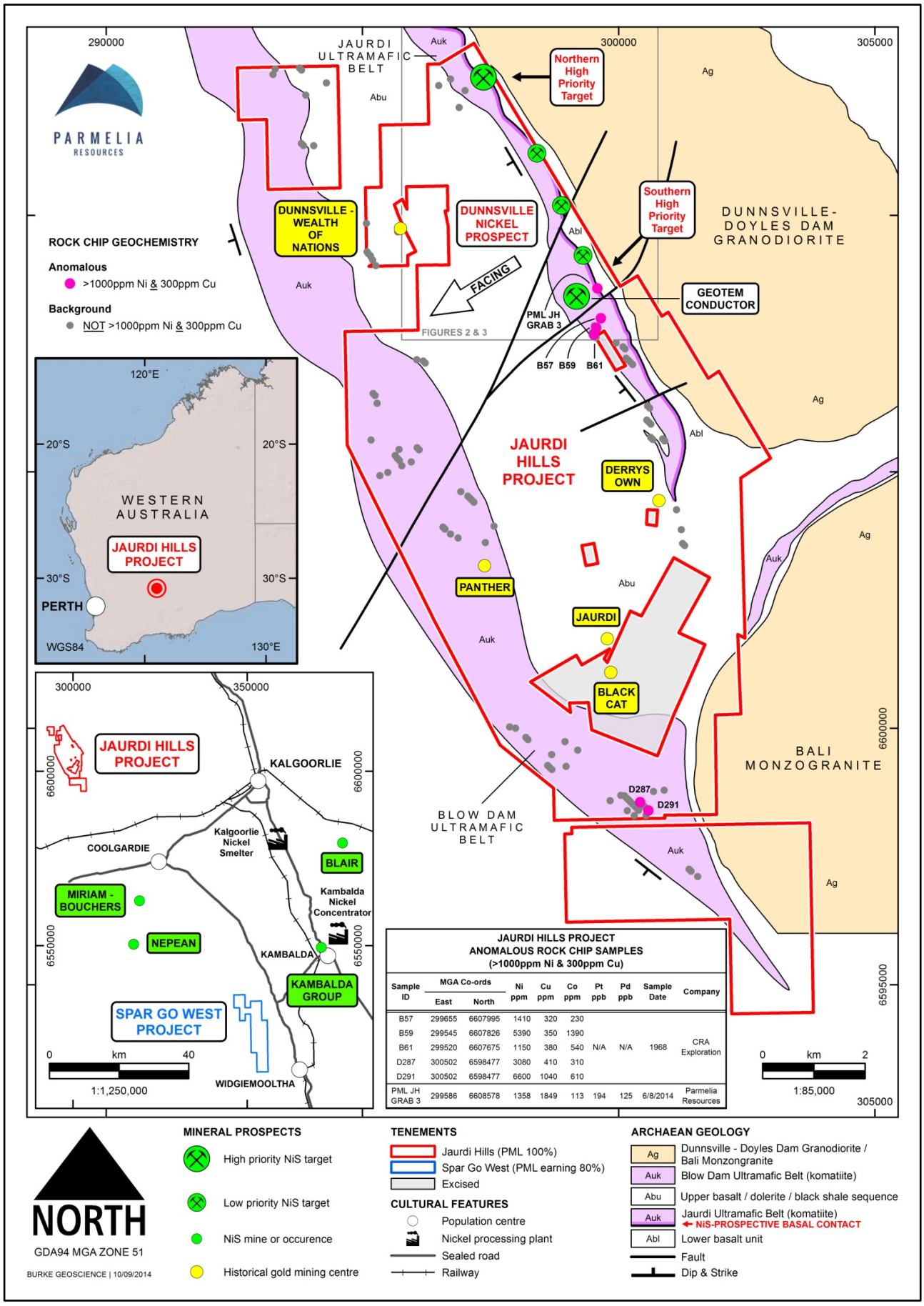

Figure 1 – Jaurdi Hills Project location, simplified geology and rock chip sample map showing the location of the Dunnsville Nickel Prospect. The featured rock chip sample population comprises 109 samples collected within the present-day Jaurdi Hills Project by CRA Exploration in 1968 (Atkinson 1970) and one sample collected by PML on 06/08/2014 (Sample ID: PML JH GRAB 3). Co-located CRA samples are shown up to 140m NW or SE from original location for display purposes. Map not displayed at exact scale.

