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ASX ANNOUNCEMENT

23rd January 2015 **ASX: PML**

DUNNSVILLE NICKEL PROSPECT DRILLING UPDATE

KEY POINTS

- **Drillhole PMHJH001 completed at Southern High Priority Target.**
- **Hole intersected spinifex and cumulate-textured komatiite from surface to 124m downhole, andesite from 124 to 372m and basalt from 372m to end of hole at 401.73m.**
- **Downhole EM survey of PMLJH001 confirms that the Southern Target conductivity anomaly is caused by sub-metre zones of pyrhotite, chalcopyrite and pyrite veining in andesite and subjacent inter-flow black shale horizons at 212, 257 and 280m downhole. No DHEM anomalies were detected at the 340m target depth.**
- **Spot XRF readings of sulphide veins co-incident with the three DHEM conductivity anomalies confirm that they are not nickeliferous however anomalous copper, zinc and barium readings were returned indicating potential for a VMS ore-forming environment.**
- **RC pre-collar and diamond tail assay results are expected at the end of January at which time Parmelia will finalise its assessment of the nickel-sulphide and base metal exploration potential of the Dunnsville Nickel Prospect and determine its next steps at Jaurdi Hills.**
- **As previously announced the company continues with its strategic objective of building a portfolio of base metal projects in commodities that have positive near term price fundamentals. Negotiations and due diligence are currently underway with respect to a number of advanced opportunities, further details will be made available when appropriate.**

Parmelia Resources Limited (ASX:PML) announces that it has drill-tested the Southern High Priority nickel-sulphide exploration target at the Dunnsville Nickel Prospect located within its Jaurdi Hills Project 50km north-west of Coolgardie, Western Australia. The program comprised one RC pre-collar / diamond tail hole (PMLJH001) drilled to a total depth of 401.73m and subsequently downhole electromagnetic ('DHEM') surveyed to 372m depth downhole.

Although assay results are yet to be received, no visual nickel-sulphide mineralisation was indentified and the DHEM survey indicated that the Southern Target conductivity anomaly is caused by sub-metre zones of pyrhotite, chalcopyrite and pyrite veining in andesite and subjacent inter-flow black shale horizons at 212, 257 and 280m depth downhole. No DHEM anomalies were detected at the predicted 340m target depth.

DRILLING & XRF ANALYSIS

Parmelia Resources recently completed RC pre-collar / diamond tail PMLJH001 to test the source of the moving-loop EM ('MLEM') conductivity anomaly identified at the Southern Target. It was predicted the hole would intersect the target at about 340m depth downhole and its source would hopefully be nickel-sulphide mineralisation proximal to the basal contact of the Jaurdi Ultramafic Belt down-dip of the Southern Target Ni-Cu-Co-Pt-Pd soil geochemistry anomaly.

PMLJH001 comprised a 183.09m-deep RC pre-collar and NQ diamond core tail drilled to a total depth of 401.73m. It intersected the spinifex and cumulate-textured 'Central' komatiite unit of the Jaurdi Ultramafic Belt from surface to 124m, intermediate volcanics (andesite) from 124 to 372m and basalt from 372m to end of hole. The andesitic volcanic sequence comprised roughly five individual pyroclastic flows separated by sub-metre sulphidic black shale horizons at 175, 212, 257 and 280m downhole whereby the bottom of the flows at 212, 257 and 280m contain sub-metre zones of pyrrhotite (iron-sulphide), minor chalcopyrite (copper-sulphide) and pyrite (iron-sulphide) veining in contact with the subjacent shale horizons. The 'Lower' komatiite unit seen cropping out 500m north along strike of the Southern Target and presumed to be the host of any potential nickel-sulphide discovery at the Southern Target, is missing from PMLJH001 and likely to have lensed-out north of the hole with andesite taking its place on the presumed basal contact of the Jaurdi Ultramafic Belt at about 372m downhole.

No visual nickel-sulphide mineralisation was identified within PMLJH001 and spot XRF readings of pyrrhotite, minor chalcopyrite and pyrite veins located at the base of andesitic flows and in underlying inter-flow shale horizons at 212, 257 and 280m downhole suggest the sulphides are not nickeliferous however anomalous copper, zinc and barium readings were returned indicating potential for a volcanogenic massive sulphide ('VMS') ore-forming environment to be present. Results from XRF readings are not quoted due to lack of confidence in their representivity and as such final assessment of the nickel-sulphide and base metal exploration potential of the Southern Target is reserved until all RC and drill core assay results are returned around the end of January.

