PARMELIA
RESOURCES

Level 4, 66 Kings Park
Road, West Perth WA
6004, Australia

Postal PO Box 52
West Perth WA
6872, Australia

T +61 8 6141 3500
F +61 8 6141 3599
E info@parmeliaresources.com

PARMELIARESOURCES.COM

ASX ANNOUNCEMENT

30th January 2015 **ASX: PML**

QUARTERLY ACTIVITIES REPORT FOR DECEMBER 2014

HIGHLIGHTS

- **Drillhole PMLJH001 completed at Dunnsville Nickel Prospect Southern Target. Although assay results are yet to be received, no visual nickel-sulphide mineralisation was intersected and a DHEM survey confirmed that the conductivity anomaly is caused by sulphide veining and black shale horizons at 212, 257 and 280m downhole however anomalous copper, zinc and barium readings were returned from spot XRF readings indicating potential for a VMS ore-forming environment.**
- **PML secured 100% rights to the high-grade Panda zinc, lead, copper, gold and silver project in northern Italy. Average of 28 historic rock chip and grab samples taken by Cominco and Rio Tinto within the interpreted 'target corridor' returned reported average grades of 9.13% zinc, 5.14% lead 198.7 g/t silver, 1.08 g/t gold and 0.22% copper. Peak assay results from the 28 rock chip and grab samples included 41.4% zinc, 1,836 g/t silver, 8.6 g/t gold, 4.11% copper and 41% lead.**
- **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.**

During the quarter Parmelia Resources Limited ('PML' or the 'Company') 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. Although assay results are yet to be received, no visual nickel-sulphide mineralisation was indentified.

PML made significant progress towards achieving its goal of establishing a portfolio of high quality base metal assets including securing the rights to acquire 100% of the high grade Panda base metal project in northern Italy. Further, a number of additional advanced base metals opportunities have been identified with technical due diligence and commercial negotiations currently underway with respect to these opportunities.

EXPLORATION

JAURDI HILLS PROJECT – NICKEL-SULPHIDE EXPLORATION

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 pyrrhotite, 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.**

The company announced on the 23/1/2015 that it had 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 pyrrhotite, 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