GEOTEM Reprocessing & Analysis

- **Analysis of legacy GEOTEM airborne EM survey data has identified a late-time (18.6 millisecond) conductivity anomaly co-incident with the Southern High Priority Target. The body is modelled as having a depth to top of 220m below surface, a dip of -70^{o} towards the WSW, strike extent of 300m and down-dip extent of 200m**
- **Significantly, peak historical Ni (1260ppm), Cu (315ppm) and Co (150ppm) soil sample results returned from the Southern Target are located almost exactly up-dip of the centre of the conductor and elevated PGE (>60ppb Pt+Pd) results encircle the anomaly**
- **By comparison, the high-grade Cosmos nickel-sulphide deposit discovered by Jubilee Gold Mines north of Leinster in 1997 using ground-based moving and fixed-loop EM surveys that measured out to a similarly short time delay of 17.4ms had a modelled depth to top of 50m, strike extent of 150m and down-dip extent of 150-300m**

A GEOTEM airborne EM survey was flown over the Jaurdi Hills Project by Fugro Airborne in December 2004 on behalf of previous tenement holder Kinver Mining NL. PML engaged Mathew Cooper from Core Geophysics to re-process and analyse the data from this survey to find out whether it could have identified any subtle, previously unrecognised bedrock conductivity anomalies that might indicate the presence of massive nickel-sulphide mineralisation while taking into account the difficulty that short time base EM surveys like GEOTEM and other airborne EM surveys have in discriminating between bedrock and near-surface regolith conductors.

Mathew's work confirmed the presence of a discrete, late-time B-field conductivity anomaly at the Dunnsville Nickel Prospect's Southern High Priority Target that persists through all channels including the latest channel 20 (18.6 ms). He modelled it as a bedrock conductor having a depth to top of 220m below surface, a dip of -70^{o} towards the west-south-west, strike extent of 300m and down-dip extent of 200m. Significantly, peak **Ni** (**1260ppm**), **Cu** (**315ppm**) and **Co** (**150ppm**) soil sample results returned from the Southern Target are located almost exactly up-dip of the centre of the conductor and elevated **PGE** (**>60ppb Pt+Pd**) results encircle the anomaly.

By comparison, the high-grade Cosmos nickel-sulphide deposit discovered by Jubilee Gold Mines north of Leinster in 1997 using ground-based moving and fixed-loop EM surveys that measured out to a similarly short time delay of only 17.4ms had a modelled depth to top of 50m, strike extent of 150m and down-dip extent of 150-300m (Craven et al 2000).

It is important to note that airborne GEOTEM does have its limitations and the analyses by Core Geophysics cannot conclusively rule out the possibility that a near-surface regolith conductor may also explain the Southern Target conductivity anomaly. As such the only way to definitively determine its source is to carry out a ground-based orientation moving-loop EM ('MLEM') survey.

Also of note is that the Northern High Priority Target is located just outside the northern boundary of the GEOTEM survey which leaves open the enticing possibility that a conductivity anomaly is yet to be detected there as well.

Geological Mapping

- **Reconnaissance mapping at the Northern High Priority Target confirms the presence a cumulate-textured channel and spinifex-textured sheet-flow facies komatiitic sequence of the type that hosts Kambalda-type massive and disseminated nickel-sulphide deposits in the Yilgarn Craton**

The geology of the Northern and Southern high priority targets was mapped by PML in early August 2014. The exercise revealed that the NNW-striking Jaurdi Ultramafic Belt in the vicinity of the Northern Target is a 550m-thick komatiitic volcanic sequence comprising at least two variably magnetic, olivine-rich, cumulate-textured, channel-facies flows in the west and centre of the belt overlying a unit of non-magnetic, spinifex-textured, sheet-flow facies rocks on the eastern basal contact (assuming a WSW facing or 'younging' direction). The flows are separated by thin inter-flow shale horizons and stratigraphy dips towards the south-west. The cumulate-textured rocks and shale were observed in outcrop and drill spoil from two traverses of Coolgardie Gold RAB holes (Henderson 1997) while the spinifex-textured rocks belonging to the basal flow were observed in drill chips only. The co-incident Ni-Cu +/- Co and Pt+Pd soil anomaly at the Northern Target overlies the central cumulate-textured komatiite unit. Kambalda-type, komatiite-hosted nickel-sulphide deposits are hosted at the base of lava channels which are characterised by cumulate as opposed to spinifex texture.