Only unmineralised andesite was intersected at the 340m target depth leaving the surface nickel and nickel-sulphide pathfinder geochemical anomaly at the Southern Target unexplained – a matter that should be resolved once all assay results for PMLJH001 are received.

Details of PMLJH001 are provided in Table 1 and its location displayed in Figure 1.

Table 1 – PMLJH001 drillhole summary.

DUNNSVILLE NICKEL PROSPECT
SOUTHERN HIGH PRIORITY TARGET
DRILLHOLE DETAILS

Hole ID	Location			Prospect	Type	Collar Dip	Collar Azimuth (MGA)	RC Pre-Collar (m)	Total Depth (m)	DHEM Interval (m)
	East	North	RL							
PMLJH001	299215	6608394	455.484	Dunnsville	RC pre-collar / NQ2 DD tail	-60°	56.5°	183.09	401.73	10 - 372

Note: Horizontal Projection – GDA94 MGA Zone 51 | Vertical Projection – AHD 1971

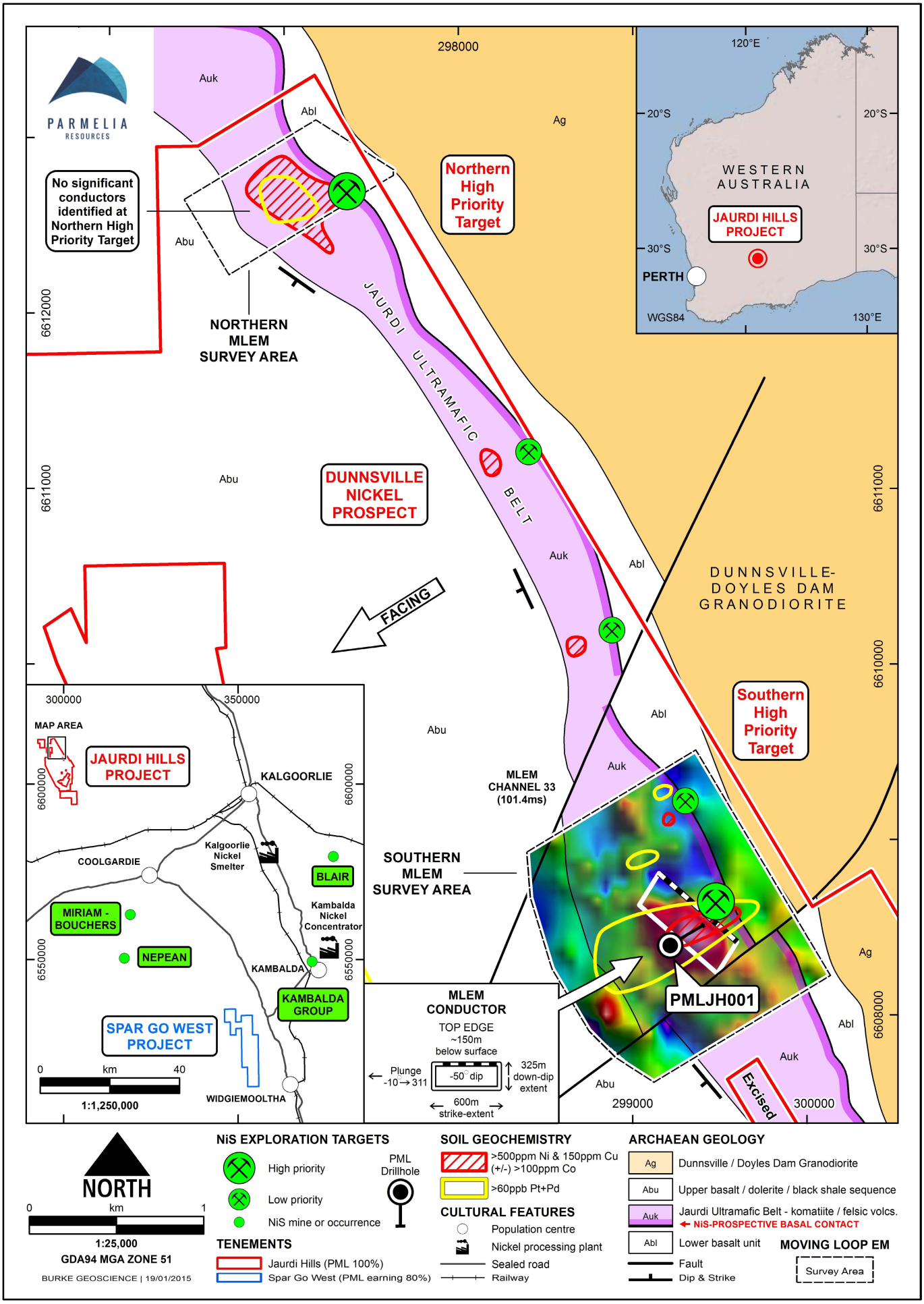

Figure 1 – Dunnsville Nickel Prospect map featuring the location of Parmelia drillhole PMLJH001 relative to the Southern Target MLEM conductor and Ni-Cu-Co-Pt+Pd soil geochemistry anomalies overlaid on simplified geology and moderately late-time MLEM Z-axis B-field Channel 33 (101.4ms) imagery.

DOWNHOLE EM

A high-power B-field DHEM survey was conducted down PMLJH001 by Gap Geophysics on the 10th and 11th of January 2015 for the purpose of determining whether the Southern Target MLEM conductivity anomaly can be explained by the sub-metre zones of sulphide veining and black shale intersected between 212 and 280m downhole or whether there could be another explanation possibly related to a body of near-missed nickel-sulphide or base metal mineralisation located off-hole. PML engaged Core Geophysics to design the survey and analyse the results.

The DHEM survey was carried out using a three-component DigiAtlantis receiver / receiver sensor and high-power HPTX-70 transmitter operating at 165 amps current and a very low base frequency of 0.25Hz. Although PMLJH001 was cased to full depth, a blockage in the casing meant that the hole could only be DHEM surveyed from surface to 372m. Downhole station spacing varied between 2 and 10 metres and the transmitter loop size was 400 x 400 metres.

The survey confirmed that the source of the Southern Target conductivity anomaly is a combination of the sub-metre zones of pyrrhotite / chalcopyrite / pyrite veining and subjacent inter-flow black shale horizons at andesitic flow basal contacts at 212, 257 and 280m downhole. No DHEM anomalies were detected at the predicted 340m target depth. Minor noise or weak in-hole anomalism was noted at the base of the Central komatiite flow from about 106 to 124m downhole. As no sulphides were noted in RC chips over this interval, determining whether the anomaly is related to nickel-sulphide mineralisation will depend on assay results. Survey details and a profile of the drillhole axial component of the DHEM results from PMLJH001 are displayed in Figure 2.

