PARMELIA RESOURCES LIMITED
ACN 142 901 353

INTERIM FINANCIAL REPORT
31 DECEMBER 2015

Note: The information contained in this condensed report is to be read in conjunction with Parmelia Resources Limited's 2015 annual report and any announcements made by the company during the half-year period ending

31 December 2015

PARMELIA RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
ABN 48 142 901 353
INTERIM FINANCIAL REPORT 31 DECEMBER 2015

CONTENTS

CORPORATE DIRECTORY

Directors

Nigel Gellard	Executive Chairman
Peter Ellery	Non-Executive Director
Jay Stephenson	Non-Executive Director

Company Secretary
Jay Stephenson

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Exchange Plaza
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ASX Code – PML

DIRECTORS' REPORT

The Directors of Parmelia Resources Limited present their report together with the financial statements of the consolidated entity being Parmelia Resources Limited ("the Company") and its controlled entities ("the Group") for the half-year ended 31 December 2015.

Directors

The following persons were Directors of the Company during the period and up to the date of this report, unless otherwise stated:

Nigel Gellard	Executive Chairman
Peter Ellery	Non-executive Director
Jay Stephenson	Non-executive Director

Company Secretary

The name of the Company Secretary during the whole of the half-year ended 31 December 2015 and up to the date of this report is as follows:

Jay Stephenson

Principal activities

The Group is primarily involved in the exploration of its Jaurdi Hills Project in Western Australia.

Results of Operations

The loss of the Group for the period after tax amounted to $1,399, 933 (31 December 2014 loss: $1,186,512).

Review of Operations

On 8 December 2015, the Company signed a legally binding Heads of Agreement with the major shareholders of Veriluma Pty Ltd (ACN 117 490 785) ("Veriluma") to acquire 100% of the issued capital in Veriluma, a software technology development company.

In consideration for the 100% acquisition of Veriluma, the Company will issue to the shareholders of Veriluma a total of:

(a) 150,000,000 fully-paid ordinary shares in the capital of Parmelia Resources Limited ("**PML Shares"**); and

(b) 40,000,000 Performance Shares (**Performance Shares**), which will be separated into three tranches and convert into PML Shares upon the following terms:

The terms and conditions of the performance shares are subject to ASX approval.

Review of Operations (Continued)

Class	Performance Milestone	Number of PML Shares to be issued
A Performance Shares	A Performance Share Milestone will be taken to have been satisfied if, on or before the 2nd anniversary of the issue of the A Performance Shares, the Veriluma Business achieves annual sale revenues of not less than A$2.0 million.	10 million PML Shares
B Performance Shares	B Performance Share Milestone will be taken to have been satisfied if, on or before the 3rd anniversary of the issue of the B Performance Shares, the Veriluma Business achieves annual sale revenues of not less than A$3.0 million.	15 million PML Shares
C Performance Shares	A Performance Share Milestone will be taken to have been satisfied if, on or before the 4th anniversary of the issue of the C Performance Shares, the Veriluma Business achieves annual sale revenues of not less than A$10.0 million.	15 million PML Shares

The acquisition is subject to a number of conditions precedents which are:

(a) Parmelia Resources Limited obtaining all necessary shareholder and regulatory approvals, consents or waivers required for the transactions contemplated by the Acquisition, including without limitation, shareholder approvals under ASX Listing Rules 7.1 and 11.1, under section 611, item 7 of the Corporations Act and ASX approval of the proposed terms and conditions of the Performance Shares;

(b) the redemption of all outstanding convertible notes and the discharge of any charges or other encumbrances (to be completed by 15 December 2015);

(c) completion of due diligence into Veriluma to the satisfaction of Parmelia Resources Limited (to be completed by 28 February 2016);

(d) Parmelia Resources Limited despatching a notice of meeting and explanatory memorandum to its shareholders seeking all shareholder approvals required for the acquisition, including an independent expert making a determination that the transaction is fair and/or reasonable to non-associated shareholders of Parmelia Resources Limited (to be completed by 14 March 2016);

(e) Parmelia Resources Limited issuing a full form prospectus (to be completed by 5 April 2016) and successfully completing a re-compliance capital raising of not less than $3,250,000 at a price to be determined (to be completed by 22 April 2016) (**Principal Raising**);

(f) an employment contract being agreed and entered into with Ms. Whitelock as the proposed Chief Executive Officer of Parmelia Resources Limited;

(g) Veriluma providing a business plan and budget satisfactory to Parmelia Resources Limited and issuing audited financial statements for the year ended 30 June 2015 and such other audited financial statements required to satisfy the ASX;

