ASX ANNOUNCEMENT

20 JUNE 2016   ASX: PML

UPDATED VERILUMA INVESTOR PRESENTATION

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Parmelia Resources Limited (**PML** or the **Company**) is pleased to provide a copy of the recently updated Investor Presentation on Veriluma Pty Ltd (ACN 117 490 785) (**Veriluma**), in relation to the proposed 100% acquisition of Veriluma a technology company with a patented intelligence analysis method and system, and with software that delivers predictive analysis of complex scenarios to produce predicted outcomes with stated probabilities of occurrence (**Acquisition**).

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BETTER DECISIONS MORE OFTEN

Investor Presentation June 2016

Gartner

Cool Vendor 2016

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Gartner 'Cool Vendor in Analytics 2016'

- What Is A 'Cool Vendor'?

  A small company offering a technology or service that is:

  Innovative - enables people to do things they could not do before

  Impactful - has or will have a business impact; it is not just a matter of "technology for its own sake."

  Intriguing - has caught analysts' interest or curiosity during the past 6months or so

- Moe Ali (ANZ GVP) posted about cool vendors in the ANZ region:

  https://www.linkedin.com/pulse/gartner-names-11-innovative-companies-from-australia-new-moe-ali?trk=prof-post

- Veriluma is 1 of 5 vendors recognised in this category in 2016 and the only Australian company

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Predictive Analytics Defined

"Although all types of analytics aim to improve decisions, only prescriptive analytics outputs a preferred course of action.

It takes predictive insights to the next level by suggesting the optimal way to handle a future situation and can be applied to strategic, tactical and operational decisions, each of which has different traits.

The recommended decision can be delivered to a human in a decision support environment, or it can be coded into a system for decision automation."

Gartner's Forecast Snapshot:
Prescriptive Analytics, Worldwide, 2016
Published: 5 February 2016

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Prescriptive Analytics Market