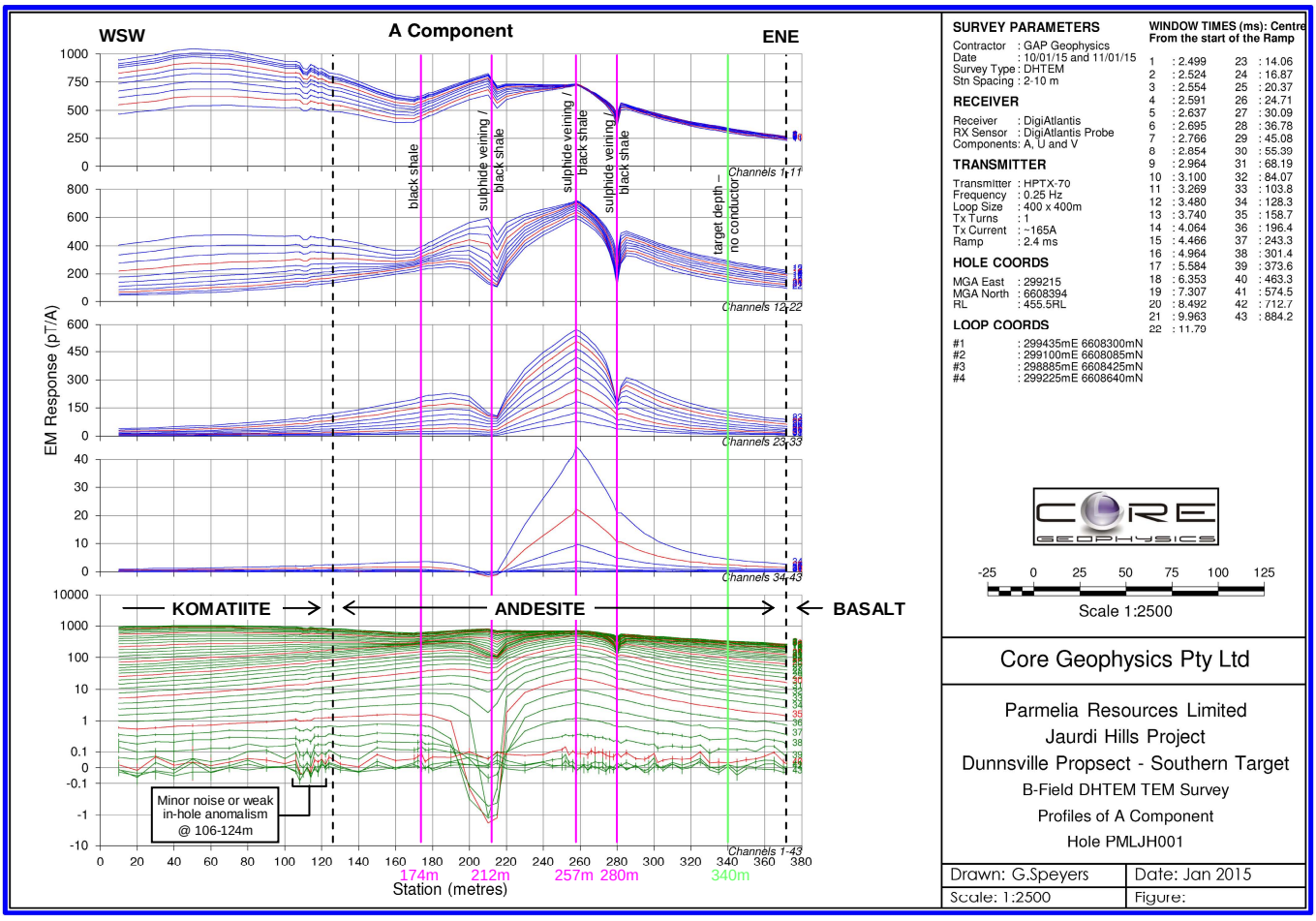

Figure 2 – Drillhole axial ('A') component profiles and details of the PMLJH001 DHEM survey (adapted from Speyers 2015). Annotations specify the location of geological boundaries (dashed black) and explain the source of the Southern Target conductivity anomaly (pink).

DISCUSSION & NEXT STEPS

Preliminary results returned from PMLJH001 are disappointing. No visual nickel-sulphide mineralisation was identified, the DHEM survey confirmed that the Southern Target conductivity anomaly is caused by sub-metre zones of pyrrhotite, chalcopyrite and pyrite veining at the base of, and in inter-flow black shale horizons subjacent to three andesitic flows at 212, 257 and 280m downhole while spot XRF readings suggest the sulphides within these zones are not nickeliferous.

Spot XRF readings did return anomalous copper, zinc and barium results indicative of a VMS ore-forming environment while there remains the possibility that the minor noise or weak in-hole conductivity anomaly at around 106 to 124m downhole could be related to nickel-sulphide mineralisation at the basal contact of the Central komatiite flow. All assay results are expected to be returned at the end of January at which time Parmelia will be in a position finalise its assessment of the nickel-sulphide and base metal exploration potential of the Dunnsville Nickel Prospect and determine its next steps at Jaurdi Hills.

ADDITIONAL OPORTUNITIES

As previously announced on the 27th August 2014, the company continues with its strategic objective of building a portfolio of base metal projects in commodities that have positive near term price fundamentals. In this regard a number of advanced opportunities are being assessed with commercial negotiations and technical due diligence currently underway. Further advice will be given to the market on the progress of these discussions when it is appropriate to do so.

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

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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.

REFERENCES

Speyers, G., 2015. *Parmelia Resources Limited, Jaurdi Hills Project, Dunnsville Prospect – Southern Target, B-field DHTEM TEM Survey, Profiles of A Component, Hole PMLJH001*. Core Geophysics Pty Ltd.