(h) repayment or forgiveness of all other external or third party debt of Veriluma, repayment of all shareholder loans between Veriluma and its shareholders, and termination or renegotiation of any related party transactions that are not on arms' length commercial terms;

(i) Veriluma obtaining all third party consents required to allow the sale of Veriluma without breaching any material contracts resulting from a change of control of Veriluma and, if required, all shareholders of Veriluma waiving any pre-emptive, participation or other rights over the issued capital of Veriluma; and

(j) Parmelia Resources Limited simultaneously acquiring at Completion 100% of the issued capital of Veriluma from all of its shareholders.

Review of Operations (Continued)
The Company announced non-renounceable rights issue of 1 new share for every 4 existing shares, offering 21,173,927 at an issue price of $0.035 per new share.

At the same time, the Company proposed a placement of up to 14,285,714 Parmelia Resources Limited shares at 3.5 cents per share to raise up to approximately $500,000. On 24 December 2015, the Placement has been completed via an oversubscribed offer.

On 23 December 2015, the Company and Veriluma have executed a formal Share Sale Agreement. The Company has agreed to allow Veriluma to issue an additional 12,857,400 shares to raise $450,000 to provide Veriluma with funds to repay $300,000 of the convertible notes outlined in (b) above, with the balance of $200,000 owing to be repaid by the Company via the issue of $200,000 worth of Parmelia Resources Limited shares for no considerations as part of the re-compliance capital raising.

Significant Events after the Reporting Date
No matter or circumstance has occurred subsequent to the period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or state of affairs of the Group or economic entity in subsequent financial periods except for the following matters:

(a) On 4 January 2016, 10,422,566 shares validly applied and there was a shortfall of 10,751,361 shares which value at $376,297.

(b) On 15 January 2016, the Company completed the allotment of shares under the non-renounceable rights offer top-up facility. Under the Top-up, 5,751,361 shares have been allotted.

(c) On 2 February 2016, the Company entered into a binding unsecured loan facility agreement to provide a loan facility to Veriluma of $100,000 with 7% interest rate per annum accrue daily and must be repaid by 30 June 2016.

(d) On 24 February 2016, the Company announced the completion of due diligence into Veriluma to the satisfaction of Parmelia Resources Limited.

(e) On 26 February 2016, the Company entered into a binding secured loan facility agreement to provide a loan facility to Veriluma of $230,000 (inclusive of $100,000 previously advance drawn down under the original agreement). This agreement superseded and replaced the originals dated 2 February 2016. The loan bears an interest of 7% per annum accrue daily and must be repaid by 30 June 2016

(f) On 2 March 2016, the Company placed a 5 million non-renounceable rights issue shortfall shares announced on the 8 December 2015, to a Strategic Asia-based technology investor.

Auditor's Declaration
The lead auditor's independence declaration for the half-year ended 31 December 2015 can be found on page 6 of the financial report.

This report is signed in accordance with a resolution of the Board of Directors.

Nigel Gellard
Executive Chairman

15 March 2016

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Auditor's Independence Declaration
To the Directors of Parmelia Resources Ltd

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Parmelia Resources Ltd for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b No contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner - Audit & Assurance

Perth, 15 March 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Note	31 December 2015	31 December 2014
		$	**$**
Accounting and company secretarial fees		(29,792)	(28,125)
Acquisition costs		(20,990)	-
Audit fees		(13,125)	(11,964)
Conferences		-	(2,534)
Consulting fees		(33,084)	(79,488)
Directors' fees		(34,650)	(34,650)
Due diligence expenses		(2,138)	(5,789)
Exploration expenditures written off	5	(1,144,771)	(807,231)
Legal fees		(15,015)	(25,854)
Loss on sale of tenement		(30,126)	-
Rent		(3,973)	(17,701)
Share-based payment expenses		-	(112,967)
Share registry and listing fees		(13,135)	(22,693)
Travel and accommodation expenses		(17,364)	(6,987)
Meals and entertainment		(9,133)	(3,170)
Other administrative expenses		(34,043)	(31,504)
Results from operating activities		(1,401,339)	(1,190,657)
Financial income		1,406	4,145
Net financing income		1,406	4,145
Loss before income tax		(1,399,933)	(1,186,512)
Income tax expense		-	-
Loss for the period		(1,399,933)	(1,186,512)
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive loss for the period attributable to members of the Company		(1,399,933)	(1,186,512)
Basic/diluted loss per share (cents)	3	(0.62)	(1.64)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	31 December 2015 $	30 June 2015 $
CURRENT ASSETS			
Cash and cash equivalents		471,460	237,090
Trade and other receivables	4	15,839	162,029
Prepayment		13,312	8,851
TOTAL CURRENT ASSETS		500,611	407,970
NON-CURRENT ASSETS			
Exploration and evaluation expenditures	5	828,674	1,877,262
TOTAL NON-CURRENT ASSETS		828,674	1,877,262
TOTAL ASSETS		1,329,285	2,285,232
CURRENT LIABILITIES			
Trade and other payables	6	132,772	158,088
TOTAL CURRENT LIABILITIES		132,772	158,088
TOTAL LIABILITIES		132,772	158,088
NET ASSETS		1,196,513	2,127,144
EQUITY			
Issued capital	7	6,835,205	6,365,903
Reserves		435,569	435,569
Accumulated losses		(6,074,261)	(4,674,328)
TOTAL EQUITY		1,196,513	2,127,144