"The prescriptive analytics software market will reach $1.1 billion by 2019, with a 22% CAGR from 2014. Currently, 10% of organizations have some form of prescriptive analytics; this will grow to 35% by 2020."
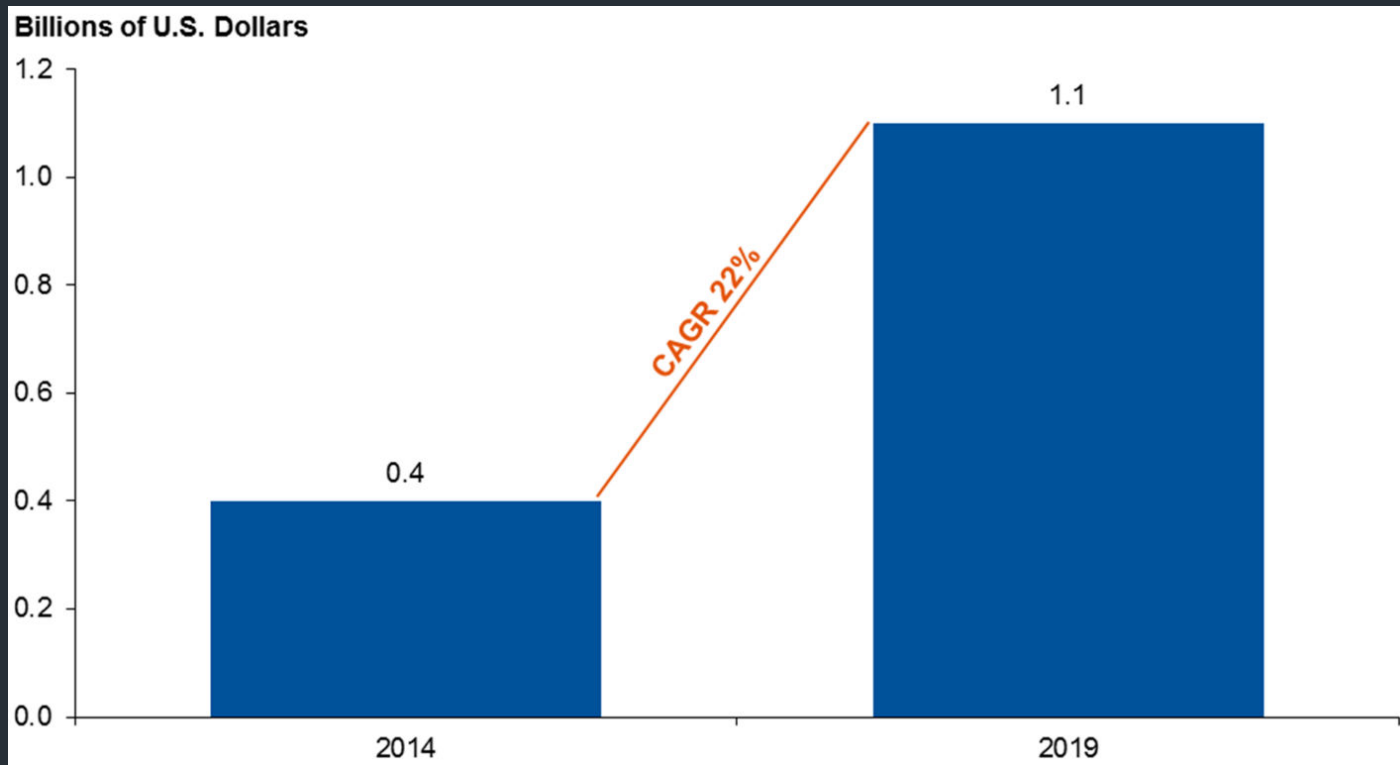
Enterprise Spending on Prescriptive Analytics, Worldwide, 2014 and 2019
Source: Gartner (February 2016) Analysis
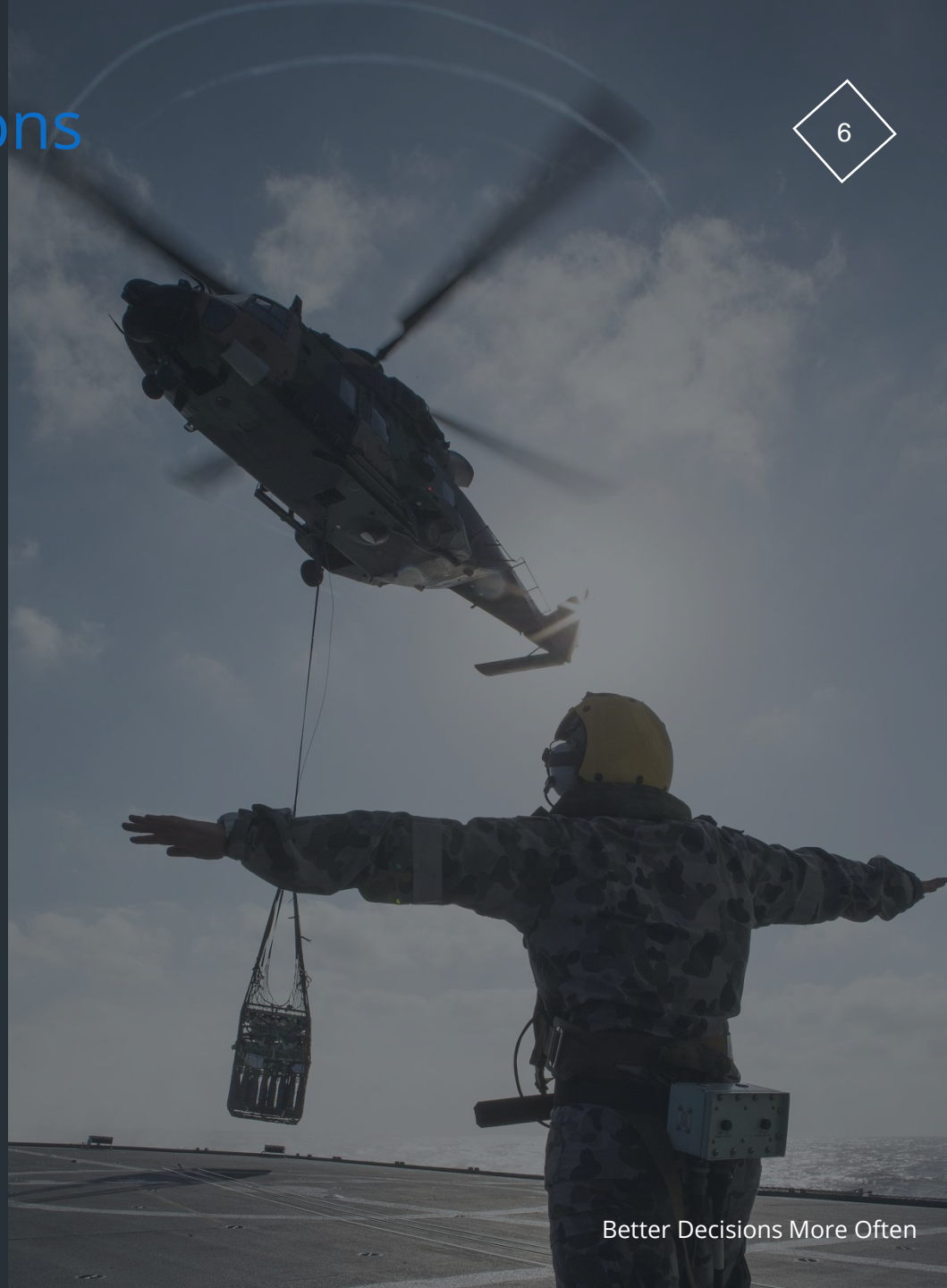
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Built for Critical Decisions