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.*	**DUNNSVILLE NICKEL PROSPECT DRILLING PROGRAM** **DRILLING & ASSAYING:** RC pre-collar / NQ2 diamond tail hole PMLJH001 was drilled at the Dunnsville Nickel Prospect by Frontline Drilling on behalf of Parmelia Resources ('PML') to determine the source of the Southern High Priority Target MLEM conductivity anomaly. The pre-collar was drilled to 183.09m depth and the diamond tail was drilled to a total depth of 401.73m. The RC pre-collar was sampled over integer 1m intervals and either 1m splits or 4m composites were submitted for assay at the geologist's discretion. The diamond tail was selectively half core sampled over sub-metre or integer 1m intervals at the geologist's discretion. **DOWNHOLE EM:** PMLJH001 was DHEM surveyed by Gap Geophysics on the 10th and 11th of January 2015 for the purpose of determining the source of the Southern Target conductivity anomaly. The survey was carried out using a three-component DigiAtlantis receiver / receiver sensor and high-power HPTX-70 transmitter operating at 165 amps current and a very low base frequency of 0.25Hz. Although PMLJH001 was cased to full depth, a blockage in the casing meant that the hole could only be DHEM surveyed from surface to 372m. Downhole station spacing varied between 2 and 10 metres and the transmitter loop size was 400 x 400 metres. **XRF ANALYSIS:** Sulphide veins in drill core at the base of three andesitic flows and in adjacent sub-metre inter-flow black shale horizons in the vicinity of DHEM conductivity anomalies at 212, 257 and 280m downhole were spot XRF analysed by an Innov-X Systems Delta Dynamic handheld XRF device (Model # DP-6000-C). Results are not reported in this announcement due to lack of confidence in their representivity other than to say the sulphide veins are not nickeliferous and returned anomalous copper, zinc and barium results.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	**DRILLING & ASSAYING:** - PMLJH001's collar location was recorded using a handheld GPS device, it was downhole spatially surveyed using a Reflex EZ-Shot digital camera and the core oriented using a Reflex ACT orientation tool. - RC samples were split using an on-rig cone splitter and where required 4m composites were collected using an aluminium scoop inserted to full depth in each 1m sample residue bag to ensure representivity. - Sub-metre to integer 1m half diamond core samples were cut using a bottom-of-hole orientation line as a consistent reference that ensured representivity of all samples. No appreciable core loss was noted. **DOWNHOLE EM:** - Three readings of 32 stacks each were collected from each station downhole to ensure representivity of the data collected. **XRF ANALYSIS:** - It was recognised that results returned from spot XRF readings of sulphide veins in drill core are not an accurate representation of the grade of the entire core sample. It was therefore decided not to report results from these analyses other than to say the sulphide veins are not nickeliferous and returned anomalous copper, zinc and barium results. - The XRF device has an in-cradle, pre-activation calibration mode that inhibits its use unless it passes the calibration test. The device was calibrated prior to analysing the core from PMLJH001. No external certified reference material was used to check the veracity of the results returned from the device. This somewhat diminished level of quality control is considered acceptable for the type of cursory, first pass analysis conducted.