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Issued capital	Option Reserves	Foreign Currency Reserves	Accumulated losses	Total
	$	$		$	$
Balance at 1 July 2014	5,472,269	154,232	(78,774)	(2,998,208)	2,549,519
Loss attributable to members of the Company	-	-	-	(1,186,512)	(1,186,512)
Other comprehensive loss, net of tax	-	-	78,774	(78,774)	-
Total comprehensive loss for the period	-	-	78,774	(1,265,286)	(1,186,512)
Transactions with owners, recognised directly in equity					
Shares issued, net of cost	896,634	166,877	-	-	1,060,511
Share based payment	-	132,483	-	-	132,483
Options expired	-	(18,023)	-	18,023	-
Balance at 31 December 2014	6,365,903	435,569	-	(4,245,471)	2,556,001
Balance at 1 July 2015	6,365,903	435,569	-	(4,674,328)	2,127,144
Loss attributable to members of the Company	-	-	-	(1,399,933)	(1,399,933)
Other comprehensive loss, net of tax	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(1,399,933)	(1,399,933)
Transactions with owners, recognised directly in equity					
Equity raising, net of cost	469,302	-	-	-	469,302
Balance at 31 December 2015	6,835,205	435,569	-	(6,074,261)	1,196,513

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	31 December 2015 $	31 December 2014 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(107,134)	(357,394)
Interest received	1,406	4,145
Net cash used in operating activities	(105,728)	(353,249)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation expenditure	(174,690)	(245,910)
Proceeds from sale of tenement	40,000	-
Refund of deposit	26,476	-
Payments for acquisition cost	(20,990)	-
Net cash used in investing activities	(129,204)	(245,910)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	500,000	986,556
Proceeds from issue of options	-	166,837
Capital raising costs	(30,698)	(64,434)
Net cash provided by financing activities	469,302	1,088,959
Net increase in cash and cash equivalents	234,370	489,800
Cash and cash equivalents at the beginning of the period	237,090	157,343
Cash and cash equivalents at the end of the period	471,460	647,143

The above consolidated statement cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 1: BASIS OF PREPARATION

The interim consolidated financial statements for the six months ended 31 December 2015 have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 June 2015.

Changes in accounting policies, accounting standards and interpretations

The accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the 2015 annual financial report. There were no policies that became effective in the interim reporting period ended 31 December 2015 that had an impact on the balances or transactions in the half year financial statements presented.

Going concern

The Directors have prepared the financial statements of the consolidated entity on a going concern basis which assumes continuity of normal business activities and realisation of assets and the settlement of liability in the ordinary course of business.

The consolidated entity has incurred a net loss after tax for the half year ended 31 December 2015 of $1,399,933 (31 December 2014, loss: $1,186,512) and incurred net cash outflows from operations of $105,728 (2014: $353,249). As at 31 December 2015, the consolidated entity had cash and cash equivalents of $471,460 (30 June 2015: $237,090) and net assets of $1,196,513 (30 June 2015: $2,127,144).

These conditions indicate a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as going concern.