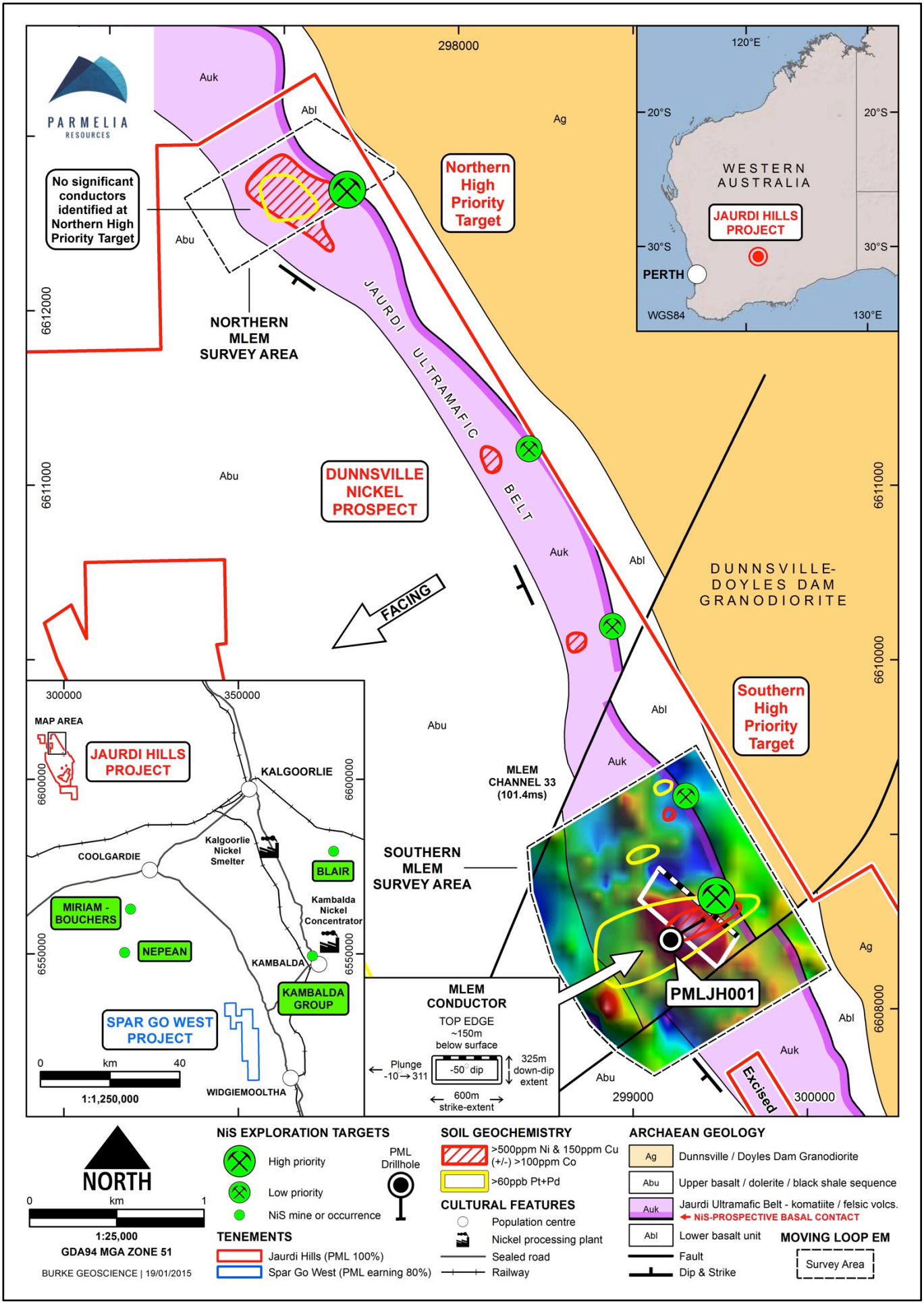

Figure 1 – Dunnsville Nickel Prospect map featuring the location of Parmelia drillhole PMLJH001 relative to the Southern Target MLEM conductor and Ni-Cu-Co-Pt+Pd soil geochemistry anomalies overlaid on simplified geology and moderately late-time MLEM Z-axis B-field Channel 33 (101.4ms) imagery.

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.

