

ASX ANNOUNCEMENT

30th October 2015

ASX: PML

QUARTERLY ACTIVITIES REPORT FOR SEPTEMBER 2015

HIGHLIGHTS

- **Strategic review of operations continued through out the quarter.**
- **Conditions in the resources sector continue to be extremely difficult.**
- **As previously announced the strategic review includes assessment of non resource related opportunities that have the potential to deliver significant shareholder value.**
- **Negotiations with respect to these new opportunities are currently underway. Further details on the outcome of negotiations will be announced as soon these are concluded and as it is appropriate to do so.**

During the quarter Parmelia Resources Limited ('PML' or the 'Company') continued its strategic review of existing operations. In addition to this, and as previously announced, the company is assessing a number of other opportunities outside the resources sector that have the potential to add significant value to the company. This review has now narrowed in and is focused on the technology and agricultural sectors. During the quarter the company actively pursued and engaged with vendors of potential projects. Negotiations with respect to these opportunities are currently underway. Further information on the progress or outcome of these negotiations will be given to the market once it is appropriate to do so.

EXPLORATION

Jaurdi Hills Project

KEY POINTS

- **Database review and compilation continued through out the quarter and is almost complete.**
- **Assessment of potential commercial opportunities with respect to the Jaurdi Hills Project continues.**

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 historic gold bearing surface stockpiles and/or the in-situ gold resource at Panther as well as the adjoining extensive and promising exploration tenement portfolio.

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. Spar Go West is thought to be prospective for both nickel-sulphide and gold mineralisation. The Company's exploration plans for Spar Go West will be announced in due course once the outcome of the current strategic review is complete.

CORPORATE ACTIVITIES

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 historic gold bearing surface stockpiles and/or 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 cap mineral resource companies PML continued its strategic review of its operations and as previously announced includes the assessment of a number of non resource related opportunities. Negotiations with respect to these new opportunities are currently underway. Further information on the progress or outcome of these negotiations will be given to the market once 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:

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Nigel Gellard
Executive Chairman

Appendix 5B

Mining exploration entity quarterly report

Name of entity

Parmelia Resources Limited

ABN

48 142 901 353

Quarter ended ("current quarter")

September 2015

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	(73)	(73)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(168)	(168)
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 – R&D Rebate	156	156
Net Operating Cash Flows		(84)	(84)
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)tenements	44	44
	(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		44	44
1.13	Total operating and investing cash flows (carried forward)	(40)	(40)

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1.13	Total operating and investing cash flows (brought forward)	(40)	(40)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. net of costs	-	-
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	-	-
	Net financing cash flows	-	-
	Net decrease in cash held	(40)	(40)
1.20	Cash at beginning of quarter/year to date	238	238
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	198	198

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	82
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	198	238
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	198	238

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	100%	-	-
	P16/2460,	Western Australia	90%	-	-
	P16/2627,	Western Australia	100%	-	-
	P16/2653,	Western Australia	100%	-	-
	P16/2657,	Western Australia	100%	-	-
	P16/2678,	Western Australia	100%	-	-
	M16/35,	Western Australia	100%	-	-
	M16/113,	Western Australia	100%	-	-
	M16/114,	Western Australia	100%	-	-
	M16/193,	Western Australia	100%	-	-
	M16/194,	Western Australia	100%	-	-

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Mining exploration entity quarterly report

6.1	Project/ Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
	M16/201,	Western Australia	90%	-	-
	M16/202,	Western Australia	90%	-	-
	M16/203,	Western Australia	100%	-	-
	M16/204,	Western Australia	90%	-	-
	M16/205,	Western Australia	100%	-	-
	M16/254,	Western Australia	90%	-	-
	M16/255,	Western Australia	90%	-	-
	M16/301,	Western Australia	90%	-	-
	M16/365,	Western Australia	90%	-	-
	M16/425,	Western Australia	90%	-	-
	M16/462,	Western Australia	90%	-	-
	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%	-	-
	E15/1061	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>				

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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 October 2015
(Non-Executive Director and Company secretary)

Print name: Jay Stephenson