The Directors believe that it is appropriate to prepare the financial report on a going basis as follow:

- Subsequent to 31 December 2015, the consolidated entity successfully raised $563,244 net of capital raising costs, which is deemed sufficient to cover the costs in relation to the proposed acquisition of Veriluma, working capital and on-going expenditure commitment of the consolidated entity.
- If the proposed acquisition of Veriluma is successful, further funding will be required to meet the going forward working capital costs of the consolidated entity and to the extent that further equity is required, the Directors are confident that a sufficient capital raising can be completed, as has been demonstrated.
- In the event that the proposed acquisition of Veriluma is not successful, the consolidated entity will continue to look for favourable investment opportunities and will reduce its operating cost structure to a level where existing working capital is sufficient to cover the consolidated entity's operations for a period of at least 12 months from the date of this audit report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 1: BASIS OF PREPARATION – CONTINUED

The financial statements have been prepared on the basis that the Company and consolidated entity will continue to meet their commitments and can therefore continue normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. In arriving at this position, the Directors are reviewing various funding alternatives to meet these commitments. These funding alternatives include a reduction of discretionary spending, disposing the tenements, ongoing reviews and monitoring of contractual commitments.

After considering the uncertainties described above, the Directors have a reasonable expectation that the Company and consolidated entity have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the half-yearly report and accounts.

The interim report does not include any adjustment relating to the recoverability or classification of recorded asset amounts nor the amounts or classification of liabilities that might be necessary should the Company and consolidated entity not be able to continue as a going concern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 2: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The information presented in the financial report is the same information that is reviewed by the Directors.

The Group is currently operative in Australia (predominately Corporate and Exploration Related).

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables.

Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Income tax expense
- Deferred tax assets and liabilities
- Depreciation expense

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 2: OPERATING SEGMENTS

	Australian Exploration $	Mongolian Exploration (Discontinued Operations) $	Unallocated $	Total $
31 December 2015				
REVENUE				
Interest revenue	-	-	1,406	1,406
Total segment revenue	-	-	1,406	1,406
Reconciliation to net loss:	(1,175,279)	-	(224,654)	(1,399,933)
Loss before income tax				(1,399,933)
As at 31 December 2015				
Segment assets	828,674	-	500,611	1,329,285
Segment asset increases for the period:				
- Exploration expenditure	192,785	-	-	192,785
Segment liabilities	60,686	-	72,086	132,772
31 December 2014				
REVENUE				
Interest revenue	-	-	4,145	4,145
Total segment revenue	-	-	4,145	4,145
Reconciliation to net loss:	(30,462)	(782,946)	(260,137)	(1,073,545)
Share based payment expense				(112,967)
Loss before income tax				(1,186,512)
As at 30 June 2015				
Segment assets	1,877,262	-	407,970	2,285,232
Segment asset increases for the period:				
- Exploration expenditure	529,283	-	-	529,283
Segment liabilities	42,590	-	115,498	158,088

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 2: OPERATING SEGMENTS – CONTINUED

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The information presented in the financial report is the same information that is reviewed by the Directors.

NOTE 3: LOSS PER SHARE

	31 December 2015	31 December 2014
Basic and diluted loss per share (cents)	(0.62)	(1.64)
The loss attributable to members of Parmelia Resources Limited	(1,399,933)	($1,186,512)
Weighted average number of shares in issue	226,720,368	72,447,236

NOTE 4: TRADE AND OTHER RECEIVABLES

	31 December 2015	30 June 2015
CURRENT		
Trade and other receivables	155	156,188
GST receivable	15,684	5,841
	15,839	162,029

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value. The trade and other receivables balance does not contain impaired assets and is not past due. It is expected that these amounts will be received when due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 5: EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2015	30 June 2015
NON-CURRENT	**$**	**$**
Exploration and evaluation expenditure	1,253,134	1,877,262
Balance at the beginning of the financial period	1,877,262	2,546,779
Exploration expenditure capitalised	192,785	529,285
Exploration expenditure written off	(1,144,771)	(133,744)
Exploration written off on discontinued operations	-	(782,946)
Impairment of exploration expenditure	-	(211,762)
Reversal of rehabilitation provision	-	(41,400)
Foreign exchange movement	-	(28,950)
Sale of tenement	(70,126)	-
Refund of security deposit	(26,476)	-
Balance at the end of the financial period	828,674	1,877,262

During the period, the Company identified tenement licenses that had lapsed, where no exploration program can be justified at this time. Therefore, $1,144,771 of capitalised expenditure allocated to these tenements was written off in accordance with AASB 6 'Exploration for and Evaluation of Mineral Resources'.

The ultimate value of these assets is dependent upon recoupment by commercial development or the sale of the whole or part of the Group's interests in these exploration properties for an amount at least equal to the carrying value. There may exist on the Group's exploration properties, areas subject to claim under Native Title or containing sacred sites or sites of significance to Aboriginal people.

