

ASX ANNOUNCEMENT

30th APRIL 2015

ASX: PML

QUARTERLY ACTIVITIES REPORT FOR MARCH 2015

HIGHLIGHTS

- **Drillhole PMLJH001 completed at Dunnsville Nickel Prospect Southern Target.**
- **Commenced strategic review of operations including assessment of non resource related opportunities that are capable of delivering significant shareholder value.**

During the quarter Parmelia Resources Limited ('PML' or the 'Company') completed drill-testing of 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. Disappointingly no nickel-sulphide mineralisation was identified.

PML is continuing its review of a number of advanced base metals projects. In addition to this the company is assessing a number of other opportunities outside the resources sector that have the potential to add significant value to the company.

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.**

Between 19th December 2014 and 7th January 2015 Parmelia Resources drill-tested the Southern High Priority nickel-sulphide exploration target at the Dunnsville Nickel Prospect located in the north-east of its Jaurdi Hills Project 50km north-west of Coolgardie, Western Australia (see Figure 1). The drilling program comprised one EIS co-funded RC pre-collar / diamond tail hole (PMLJH001) drilled to a total depth of 401.73m and subsequently DHEM surveyed to 372m depth down hole.

PMLJH001 intersected spinifex and cumulate-textured komatiite from surface to 124m down hole, andesite from 124 to 372m and basalt from 372m to end of hole. No nickel-sulphide mineralisation was intersected and the DHEM survey confirmed the source of the Southern Target conductivity anomaly targeted by the hole to be a combination of sub-metre zones of barren pyrrhotite, pyrite and minor chalcopyrite veining and subjacent inter-flow black shale at andesitic flow basal contacts at 175, 212, 257 and 280m down hole. Encouragingly, the hole returned a somewhat anomalous intersection of **20m @ 1319ppm Ni, 426ppm Cu, 147ppm Co and 77ppb Pt+Pd** from surface in confirmation of the nickel and nickel-sulphide pathfinder soil geochemistry anomaly at the Southern Target however the absence of a nickel-sulphide intersection or significant off-hole conductor means its source remains unexplained. This raises the possibility that the regolith anomaly is related to supergene enrichment and / or hydrothermal remobilisation from the Jaurdi Ultramafic Belt by the north-east striking fault that cross-cuts the formation immediately south of the target.

A 7m-thick intersection of conceptually prospective, magnetic and cumulate-textured ultramafic at the base of the Central komatiite unit of the Jaurdi Ultramafic Belt returned a marginally anomalous intersection of **7m @ 1262ppm Ni, 104ppm Cu, 101ppm Co, 8ppb Pt+Pd and 26% MgO** from 106m down hole however this result is more indicative of a flanking sheet-flow or channel margin than a nickel-sulphide prospective, high (>36%) MgO central channel facies volcanic setting which in principal rules out the possibility of a nickel-sulphide discovery at the Southern Target.

Although initially suggested otherwise, elevated copper (up to **2196ppm**) and zinc (up to **1.02%**) results returned from sulphide veining at the base of andesitic flows and in subjacent inter-flow black shale horizons at 212, 257 and 280m down hole are not considered vectors to nearby VMS-hosted base metal mineralisation due to the absence of chlorite alteration and only very weakly elevated corresponding silver, lead, barium and gold results.

The lack of exploration success at Jaurdi Hills' most promising nickel-sulphide exploration target means no further nickel-sulphide exploration is recommended at the Southern Target, Dunnsville Nickel Prospect or anywhere else within the project area.