No ultramfic rocks were identified at the Southern Target due to the presence of alluvial cover. The only rocks observed were a number of outcrops of weathered felsic volcanics and subjacent foliated basalt covering an area of few hundred square metres near the interpreted basal contact of the Jaurdi Ultramafic Belt at a location about 200m ENE of the conductivity target. As discussed below, a sample of felsic volcanic rock from one of these outcrops returned anomalous Ni, Cu, Pt and Pd.

Interestingly, the conductivity anomaly at the Southern Target and the Ni-Cu-Co-Pt+Pd soil anomalies at both the Northern and Southern targets appear to be situated in the middle of the Jaurdi Ultramafic Belt as opposed to near the basal contact of the lowest flow which convention suggests is the most likely location for deposition of Kambalda-type, komatiite-hosted nickel-sulphide deposits. This raises the possibility that the basal contacts of one or more flows higher up in the belt's stratigraphic sequence (as identified at the Northern Target) are the potential ore hosts at both targets. If this is the case then it would be consistent with the geological setting of the Nepean Nickel Deposit near Coolgardie which is hosted in the second and third flows from the bottom of a four-flow komatiitic belt (Sheppy & Rowe 1976) that regional geological studies suggest is stratigraphically equivalent to the Jaurdi Ultramafic Belt (Tuite 1970).

Rock Chip Sampling

- **Analysis of results from a 1968 CRA Exploration rock chip sampling program reveals that three of the closest samples to the Southern High Priority Target comprise one of two anomaly clusters within the Jaurdi Hills Project that returned co-incident >1000ppm Ni and >300ppm Cu results**
- **Rock chip sample 'PML JH GRAB 3' collected by Parmelia from an outcrop of ferruginised felsic volcanic rock at the base of the Jaurdi Ultramafic Belt 230m ENE of the Southern Target conductivity anomaly returned highly anomalous Ni (1358ppm), Cu (1849ppm), Pt (194ppb) and Pd (125ppb) results in agreement with the soil geochemistry anomaly at the target and elevated nickel and copper results returned from nearby CRA rock chip samples**

In 1968 CRA carried out a gossan search and collected 435 rock chip samples as part of a comprehensive nickel-sulphide exploration program it conducted in the Jaurdi Hills / Dunnsville area during the Nickel Boom (Atkinson 1970). All samples were assayed for Ni, Cu, Co, Cr and Pb. Of the 435 samples collected, 109 are located in the present-day Jaurdi Hills Project and these data were recently georeferenced, digitised and analysed by PML. Of the 109 samples within the project area, five are thought to contain anomalous nickel and copper results indicative of a sulphide source where anomalism is defined as co-incident >1000ppm Ni and >300ppm Cu. Of these, three (B57, B59 & B61) form a cluster located about 650m south of the Southern High Priority Target and are among the closest of the CRA samples to the target. The remaining two samples (D287 & D291) are co-located in the Blow Dam Ultramafic Belt at the southern end project area.

PML collected three surface samples from the Dunnsville Nickel Prospect while mapping the area in early August. Two of them (PML JH GRAB 1 & 2) were grab samples from drill spoil belonging an unidentified Coolgardie Gold RAB hole at the Northern Target. These samples did not return any significant results and cannot be spatially resolved or put into a geological context with confidence so are not reported in this announcement. The third (PML JH GRAB 3) is a rock chip sample collected from an outcrop of ferruginised felsic volcanic rock located near the interpreted basal contact of the Jaurdi Ultramafic Belt about 230m ENE (across strike) of the surface projection of the Southern Target conductivity anomaly. Encouragingly, this sample returned highly anomalous **Ni (1358ppm)**, **Cu (1849ppm)**, **Pt (194ppb)** and **Pd (125ppb)** in agreement with the Ni-Cu +/- Co and Pt+Pd soil anomalies at the target thereby further enhancing its nickel-sulphide exploration potential. Interestingly, PML JH GRAB 3 returned low **Mn (391ppm)** which suggests the elevated coincident nickel and nickel pathfinder elements are more likely to be related to a bedrock source such as magmatic nickel-sulphide mineralisation than surficial scavenging by Mn-oxide minerals.