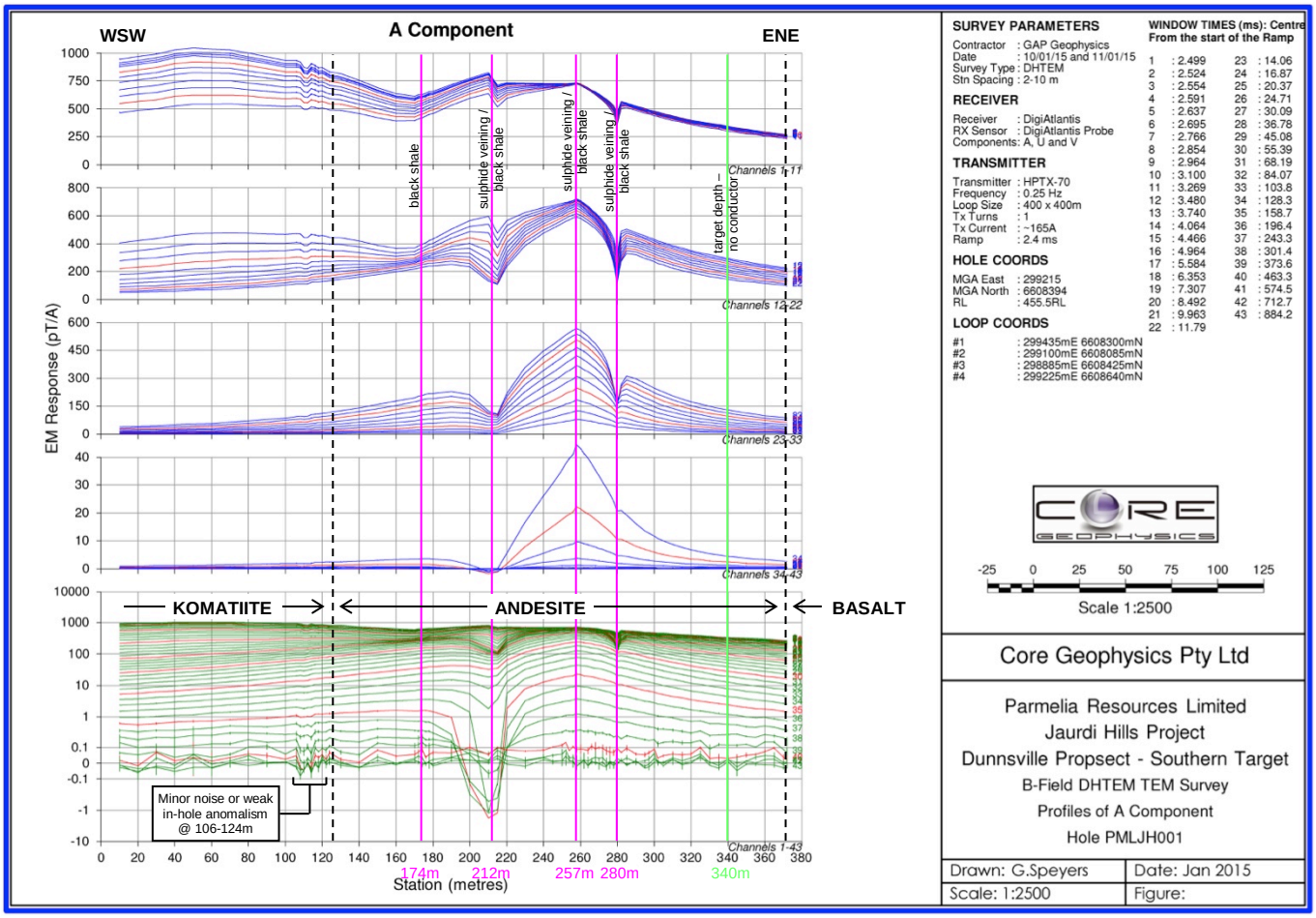

Figure 2 – Drillhole axial ('A') component profiles and details of the PMLJH001 DHEM survey (adapted from Speyers 2015). Annotations specify the location of geological boundaries (dashed black) and explain the source of the Southern Target conductivity anomaly (pink).

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.

PANDA PROJECT – BASE METALS EXPLORATION

KEY POINTS

- **PML has secured the rights to acquire the high-grade Panda zinc, lead, copper, gold and silver project in northern Italy.**
- **Massive zinc-lead sulphide project with associated copper, silver and gold mineralisation.**
- **The project is located in north-western Italy, approximately 30km west of the port of Savona.**
- **A 4km x 2km 'target corridor' area has already been defined by previous explorers using soil and rock chip geochemistry including high-grade mineralised float and grab samples; also incorporating EM and gravity anomalies, together with geological /structural mapping.**
- **The average of 28 historic rock chip and grab samples taken by Cominco and Rio Tinto within the interpreted target corridor returned reported average grades of 9.13% zinc, 5.14% lead 198.7 g/t silver, 1.08 g/t gold and 0.22% copper. Peak assay results from the 28 rock chip and grab samples included 41.4% zinc, 1,836 g/t silver, 8.6 g/t gold, 4.11% Cu and 41% lead**
- **Historic drilling by Cominco and Rio Tinto confirmed the presence of mineralisation and sulphide horizons but failed to intersect the source of the high grade surface mineralisation; as such the mineralisation source remains untested and not fully explained.**
- **The project is situated near Garessio in northern Italy, a politically stable jurisdiction, which hosts existing mining operations, is close to rail, road and port infrastructure.**

The Company announced on the 11/11/2014, that it has secured the rights to acquire a 100% interest in the high grade Panda zinc, lead, gold, copper and silver project located near the town of Garessio in north-western Italy (see Figure 1). The acquisition of this project represents a significant step forward in PML's strategic plan of building a portfolio of high quality base metal assets in commodities with strong forecast demand fundamentals.