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.	**DRILLING & ASSAYING:** - RC PRE-COLLAR: Reverse circulation drilling was used to obtain 1m samples from which either ~3kg sub-samples collected from a cone splitter or ~3kg 4m composites collected from sample residue bags were submitted to Genalysis Laboratory Services in Perth for pulverising and assay for Al, As, Ca, Co, Cr, Cu, Fe, Mg, Mn, Ni, S & Zn by 4 acid digest with ICP-OES finish and Au, Pt & Pd by 25 gram fire assay with ICP-MS finish. - DIAMOND TAIL: diamond drilling was used to obtain NQ2-size core sample from which sub-metre to integer 1m length half-core samples were cut using the bottom-of-hole orientation line as a reference. All samples were submitted to Genalysis for crushing, pulverising and assay for Ag, Al, As, Ba, Ca, Co, Cr, Cu, Fe, Mg, Mn, Ni, Pb, S & Zn by 4 acid digest with ICP-OES finish and Au, Pt & Pd by 25 gram fire assay with ICP-MS finish. **DOWNHOLE EM:** - DHEM data were collected using a three-component DigiAtlantis receiver / receiver sensor and high-power HPTX-70 transmitter operating at 165 amps current and a very low base frequency of 0.25Hz. PMLJH001 was surveyed from surface to 372m, the transmitter loop size was 400 x 400 metres, downhole station spacing varied between 2 and 10 metres and three readings of 32 stacks each were collected from each station. **XRF ANALYSIS:** - Spot XRF readings of sulphide veins in drill core at 212, 257 and 280m downhole were recorded by an Innov-X Systems Delta Dynamic handheld XRF device (Model # DP-6000-C). Readings were variably taken in either 'Soil' or 'Mining Plus' mode and notes were made as to whether anomalous Ni, Cu, Zn and Ba were present. Results from the XRF analysis are not reported due to lack of confidence in their representivity.
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).*	**DRILLING & ASSAYING:** - PMLJH001 is a reverse circulation pre-collar / NQ2 diamond tail hole that was drilled on behalf of Parmelia Resources by Frontline Drilling. The pre-collar was drilled to 183.09m using a MK10 Atlas Copco RC rig and the tail was drilled to 401.73m using a Desco 7000 track-mounted diamond rig. Almost all diamond core drill runs were successfully oriented using a Reflex ACT core orientation tool. The hole was successfully cased to full depth with 50mm PVC pipe in preparation for DHEM however a blockage in the casing precluded surveying past 372m downhole.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	**DRILLING & ASSAYING:** - RC PRE-COLLAR: Sample recoveries not systematically recorded – no obvious sample loss was observed. - DIAMOND TAIL: Areas of core loss, spins etc were recorded in a core recovery log – no significant core loss occurred.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	**DRILLING & ASSAYING:** - Standard drilling procedures ensured that no appreciable sample loss occurred in either the RC pre-collar or diamond tail.
	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.	**DRILLING & ASSAYING:** - Almost 100% sample recovery in both the RC pre-collar and diamond tail ensured that no loss-induced sampling bias occurred.
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.*	**DRILLING & ASSAYING:** - The geology and magnetic susceptibility of the RC pre-collar / diamond tail hole was logged to an appropriate level of detail to support a Mineral Resource estimate. Cursory structural measurements were collected using a 'rock launcher' device. The diamond tail was not geotechnically logged.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	**DRILLING & ASSAYING:** - RC chips and diamond core were logged for lithology, colour, weathering, moisture, grain size, texture, structure, alteration, veining, mineralisation and magnetic susceptibility. RC chips are retained in chip trays and all core trays have been photographed. All analyses are qualitative except magnetic susceptibility which is quantitative in nature.