The locations of all the rock chip samples collected from Jaurdi Hills by CRA and PML are shown in Figures 1, 2 and 3. Table 1 lists the anomalous samples. A photo of the location from where PML JH GRAB 3 was collected is displayed in Figures 2 and 3.

Table 1 – Jaurdi Hills Project anomalous rock chip samples.

JAURDI HILLS PROJECT
ANOMALOUS ROCK CHIP SAMPLES
(>1000ppm Ni & 300ppm Cu)

Sample ID	MGA Co-ordinates		Ni ppm	Cu ppm	Co ppm	Cr ppm	S ppm	Mg ppm	Mn ppm	Pt ppb	Pd ppb	Sample Date	Company
	East	North											
B57	299655	6607995	1410	320	230								
B59	299545	6607826	5390	350	1390								
B61	299520	6607675	1150	380	540	N/A	N/A	N/A	N/A	N/A	N/A	1968	CRA Exploration
D287	300502	6598477	3080	410	310								
D291	300502	6598477	6600	1040	610								
PML JH GRAB 3	299586	6608578	1358	1849	113	1964	768	1313	391	194	125	6/8/2014	Parmelia Resources

NOTES:

1. CRA rock chip data are sourced from Figure 9 in WAMEX report # A1092 (Atkinson 1970). An approximately +/- 20m georeferencing error is apparent.
2. N/A is an abbreviation for 'not assayed'.
3. Grid projection is GDA94 MGA ZONE 51.