Created in a Commonwealth Research Centre for Defence Intelligence Analysts who are tasked with rapidly assessing threats from global security, foreign military and transnational terrorism.

Veriluma's software provides decision makers with rapid and accurate assessment of threats with objective and reliable insights that they can act upon with certainty.

Used by Australian Defence since 2012.

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Patents

Registered patents protect Veriluma's software:
United States Patent - 7720787 issued
18 May 2010
Australian Patent - 2006202485 issued
12 July 2010

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Company Overview

Veriluma's software takes into account quantitative and qualitative information and uses a patented engine to assess likely outcomes with degrees of certainty whilst identifying contributing risks.

Such is the velocity of data generation and decision making, the need for a product that can comprehensively manage incomplete or uncertain inputs in decision making is important for Individuals, businesses, governments and their agencies.

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- Considers all factors without emotion, bias or prejudice
- Weights factors appropriately according to their level of importance
- Assesses and track problems over time as information changes
- Identifies risks for which action can be taken
- Depicts a preferred approach
- Increases the chances of a successful outcome

The Veriluma Methodology

1st Step: Question or Hypothesis

Start by understanding the primary 'question' to be solved; Identify the 'issues' that might provide insight or evidence in reaching the answer

2nd Step: Relationships

Describe the relationships between the 'issues' ie how they interact, influence or direct one another

3rd Step: Inform

Add the information - quantitative and qualitative, evidence, opinions or assumptions to 'inform' the identified 'issues'. Known unknowns and uncertainty can be considered.
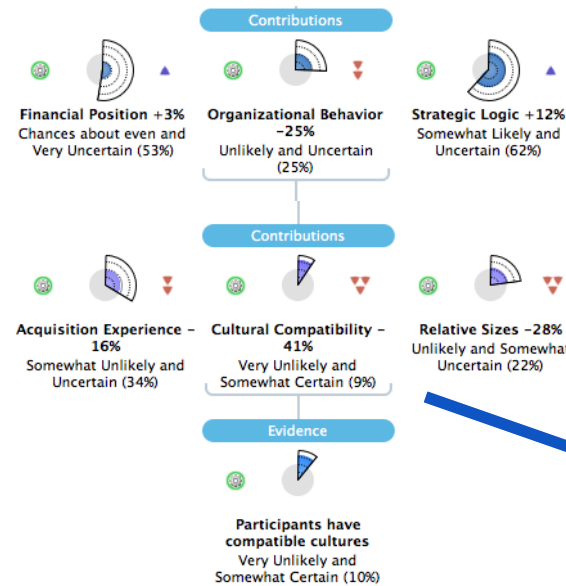
4th Step: Assess

Produce the outcome ie the result showing likelihood and certainty for the question posed.