	The total length and percentage of the relevant intersections logged.	**DRILLING & ASSAYING:** - The geology and magnetic susceptibility of the RC pre-collar / diamond tail hole was logged to full depth.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	**DRILLING & ASSAYING:** - The diamond tail core was selectively cut and half-core sampled over sub-metre to integer 1m intervals at the geologist's discretion.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	**DRILLING & ASSAYING:** - RC samples were collected over 1m intervals and split between a ~3kg calico sample bag and plastic sample residue bag using an on-rig cone splitter. At the geologist's discretion, either 1m splits or 4m composites were submitted for assay. Composites were collected using an aluminium scoop inserted to full depth into the 1m sample residue bags. All samples were dry.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	**DRILLING & ASSAYING:** - RC PRE-COLLAR: In accordance with standard industry practice, RC splits and composites were submitted to Genalysis for drying and pulverising prior to assay. 1 in 25 samples is tested for its 75 micron wet sieve pass rate to ensure adequate pulverising as determined by a 75µm pass rate of >90%. - DIAMOND TAIL: In accordance with standard industry practice, diamond core samples were submitted to Genalysis for crushing, drying and pulverising prior to assay. 1 in 25 samples is tested for its 75 micron wet sieve pass rate to ensure adequate pulverising as determined by a 75µm pass rate of >90%.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	**DRILLING & ASSAYING:** - For both RC and diamond core sample submissions, one external standard (CRM) is submitted per assay job. No external blanks or duplicates were submitted. - Genalysis' internal quality control procedures include check (repeat) assays, internal lab standards and blanks.
	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.	**DRILLING & ASSAYING:** - RC PRE-COLLAR: Where 4m composites were collected, effort was made to make sure the aluminium scoop penetrated the full depth of each bag to ensure that the sample collected was representative of the entire 4 metres. - DIAMOND TAIL: Full recovery of half core samples ensured their representivity.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	**DRILLING & ASSAYING:** - For both RC and diamond, the sample sizes are considered appropriate for the exploration method employed and type of mineralisation sought.
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.*	**DRILLING & ASSAYING:** - RC PRE-COLLAR: Samples were assayed by Genalysis for Al, As, Ca, Co, Cr, Cu, Fe, Mg, Mn, Ni, S & Zn by 4 acid digest with ICP-OES finish and Au, Pt & Pd by 25 gram fire assay with ICP-MS finish. This method achieves total dissolution for all elements. - DIAMOND TAIL: Samples were assayed by Genalysis for Ag, Al, As, Ba, Ca, Co, Cr, Cu, Fe, Mg, Mn, Ni, Pb, S & Zn by 4 acid digest with ICP-OES finish and Au, Pt & Pd by 25 gram fire assay with 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.	**DRILLING & ASSAYING:** - A KT-10 magnetic susceptibility meter was used to collect the magnetic susceptibility readings from both the RC samples and drill core. Measurements were recorded in SI units x 10^{-3}. **DOWNHOLE EM:** - Refer to Figure 2 in the body of this announcement for the DHEM survey parameters. **XRF ANALYSIS:** - XRF readings were recorded by an Innov-X Systems Delta Dynamic handheld XRF device (Model # DP-6000-C). Readings were variably taken in either 'Soil' or 'Mining Plus' mode and notes were made as to whether anomalous Ni, Cu, Zn and Ba were present. Results from the XRF analysis are not reported due to lack of confidence in their representivity.