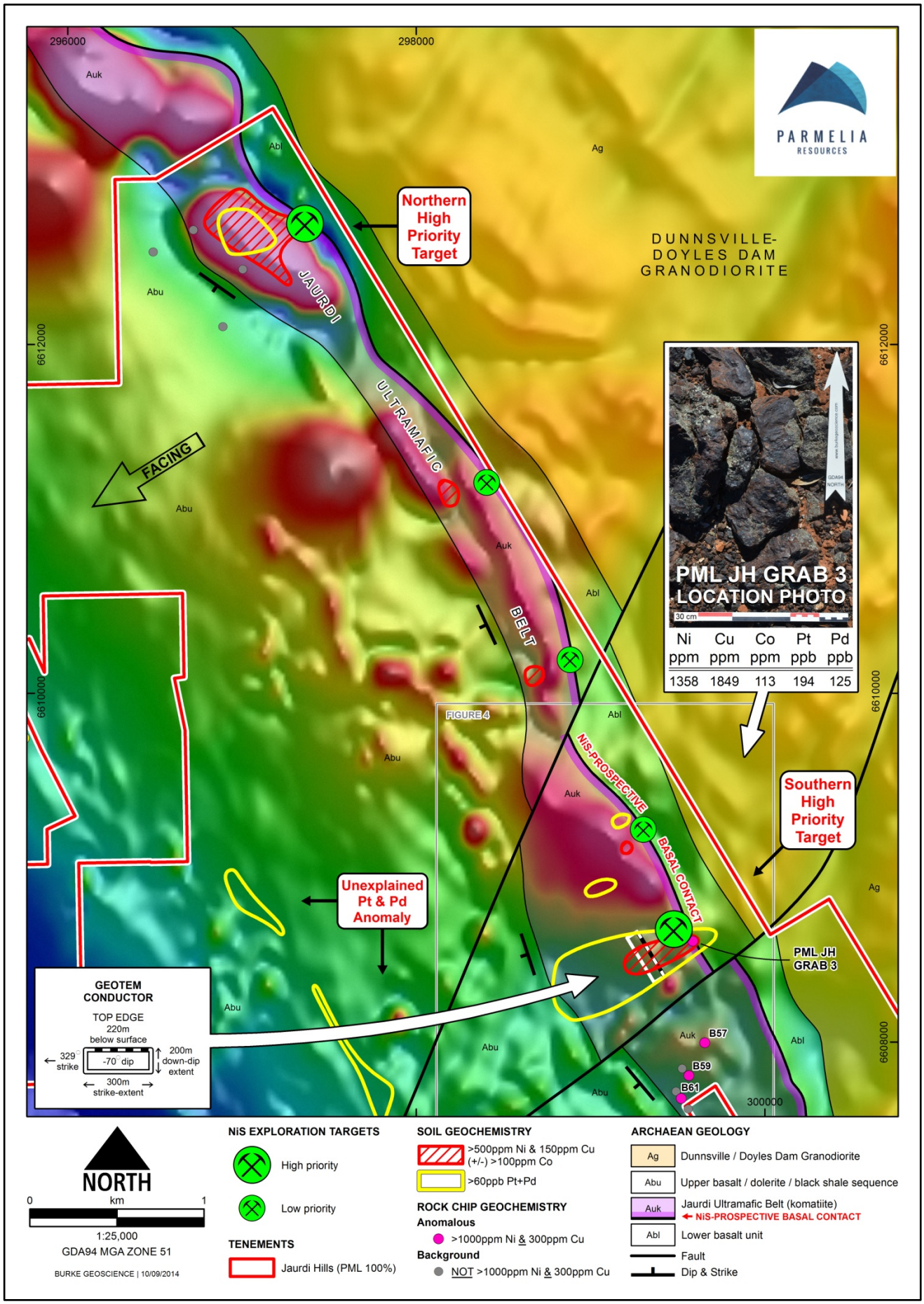

Figure 2 –Dunnsville Nickel Prospect map featuring exploration targets, nickel-copper +/- cobalt soil anomalies, platinum + palladium soil anomalies, rock chip samples and the Southern Target conductor overlaid on simplified geology and TMI RTP aeromagnetic imagery. A photo of the location from where PML JH GRAB 3 was collected is displayed on the right of the diagram. Red = highly magnetic. Blue = poorly magnetic. Map not displayed at exact scale.