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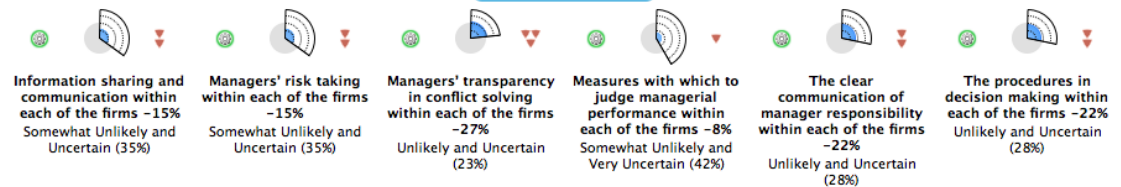Better Decisions More Often

44% likelihood of success
72% certainty
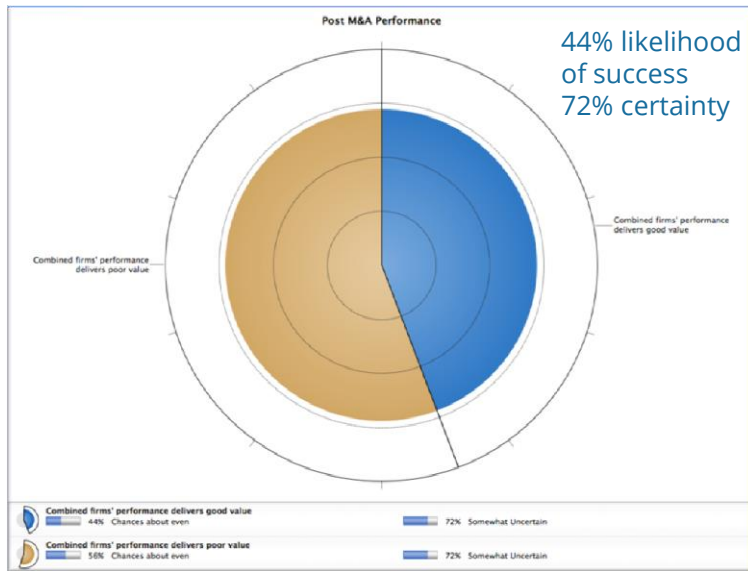
Contributions to the current outcome

Organisational behaviour contributes in a negative way

Cultural compatibility is one of the red flags (or risks) to the success of this acquisition

Financial Position +3%
Chances about even and Very Uncertain (53%)

Organizational Behavior −25%
Unlikely and Uncertain (25%)

Strategic Logic +12%
Somewhat Likely and Uncertain (62%)

Acquisition Experience − 16%
Somewhat Unlikely and Uncertain (34%)

Cultural Compatibility − 41%
Very Unlikely and Somewhat Certain (9%)

Relative Sizes −28%
Unlikely and Somewhat Uncertain (22%)

Participants have compatible cultures
Very Unlikely and Somewhat Certain (10%)

Information sharing and communication within each of the firms −15%
Somewhat Unlikely and Uncertain (35%)

Managers' risk taking within each of the firms −15%
Somewhat Unlikely and Uncertain (35%)

Managers' transparency in conflict solving within each of the firms −8%
Unlikely and Uncertain (23%)

Measures with which to judge managerial performance within each of the firms −27%
Somewhat Unlikely and Very Uncertain (42%)

The clear communication of manager responsibility within each of the firms −22%
Unlikely and Uncertain (28%)

The procedures in decision making within each of the firms −22%
Unlikely and Uncertain (28%)

Board And Management

Chairman

Rick Anstey

- More than 28 years building and managing technology companies
- Corporate Advisor
- Early stage/seed VC fund manager
- Independent Director:
  - Technology One (ASX300: TNE)
  - Pioneer Mortgages
- Non Executive Director:
  - Concept Safety
  - Hoodlum
- Board Member
  - Australian Centre for Entrepreneurship at QUT

Chief Executive Officer

Elizabeth Whitelock

- Experienced in start-up & turn around
- Strong leader who builds committed, capable teams
- Client centric with success in direct and indirect software sales and services
- Data, analytics, business intelligence background
  - Ingres
  - SAS
  - IBM
  - Microstrategy

Chief Technical Officer

Craig Aspinall

- 18 years professional software development
- Five years leading and managing software development team
- Founder and CTO of technology solutions companies
- Seven years experience leading and managing teams
- Five years coaching development teams and leaders

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Board And Management

Aaron Birkby

Advisor

- Entrepreneur In Residence for River City Labs Accelerator
- Co-founder and CEO of Silicon Lakes, a not-for-profit startup incubator
- Founded and built a software company to six million users in nine countries over eight years
- Developed and exited an IoT remote telemetry solution for coin-operated machines

Roger Bradbury

Advisor

- Professor, National Security College, ANU, Canberra
- Research at the interface of science, technology and national security, particularly in cyberspace
- Works in the Australian Intelligence Community on the strategic analysis of international science and technology issues
- Fellow of the CSIRO Centre for Complex Systems Science