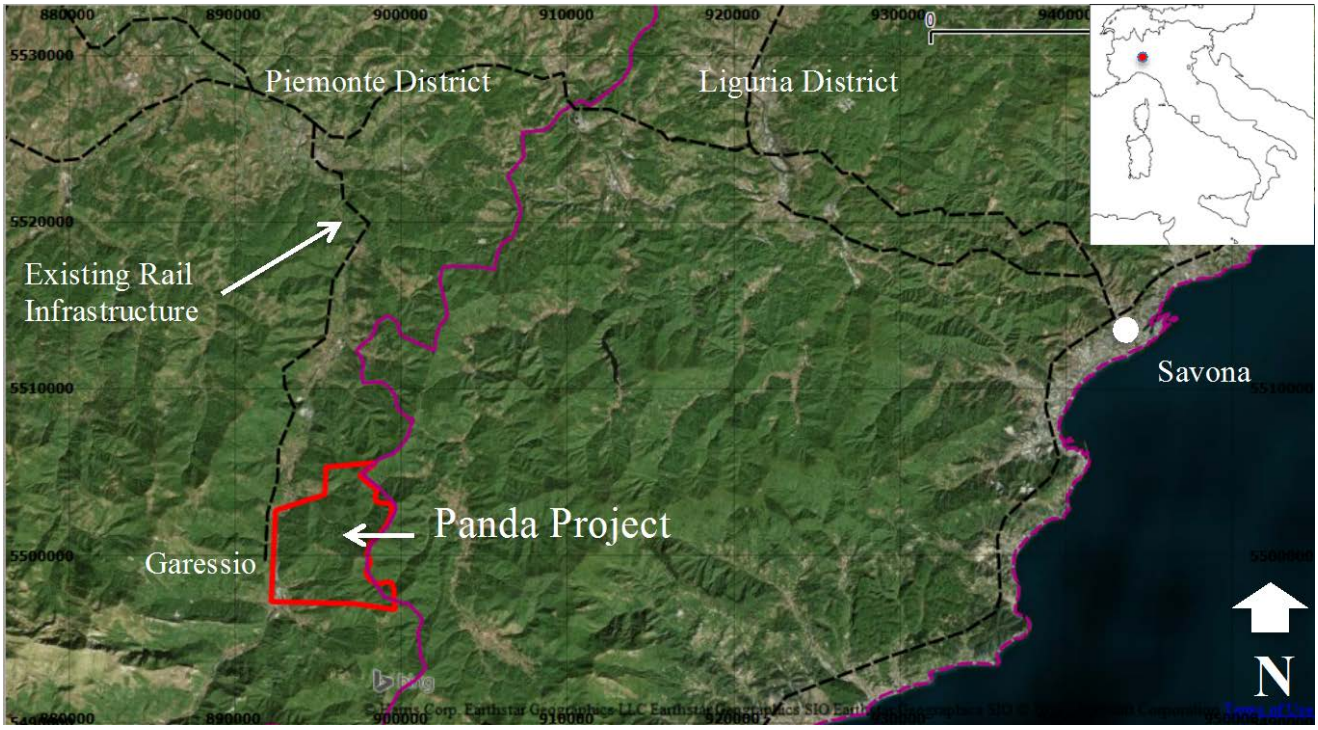

Figure 1 – Location of Panda project in north-western Italy. Project area is well supported with existing rail, road and port infrastructure. Note: Maps and marked points of interest are not to scale.