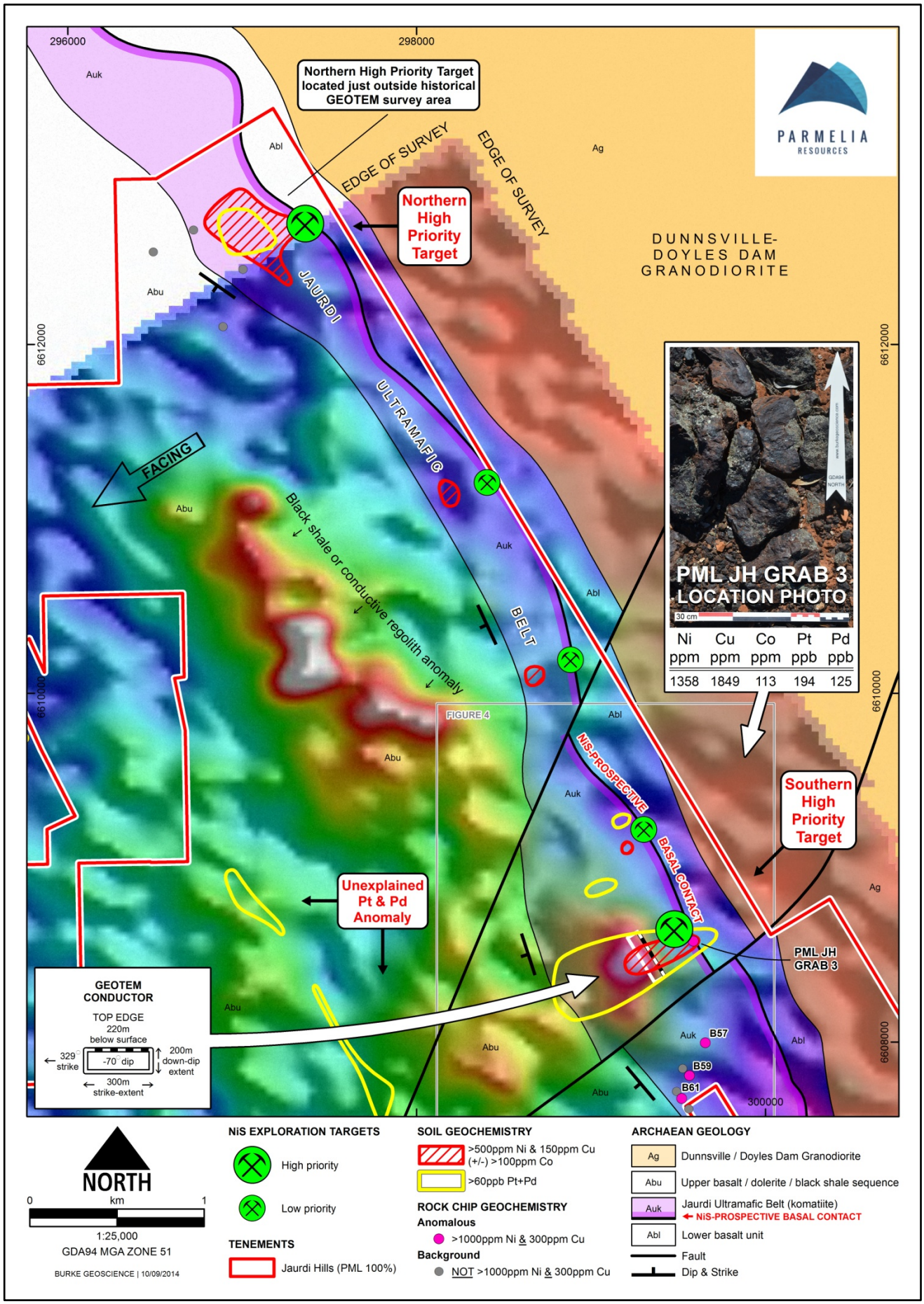

Figure 3 –Dunnsville Nickel Prospect map featuring exploration targets, nickel-copper +/- cobalt soil anomalies, platinum + palladium soil anomalies, rock chip samples and the Southern Target conductor overlaid on simplified geology and GEOTEM Z-axis B-field Channel 20 (18.6 millisecond) imagery. White and red shading = high conductivity. Blue and purple shading = low conductivity. Channel 20 is the latest channel recorded in the GEOTEM survey. Map not displayed at exact scale.