As a result, the Group's exploration properties or areas within the tenements may be subject to exploration and mining restrictions.

Despite the intended acquisition of Veriluma, the Board of Directors have no intention to relinquish or abandon any of its tenement licenses subsequent to period end or to cease its current exploration operations, and as such is satisfied that the carrying value of the Company's exploration and evaluation expenditure is in accordance with AASB 6 'Exploration for and Evaluation of Mineral Resources'.

NOTE 6: TRADE AND OTHER PAYABLES

CURRENT		
Trade and other payables	122,772	120,007
Accrued expenses	10,000	38,081
	132,772	158,088

All amounts are short-term. The carrying values of trade and other payables are considered to be a reasonable approximation of fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 7: ISSUED CAPITAL AND RESERVES

	31 December 2015 $	30 June 2015 $
98,981,420 (30 June 2015: 84,695,706) fully paid ordinary shares	6,835,205	6,365,903

(a) Movements in ordinary shares

	Date	Number	Issue price per share	$
Balance at the beginning of the financial period – 1 July 2015		84,695,706		6,365,903
Placement	8 Dec 2015	14,285,714	$0.035	500,000
Capital raising costs		-		(30,698)
Balance at the end of the financial period		**98,981,420**		**6,835,205**

(b) Movements in options

	Date	Number	$
Balance at the beginning of the financial period		69,296,176	435,569
Options issued		-	-
Listed option issued		-	-
Free attaching options issued		-	-
Expired options		-	-
Balance at the end of the financial period		69,296,176	435,569

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 8: KEY MANAGEMENT PERSONNEL

Remuneration arrangements of key management personnel (KMP) are disclosed in the annual financial report.

NOTE 9: CAPITAL COMMITMENTS

During the period, the consolidated entity's commitments reduced compared with those noted at 30 June 2015 due to the release of certain tenements.

Capital expenditure commitments contracted for:	**Dec 2015**	**June 2015**
Exploration tenement minimum expenditure requirements	**$**	**$**
Amounts payable:		
- not later than 12 months	347,932	626,820
- between 12 months and 5 years	-	-
- greater than 5 years	-	-
	347,932	626,820

NOTE 10: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 11: SIGNIFICANT EVENTS AFTER THE REPORTING DATE

No matter or circumstance has occurred subsequent to the period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or state of affairs of the Group or economic entity in subsequent financial periods except for the following matters:

(a) On 4 January 2016, 10,422,566 shares validly applied and there was a shortfall of 10,751,361 shares which value at $376,297.

(b) On 15 January 2016, the Company completed the allotment of shares under the non-renounceable rights offer top-up facility. Under the Top-up, 5,751,361 shares have been allotted.

(c) On 2 February 2016, the Company entered into a binding unsecured loan facility agreement to provide a loan facility to Veriluma of $100,000 with 7% interest rate per annum accrue daily and must be repaid by 30 June 2016.

(d) On 24 February 2016, the Company announced the completion of due diligence into Veriluma to the satisfaction of Parmelia Resources Limited.

(e) On 26 February 2016, the Company entered into a binding secured loan facility agreement to provide a loan facility to Veriluma of $230,000 (inclusive of $100,000 previously advance drawn down under the original agreement). This agreement superseded and replaced the originals dated 2 February 2016. The loan bears an interest of 7% per annum accrue daily and must be repaid by 30 June 2016

(f) On 2 March 2016, the Company placed a 5 million non-renounceable rights issue shortfall shares announced on the 8 December 2015, to a Strategic Asia-based technology investor.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes set out on pages 5 to 18 are in accordance with the Corporations Act 2001, including:
   (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001, and
   (b) giving a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors made pursuant to section 303(5) of the Corporations Act 2001.

Nigel Gellard
Executive Chairman

15 March 2016

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Independent Auditor's Review Report
To the Members of Parmelia Resources Ltd

We have reviewed the accompanying half-year financial report of Parmelia Resources Ltd ('Company'), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of Parmelia Resources Ltd are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Parmelia Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Parmelia Resources Ltd is not in accordance with the Corporations Act 2001, including:

a giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Material uncertainty regarding continuation as a going concern

Without qualification to the review opinion expressed above, we draw attention to Note 1 to the financial report, which indicates that the consolidated entity incurred a net loss of $1,399,933 and net cash outflows from operating activities of $105,728 during the half year ended 31 December 2015. These conditions, along with other matters as set forth in Note 1, indicate the existence of material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity bay be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner - Audit & Assurance

Perth, 15 March 2016