TRANSACTION

Pursuant to a binding term sheet, PML has agreed to pay A$150,000 in a combination of cash and/or shares upon satisfaction or waiver of certain conditions in order to acquire 100% of the Panda Project. Furthermore, the vendor will be entitled to receive Performance Rights which will vest into ordinary fully paid shares in PML in the event of a defined discovery. The exact quantity and terms attaching to the conversion of these Performance Rights is currently under review and will be confirmed prior to regulatory and shareholder approvals being sought. The project vendor is a corporate entity in which PML's, Executive Chairman, Nigel Gellard, holds a beneficial interest. As such, the transaction constitutes a related party transaction and will be subject to a number of regulatory and shareholder approvals in order for the transaction to complete.

PROJECT BACKGROUND

Historic mining activity in the region dates back to the 19th century where typically small but high grade mines existed. The most recent modern explorer over the project area, Rio Tinto documents that between 1983 and 1989 Cominco carried out exploration activities in the Panda project area. Initially, a regional stream sampling program was conducted over what is now the Panda project in addition to surrounding areas. Subsequent surface sampling identified target areas for follow up prospecting, mapping, soil sampling, VLF and initial structural interpretations. Based on high grade results from float sample assays (peak results from separate samples reported up to +40% Zn & Pb, >500 g/t Ag and several samples assayed >1g/t Au) an initial, at this stage poorly documented, "wild-cat" scout drilling program was initiated. Sub-economic sulphide mineralisation was reportedly intersected, but not over economic grades or widths and it appears did not reflect the source of the high grade base and precious metal mineralisation noted at surface.

It is understood that continuing low commodity prices ultimately led to Cominco curtailing its lead / zinc exploration activities in Europe at that time. PML considers that this phase of exploration activity was instrumental in identifying the potential of the region to host economic mineralisation, however the "wild-cat" drilling was likely poorly targeted and failed to explain the source of the high grade surface geochemistry.

In 2000 Rio Tinto commenced exploration activities at the Panda project. Between 2000 and 2003 Rio Tinto carried out airborne and ground geophysical surveys targeting a conceptual "blind" high grade polymetallic deposit. A number of residual gravity anomalies were identified that indicated potentially economic scale targets. The steep topography and lack of accurate topographic data tested the operating limits of the then available gravity technology, resulting in doubts about the boundaries and location accuracy of the gravity anomalies. A three hole (2 from the same collar) scout drill program was completed that has not yet been fully validated by PML; one hole was abandoned due to technical difficulties and the second, an RC hole drilled to 355m, testing an interpreted 250m deep target, failed to intersect the target and consequently did not explain the source of the gravity anomaly.

It is important to note that since 1983, a total of only 918m of drilling likely to be less than optimally targeted, has been sampled in the project area, as reported by Rio Tinto in 2003. It appears that the two companies (Cominco and Rio Tinto) that have explored the Panda Project to date may have pursued conflicting exploration models, based on the historic exploration work. In both cases they failed to explain the source of the high grade mineralisation reported at surface in a relatively structurally complex area, from only limited drilling. PML therefore considers the Panda Project to be an exciting opportunity to apply modern exploration technologies and to develop a greater understanding of the depositional characteristics and structural history of the interpreted metamorphosed volcanogenic or SEDEX massive sulphide hosted mineralised system, with a view to unlocking the source and targeting with appropriate early drill testing the historic high grade surface mineralisation.

GEOLOGY

The Panda Project is located within the Maritime Alps region of north-western Italy. In the region of the project area rocks belonging to the Ligurian Brianconnais Zone comprise an older crystalline basement and a Permo-Carboniferous cover succession. This consists of a bi-modal sequence of mafic-intermediate metavolcanics and metasediments intercalated with pelitic to carbonaceous schists.