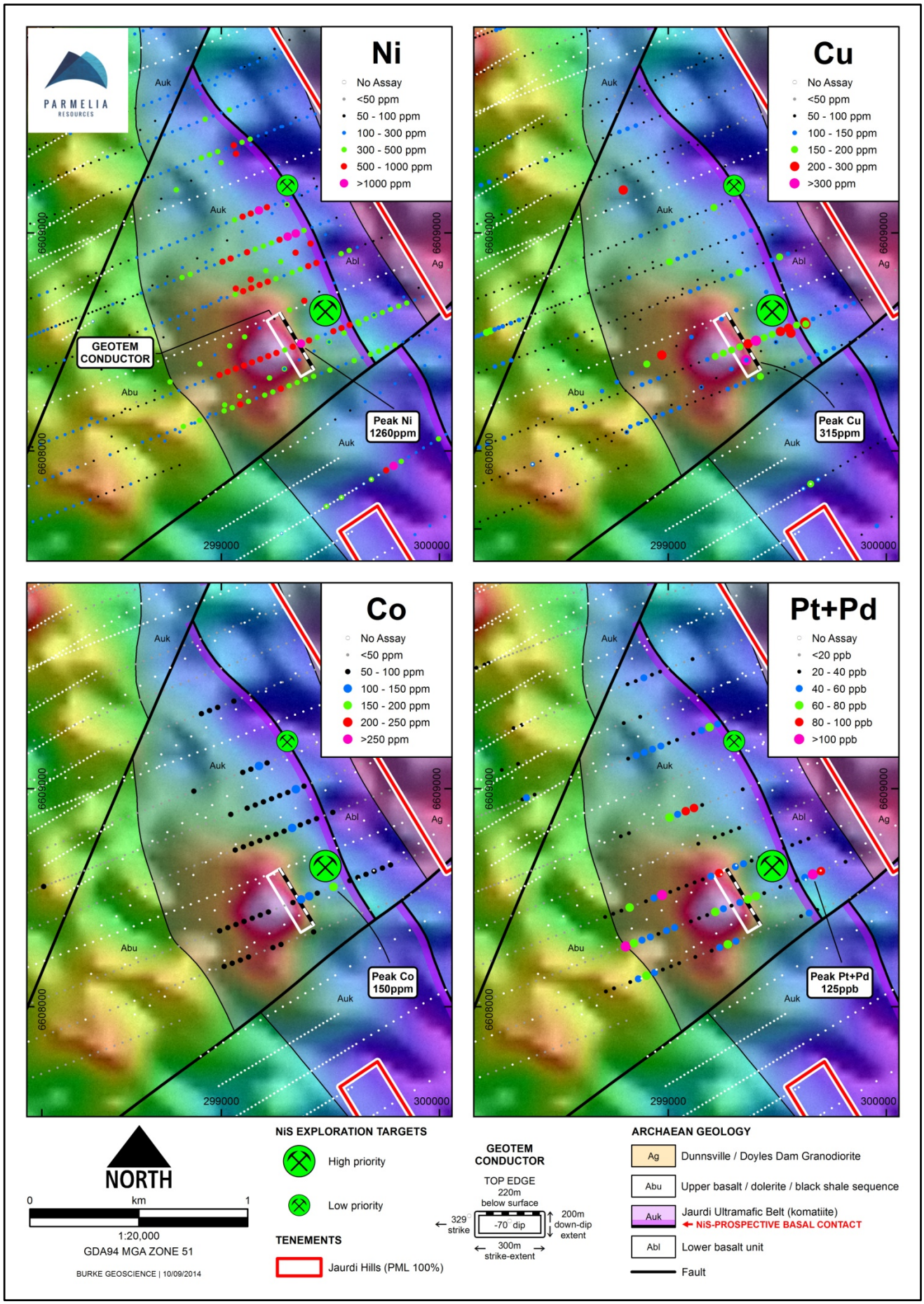

Figure 4 – Southern High Priority Target map featuring nickel, copper, cobalt and platinum + palladium soil geochemistry overlaid on simplified geology and GEOTEM Z-axis B-field Channel 20 (late time) imagery. White and red shading = high conductivity. Blue and purple shading = low conductivity. The Southern Target conductor is displayed as a white rectangle. Map not displayed at exact scale.

Discussion & Next Steps

- **Gap Geophysics appointed to conduct high-power ground EM survey**
- **Survey to commence in about two weeks time**
- **Planning and permitting for immediate follow up drill-testing of conductivity targets well advanced**
- **Parmelia believes the identification of a conductor significantly enhances the possibility of a nickel-sulphide discovery at the Southern High Priority Target**

PML announced on the 13 October 2014, 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. The program is expected to commence in about two weeks time and take a further 2 to 3 weeks to complete. The high-power, deep-penetrating, orientation moving-loop EM survey over the Southern Target conductivity anomaly is designed to verify whether its source is bedrock or regolith. If a prospective bedrock conductor is identified then the survey will be expanded to encompass the remainder of the Southern Target. The Northern High Priority Target will also form part of the survey.

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 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.

Parmelia Resources' confidence in the exploration potential of the Dunnsville Nickel Prospect is significantly enhanced by the discovery of a possible bedrock conductor down-dip of anomalous nickel, copper, cobalt and PGE soil geochemistry in a nickel-sulphide prospective komatiitic geological setting at the Southern High Priority Target.

The occurrence of anomalous nickel and nickel-sulphide pathfinder geochemistry in CRA and PML rock chip samples collected near the Southern Target supports this view.

If the ground EM detects bedrock conductors at the Southern and Northern targets then they will be drill-tested by carefully considered RC or RC pre-collar / diamond tail holes depending on depth to target. All holes will be downhole EM surveyed to test the surrounding rock mass for conductivity responses indicative of near-missed mineralisation regardless of whether nickel-sulphides are intersected.

The scope of the drilling proposal will be confirmed in due course however planning and permitting is well advanced to allow immediate drill-testing of prospective bedrock conductivity targets identified by the EM survey. Program details will be announced once planning is finalised. Historical exploration data compilation, geological mapping and rock chip sampling will continue at Dunnsville in parallel with the proposed ground EM and drilling programs.

Spa Go West Project– Nickel-Sulphide Exploration

Highlights

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

On the 17th of June 2014, PML announced it had secured the exclusive right to farm into and earn an 80% interest in the Spar Go West Project comprising Exploration License Application E15/1410 located in the highly prospective Kambalda / Widgiemooltha nickel province of Western Australia (see Figure 1). Spar Go West is thought to be prospective for both nickel-sulphide and gold mineralisation and as such is considered a strategic acquisition for Parmelia. The Company's exploration plans for Spar Go West will be announced in due course.