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.	**DRILLING & ASSAYING:** - QAQC for both RC and diamond core submissions involved the inclusion of one external standard per assay job. No external blanks or duplicates were submitted. Instead PML is relying on Genalysis' internal quality control procedures including 75 micron wet sieve analysis, check assays, lab standards & blanks. The absence of external blanks and duplicates is considered acceptable as these QAQC procedures are undertaken by the lab. **DOWNHOLE EM:** - EM data stacking; - Repeat readings at each station were reviewed for consistency and repeatability; - Readings found to contain noise were deleted and replaced with extra stacks; - The strength of the primary field (transmitter signal) was reviewed for consistency &; - A very low transmitter frequency of 0.25Hz was employed to better accommodate detection of late-time conductivity responses that might be indicative of massive nickel-sulphide mineralisation. **XRF ANALYSIS:** - The XRF device has an in-cradle, pre-activation calibration mode that inhibits its use unless it passes the calibration test. The device was calibrated prior to analysing the core from PMLJH001. No external certified reference material was used to check the veracity of the results returned from the device. This somewhat diminished level of quality control is considered acceptable for the type of cursory, first pass analysis conducted. Furthermore, results from the XRF analysis are not reported due to lack of confidence in their representivity.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	**DRILLING & ASSAYING:** - Assay results not yet received. **DOWNHOLE EM:** - Gap Geophysics compiled and conducted QAQC on the EM data prior to handover to Core Geophysics for analysis. - Core Geophysics then processed, verified & interpreted the EM results on Parmelia Resources' behalf. **XRF ANALYSIS:** - The cursory XRF results returned from sulphide veins at 212, 257 and 280m down PMLJH001 have not been verified and consequently are not reported in this announcement other than to say the veins are not nickeliferous but appear to be anomalous in copper, zinc and barium.
	The use of twinned holes.	**DRILLING & ASSAYING:** - Twinning of drilholes was not undertaken.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	**ALL PROGRAMS:** - Paper and digital copies of all data and reports pertaining to the Jaurdi Hills Project are stored and backed-up at Burke Geoscience's offices.
	Discuss any adjustment to assay data.	**DOWNHOLE EM:** - Readings found to contain noise were deleted and replaced with extra stacks.
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.*	**DRILLING & ASSAYING:** - PMLJH001's collar location was recorded using a handheld GPS device with a horizontal accuracy of about 3 to 5m. It was downhole spatially surveyed using a Reflex EZ-Shot device.
	Specification of the grid system used.	**DRILLING & ASSAYING:** - All data at Jaurdi Hills are projected to GDA94 MGA ZONE 51 grid co-ordinates. - For the purpose of transforming magnetic azimuths to MGA grid-refererenced azimuths, Grid Convergence at Jaurdi Hills is -1.0667^{o} and Magnetic Declination is (+)0.928^{o} assuming a date of 30/10/2014.
	Quality and adequacy of topographic control.	**DRILLING & ASSAYING:** - PMLJH001's collar elevation (RL) was resolved to a vertical accuracy of about +/- 1.5m using a digital elevation model supplied by Landgate.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	**DRILLING & ASSAYING:** - Drillhole grid spacing and orientation is not established. Downhole assay sample spacing for the RC pre-collar is either 1 or 4m. Downhole assay sample spacing for the diamond tail is sub-metre to integer 1m. **DOWNHOLE EM:** - DHEM station spacing ranged between 2 and 10 metres.
	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.	**DRILLING & ASSAYING:** - Only one hole drilled at the Dunnsville Nickel Prospect. This is not a sufficient number or spacing of holes to estimate a Mineral Resource.
	Whether sample compositing has been applied.	**DRILLING & ASSAYING:** - All of PMLJH001's RC pre-collar was composited over 4m intervals except for an area of interest at the base of the Central komatiitic unit of the Jaurdi Ultramafic Belt from 104 to 116m where 1m splits were submitted for assay. The diamond tail was not composite sampled.
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.*	**DRILLING & ASSAYING:** - PMLJH001 was drilled sub-perpendicular to stratigraphy. As such it achieves unbiased sampling of the target formation.
	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.	**DRILLING & ASSAYING:** - PMLJH001's drilling orientation has not introduced any sampling bias.
Sample security	*The measures taken to ensure sample security.*	**DRILLING & ASSAYING:** - All assay samples were collected, sealed in plastic bags with wire ties and delivered to the lab by the Competent Person.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	**DRILLING & ASSAYING:** - No audit or review has yet been undertaken on the assay data from PMLJH001. **DOWNHOLE EM:** - The DHEM data were verified on a daily basis by Gap Geophysics prior to emailing to Core Geophysics and Parmelia Resources. The data were subsequently checked by Core Geophysics before interpretation and modelling. No problems were identified with the data apart from some minor late-time noise spikes which were remedied by deleting the erroneous data and replacing them with extra stacks. **XRF ANALYSIS:** - The cursory XRF results returned from sulphide veins at 212, 257 and 280m down PMLJH001 have not been audited or reviewed and consequently are not reported in this announcement other than to say the veins are not nickeliferous but appear to be anomalous in copper, zinc and barium.