Di Girvin

Financial Controller

- Bachelor of Commerce, Graduate Diploma of Chartered Accounting, Certificate of Public Practice
- Private Enterprise Practice, KPMG
- Wealth of experience in small business
- Strategically and operationally focused

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Capital Structure

Current Issued Capital in Parmelia Resources	120,209,347
Shares issued to Veriluma Shareholders for Acquisition	162,857,400
Issued pursuant to Prospectus	50,000,000
Issued pursuant to Resolution 5 & 6 Notice of Meeting (NOM)	17,465,883
Issued pursuant to Resolution7 of NOM	5,714,286
Issued pursuant to Resolution 10 of NOM	2,857,143
Total Shares on Issue Post Acquisition	359,104,059
Options on Issue	70,296,176
Performance Rights	40,000,000

The Company proposes to raise $3.5 million at a share price of $0.07 under a prospectus, versus the closing price of $0.085 on Friday 17th June 2016.

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COMMERCIALISATION

Global Applications

- Government Departments
- Defence Agencies
- Law Enforcement
- Counter Terrorism
- Merger & Acquisition

- Legal Services
- Resources
- Banking & Finance
- Insurance
- Environmental Agencies

- Healthcare
- Marketing
- Research
- Cyber Threat
- Strategic, Operational, Tactical

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Multiple Industries & Applications

Financial services

- Mergers & Acquisitions: Harvard Business Review valued global M&A at $US3.6 trillion in Q4 2014 with 70-90% failure rate
- Risk Mitigation
- Credit Risk Rating
- Fraud Detection
- Wealth Management
- Asset Management
- Strategic Planning
- Track and predict market trends: likelihood of property bubbles bursting

Industry

- Criticality of parts within a production line/mining operation
- Risks and threats to future development sites:
    - Political/Cultural
    - Environmental
    - Financial
- Project Management – risks obstructing successful delivery
- Strategic planning & competitive positioning
- Predicting impacts of weather, politics, crises

Professional services

- Assess and analyse complex cases with multiple lists of suspects and multi-layered evidence
- Track long term operations for example organised crime, requiring transparency and oversight
- Criminal law – strategy tool for prosecution or defence
- Assessing success of personal injury, family law settlements and estate claims

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Commercialising Five 'Eyes'

The FIVE 'Eyes'

- An intelligence alliance between USA, Canada, UK, Australia, New Zealand
- Heritage is Defence Intelligence
    - Continued focus
    - Leveraging existing client base to expand into other agencies and jurisdictions

Next Steps

- Secure strong foothold in Australian Intelligence community
    - Recruited an Account Executive with defence/intelligence background
        - Strong contacts into the sector
        - Based in Canberra
        - Penetrate federal agencies beyond defence
        - Works directly and indirectly
- Partnerships with Defence Contractor and Software Services Consultant
    - Act as resellers of software and for services delivery
- Secure international partnerships to leverage and penetrate the Five 'Eyes'
- Strong pipeline of opportunities established

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Path To Commercialisation

PEOPLE

- Technical expertise to maintain the software & develop new features, platforms, integration with other technologies
- Product specialists for pre and post sales support
- Sales capability for direct & indirect sales (Federal Government, Defence, Counter Terrorism, Financial Services, Law, Resources)
- Advisory Board
- Marketing and Communications

HOSTED PLATFORM

- Create a hosted platform from the existing software base
- Amazon Web Services first *cloud* deployment
- Device and data agnostic via APIs
- Highly scalable
- Geographic independence

VERTICAL SOLUTIONS

- In the first instance via partners using their domain expertise for their client base and channel

ENGAGE GARTNER

- 12 month program
- Build company profile
- Increased global awareness
- Who, where and when to target
  - Industries, partners, clients
- Geographic expansion and visibility
- Analyst engagement

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Revenue Streams

Horizontal Solution

Subscription
Per Analyst/Project
Consulting
Education
Support

SaaS Vertical Solutions

Subscription
Volume/Value Rates

White Label

Subscription
Consumption
Consulting
Education
Support

On Premise

Subscription
Per Analyst/Project
Consulting
Education
Support

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Defence Contractor

Represents Veriluma primarily within the Defence and Intelligence agencies in Canberra.

ONIQUA

Application vendor to asset-intensive industries such as mining, oil, gas, exploration and utilities

Veriluma's engine assesses the criticality of parts and their business impact to minimise production downtime for **Oniqua** clients.