In the project area and surrounding area four stratigraphic units are recognised:

- Eze Formation – includes meta-trachyte-dacite; ±100m thick.
- Murialdo Formation – includes chloritic schist, volcanics, tuff and quartz-calcite schist; ±500m thick.
- Gorra Schist – includes gneiss, marble, chloritic to graphitic schist and quartz-muscovite schist; 1000m+ thick.
- Monte Spinardi Amphibolite – metamorphosed basic igneous ?intrusive rock.

The project area and surrounds are structurally complex, with at least three deformations evident and related metamorphism to greenschist facies, with locally as high as amphibolite grade noted. Massive sulphide mineralisation in the project area is hosted in the Upper Carboniferous Gorra Schist and the mineralised zone is believed to extend for up to 20km and beyond.

Preliminary verification of previous explorer work by PML suggests a 4km x 2km "target corridor" within the Panda project. The "target corridor" is defined by the previous work by Cominco and Rio Tinto and is enhanced by geological / structural mapping. The 'target corridor' comprises a coincident **500** ppm Zn, **300** ppm Pb and **50** ppm Cu soil anomaly, together with EM and gravity anomalies. The average of 28 historic rock chip and grab samples taken by Cominco and Rio Tinto within this "target corridor" has returned reported average grades of **9.13% Zn, 5.14% Pb 198.7 g/t Ag, 1.08 g/t Au and 0.22% Cu.** Peak assay results from the 28 rock chip and grab samples within the "target corridor" include **41.4% Zn, 1,836 g/t Ag, 8.6 g/t Au, 4.11% Cu and 41% Pb.**

NEXT STEPS

The first priority will be to compile into a coherent database and then fully validate the existing project datasets, so that confident verification of the historical results can then be made. This data originates from several sources and will require a detailed assessment. Work has already begun on the interrogation and re-interpretation of this existing data. The datasets comprise soil sample data, regional stream sediments samples, airborne EM and magnetics drape, flown at 100m line spacing, Natural Source Audio-Magnetic Tellurics (NSAMT) data, gravity data, rock chip grabs (mainly from float and dumps) and the limited drillhole data.

It is anticipated that following data validation initial PML field work will commence in early 2015, once the northern hemisphere winter has abated and access to the project area can be achieved. Initial field activities will likely include further geological mapping, sampling and ground based EM and/or IP surveys using up to date technology, techniques and equipment. The objective of this initial phase of field work will be the early identification of targets for immediate follow up drilling. The process of applying for necessary permits and approvals from the Italian authorities has already commenced and is well advanced.

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 Resources to continue with due diligence on additional base metal projects in commodities with positive future supply demand fundamentals.**
- **A number of advanced base metals opportunities currently being assessed.**

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.

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 Parmelia's activities or the exploration plans for the future 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

COMPETENT PERSON STATEMENT – Jaurdi Hills | Nickel-Sulphide Exploration

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, 10/09/2014 and 23/01/2015, 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.

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.

COMPETENT PERSON STATEMENT – Panda Project | Base Metal Exploration

The information in this report that relates to Exploration Results is based on information compiled by Barry Willott, a Competent Person who is a Member of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM). Barry is employed as an independent 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'). Barry 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 11/11/2014, 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.

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")

December 2014

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date 6 Months $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(164)	(242)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(223)	(361)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	3	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(384)	(599)
	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)	(384)	(599)

1.13	Total operating and investing cash flows (brought forward)	(384)	(599)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. net of costs	423	1,030
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
	Net financing cash flows	423	1,089
	Net increase in cash held	39	490
1.20	Cash at beginning of quarter/year to date	608	157
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	647	647

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	98
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	-	-

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	598	560
5.2	Deposits at call	49	48
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	647	608

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**	84,695,706	84,695,706		
7.4	Changes during quarter (a) Increases through issues	9,429,375	9,429,375	$0.055	$0.055
	(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	3,143,125 4,500,000	3,143,525 -	5 cents 6.4 cents	30 May 2017 31 October 2017
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: 30 January 2015
(Non-Executive Director and Company secretary)

Print name: Jay Stephenson