Section 2: Reporting of Exploration Results

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 previous 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 PML's 30/07/2014 ASX 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 on gold dating back to first recorded production at the Jaurdi Mining Centre in 1897.
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 by 4km wide Dunnsville-Doyles Dam Granodiorite Dome situated near the western boundary of the Kalgoorlie Terrane of the central Archaean Yilgarn Craton. Stratigraphy in the project area dips moderately towards south-west as a result of its location on the western side of the dome. The DUGB comprises a 500m-thick lower komatiite and intermediate to felsic volcanoclastic sequence called the Jaurdi Ultramafic Belt underlain by 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 hosted within the Jaurdi Ultramafic Belt. - PML is exploring the Dunnsville Nickel Prospect for Kambalda-type, massive nickel-sulphide deposits of the type usually formed at or near the basal contact of lava channel pathways in thin-flow komatiitic sequences such as the Jaurdi Ultramafic Belt.
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.
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.*	- Assay results from PMLJH001 are yet to be reported.
	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.	- Assay results from PMLJH001 are yet to be reported.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	- Assay results from PMLJH001 are yet to be reported.

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 (e.g. 'down hole length, true width not known').*	- Assay results from PMLJH001 are yet to be reported however downhole widths of any mineralisation intersected is expected to be close to true width as the hole is drilled sub-perpendicular to stratigraphy and veining.
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 Figure 1 for a map showing the location of PMLJH001 and Figure 2 for a cross-section view profile of the drillhole axial component results from the DHEM survey.
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.*	- In the absence of final assay results, PML has reported that spot XRF readings of sulphide co-incident with DHEM anomalies at 212, 257 and 280m downhole suggest they are not nickeliferous however anomalous copper, zinc and barium readings were returned. The announcement does not quote the results from the XRF readings due to concerns about their representivity. This is done to avoid reporting of misleading Exploration Results to the market.
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.*	- Final assay results from PMLJH001 are due around the end of January and will be reported when they become available.
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 announcement states that Parmelia will be in a position finalise its assessment of the nickel-sulphide and base metal exploration potential of the Dunnsville Nickel Prospect and outline its next steps at Jaurdi Hills once final assay results from PMLJH001 are received around the end of January.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	- Figure 1 details the location of the nickel-sulphide exploration targets at the Dunnsville Nickel Prospect.