Corporate Activities

Highlights

- ***Parmelia completed an over-subscribed $1.1m capital raising to sophisticated investors***
- ***Placement completed at a 34.9% premium to the 15 day VWAP***
- ***The funding will allow Parmelia Resources to continue with due diligence on additional base metal projects in commodities with positive future supply demand fundamentals***

Parmelia Resources announced on the 23rd of September 2014, that it had completed a capital raising for $1.1m in an over subscribed issue ('Placement') to sophisticated investors. The proceeds will be used to advance Parmelia's new strategic direction in pursuing base metal projects with positive future supply demand fundamentals (ASX Release 27/8/14).

The Placement is for 20,000,000 fully paid ordinary shares in the capital of the Company at an issue price of $0.055 per share ("Placement Shares"), with one free attaching listed option (ASX: PMLOB) for every three shares subscribed for ("Placement Options") to raise a gross amount of up to $1,100,000 before costs. The listed attaching options will be exercisable at 5 cents on or before the 30/5/2017.

The Placement will be undertaken in two tranches. Tranche one is for up to 8,250,000 Placement Shares ("Tranche 1 Shares") and 2,750,000 Placement Options ("Tranche 1 Options"), all of which will be issued immediately under the Company's capacity under ASX Listing Rule 7.1 and 7.1A. Tranche two is for up to 11,750,000 Placement Shares ("Tranche 2 Shares") and 3,916,667 options ("Tranche 2 Options"). The Tranche 2 Shares and Tranche 2 Options are subject to shareholder approval.

The table below details the number of shares allotted and dollars raised in Tranche 1 and Tranche 2 of the funding:

Tranche 1 Shares	Tranche 1 $	Tranche 1 Options	Tranche 2 Shares *	Tranche 2 $*	Tranche 2 Options*
8,250,000	453,750	2,750,000	11,750,000	646,250	3,916,667

* Subject to shareholder approval at a meeting to be held in early November 2014

Entitlement Issue of Options

The Company announced on the 23 July 2014, that the recent non-renounceable rights issue of one new option (ASX: PMLOB) 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 advised the demand for the shortfall exceeded available supply. An application was successfully made to the ASX for quotation of these securities together with the options issued pursuant to the "Placement" described above.

Commercial Negotiations on Jaurdi Hills Gold 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.

New Opportunities

On the 27th August 2014, PML announced a new strategic direction for the company. The company has decided to broaden its current focus on nickel-sulphide projects to include other base metal commodities. The focus will be on those commodities that are forecast to have positive future supply demand fundamentals.

Further acquisitions are actively being pursued and due diligence on potential acquisitions continues. PML will update shareholders as our new strategic plan is implemented and additional opportunities are secured.

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 PERSON STATEMENT

The information in this report that relates to Exploration Results 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.

The information is extracted from ASX announcements released by the Company on 17/06/2014, 30/07/2014 and 10/09/2014 and are available to view on www.asx.com.au and www.parmeliaresources.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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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")

September 2014

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date 3 Months $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(78)	(78)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(138)	(138)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(215)	(215)
	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)	(215)	(215)

1.13	Total operating and investing cash flows (brought forward)	(215)	(215)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. net of costs	608	608
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	59	59
	Net financing cash flows	667	667
	Net increase in cash held	451	451
1.20	Cash at beginning of quarter/year to date	157	157
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	608	608

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	24
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 entity for Corporate Services.

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	560	109
5.2	Deposits at call	48	48
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	608	157

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)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	75,266,331	75,266,331		
7.4	Changes during quarter (a) Increases through issues	8,508,000	8,508,000	-	-
	(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)*	15,941,667 4,500,000 41,211,384		*Exercise price* 15 cents 6.5 cents 5 cents	*Expiry date* 15 November 2016 31 October 2016 30 May 2017
7.8	Issued during quarter	41,211,384		5 cents	30 May 2017
7.9	Exercised during quarter				
7.10	Expired during quarter	2,000,000		25 cents	25 August 2014
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: 31 October 2014
(Non-Executive Director and Company secretary)

Print name: Jay Stephenson