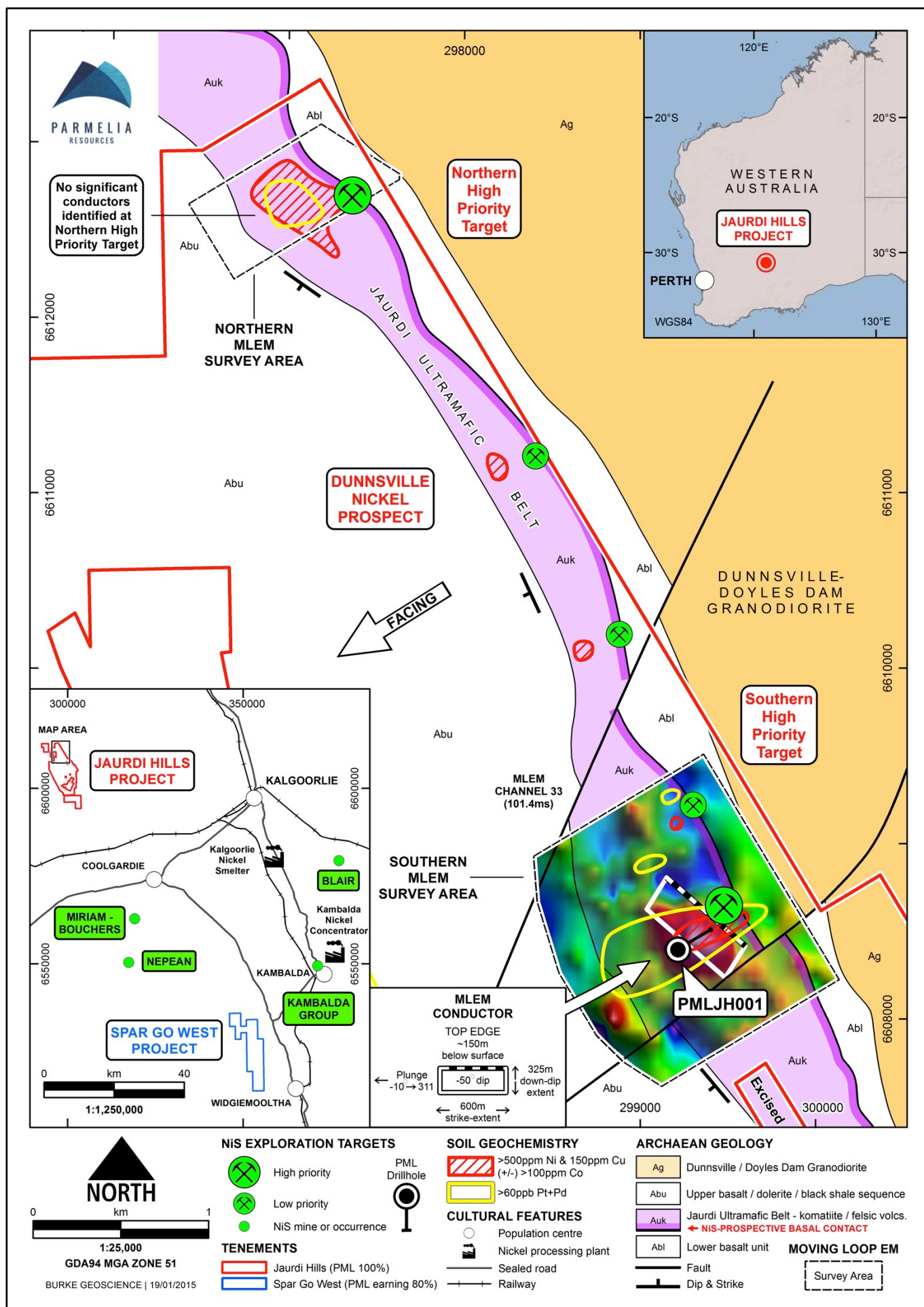


Figure 1 – Dunnsville Nickel Prospect map featuring the location of Parmelia drillhole PMLJH001 relative to the Southern Target MLEM conductor and Ni-Cu-Co-Pt+Pd soil geochemistry anomalies overlaid on simplified geology and moderately late-time MLEM Z-axis B-field Channel 33 (101.4ms) imagery.

PANDA PROJECT – BASE METALS EXPLORATION

The Company announced on the 11/11/2014, that, subject to due diligence and regulatory approval, it had 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. Due diligence enquiries are continuing with respect to the project and the parties have agreed to extend the term of the due diligence period until such time as is necessary in order to complete the necessary documentation and approvals.

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 returned 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

- **Commenced strategic review of operations including assessment of non resource related opportunities that are capable of delivering significant shareholder value.**
- **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

In response to difficult market conditions for small mineral resource companies PML commenced a strategic review of its operations and in particular has commenced assessment of a number of non resource related opportunities. In concert with this review, PML continues to evaluate a number of additional advanced base metals opportunities that have been identified with technical due diligence and commercial negotiations currently underway with respect to these opportunities. 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.parmeliareources.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.parmeliareources.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.

Appendix 5B

Mining exploration entity quarterly report

Name of entity

Parmelia Resources Limited

ABN

48 142 901 353

Quarter ended ("current quarter")

March 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date 9 Months \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(185)	(427)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(97)	(458)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	6
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(280)	(879)
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)	(280)	(879)

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Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(280)	(879)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. net of costs	(9)	1,021
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	(9)	1,080
	Net increase in cash held	(289)	201
1.20	Cash at beginning of quarter/year to date	647	157
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	358	358

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	29
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.

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	309	598
5.2 Deposits at call	49	49
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	358	647

Interests in Mining Tenements

Disclosure in accordance with ASX Listing Rule 5.3.3

6.1	Project/ Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
	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	100%	-	-
	P16/2460,	Western Australia	90%	-	-
	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%	-	-

Appendix 5B
Mining exploration entity quarterly report

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%	-	-
	E08/2606	Western Australia	100%	-	-

6.2	Farm-in Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
	E15/1410	Western Australia	Farm-in	Farm-In	-
	E38/2946	Western Australia	Application pending	-	-
	E38/2947	Western Australia	Application pending	-	-

6.3	Farm-out Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter

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 <i>(description)</i>				
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 (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	+Convertible debt securities <i>(description)</i>	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	Options <i>(description and conversion factor)</i>	15,941,667 4,500,000 4,500,000 44,354,509	- - - 44,354,509	<i>Exercise price</i> 15 cents 6.5 cents 6.4 cents 5 cents	<i>Expiry date</i> 15 November 2016 31 October 2016 31 October 2017 30 May 2017
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				

Appendix 5B
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	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 (<i>totals only</i>)				

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 April 2015
(Non-Executive Director and Company secretary)

Print name: Jay Stephenson