Marketlend

Peer-to-Peer lending platform for the SME market

Marketlend is a peer to peer lender using an independent trustee and securitisation methods. Marketlend uses the Veriluma engine to assess the likelihood and certainty of an applicant repaying the loan.

LEGAL LOGIX

A Joint Venture to create disruptive legal applications for a global market initially with a focus on Family Law settlements to support the self represented as well as produce a rapid, objective assessment (brief) of the case for lawyers.

Disruptive Vendors/Technologies: Financial Services including M&A Professional Services/Consulting

Discussions underway with services/application vendors to embed Veriluma's engine within their technology/service offerings to new and existing clients.

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Competition

Business Intelligence and Analytics Vendors

- Despite increasing investment in Business Intelligence many organisations continue to make poor decisions
- A few Business Intelligence vendors are providing 'optional add-ons' for Collaborative Decision Making to facilitate better and faster decisions
- Analysis of data collated remains at the heart of the offering and cannot consider 'unknowns' or subjective input

Prescriptive Analytics Vendors

- Ayata
- River Logic
- Decision Lens
- FICO
- Earnix
- A handful of vendors offer software to address specific problems in agriculture, planning, IT assets and priorities, consumer behaviour, pricing optimisation for insurance
- Each handles the decision making *process* differently

Veriluma's Point of Difference

- Complementary to data/big data analytics
- Unique patented approach
- Veriluma determines outcome despite the *quantity* or *quality* of information available
- Known, unknown, uncertain, unreliable considered
- Subjective opinions
- Global applications across industries

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Unique difference

- At the core of the patented engine is a mathematical calculus based on Subjective Logic

- Subjective Logic is suitable for analysing situations involving uncertainty and incomplete knowledge

- Our engine can deal with what we know AND can also consider what we don't know

- Known can be an opinion - a belief about something

- Assessments provide insight of the likely outcome (with confidence) about a situation based on the information available at that time

- Assessments can be repeatedly executed - as new information or opinions arrive or change

- Our software can run 'headless' ie be embedded within others technologies and processes

  - Information is passed to the software engine, an assessment produced and the results returned

  - The software is invisible running behind others applications

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Summary

1

Patented Prescriptive Analytics Software

2

Currently used by Australian Defence Intelligence to assess national security, foreign military, transnational and terrorism threats to provide accurate assessments for defence decision makers

3

Delivers clear forecast outcomes to individuals, businesses and governments with degrees of certainty and risks

4

Commercialisation strategy underway with international patents secured

5

Targeting what is currently on trend to be a $1.1 billion market in 3 years with 22% compound annual growth

6

Multiple global applications across defence, banking and finance, M&A, government, legal and insurance industries already identified

ASX listing in 3rd quarter of 2016

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PRESCRIPTIVE ANALYTICS: THE PATH TO BETTER DECISIONS

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APPENDICES

ANALYTICS SPACE

VERILUMA APPROACH

CASE STUDIES

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VERILUMA COMPLEMENTS DATA ANALYSIS

10%

90%

Rear Vision Mirror
Consider the past

'Traditional'
Analytics

- Best for data-rich problems
- Requires large amounts of data
- Does not gracefully cope with unreliable or missing information
- Typically slow to build models and derive results

Foresight
Consider the unknown

Veriluma
Prescriptive Analytics

- Can produce outcomes even in data-poor problems
- Works with the data that is available
- Handles uncertain, unreliable and unknown information
- Fast to build models and derive results

Best for problems when you are not time-bound and when large amounts of data are available

Best for problems when you need answers fast or when data availability or quality is variable

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The Veriluma Approach

Veriluma's prescriptive analytics software is designed to help organisations gain greater insight into problems, questions and hypotheses leading to better decisions in shorter timeframes

- First, the problem is dissected and the factors affecting the outcome understood

- The application provides an analyst workbench where the problem is mapped and information added

- Models can be built by clients, partners or by Veriluma consultants in collaboration with the client/partner

- The engine runs assessments of the identified problem

- The likelihood of the outcome and the level of certainty (confidence of the result) are calculated In addition, the assessment shows the factors contributing to the outcome with risks, missing information and conflicts highlighted

- Assessments can be executed at any time but most often when data is added or changed

- The engine can also be called from within client/partner's technologies, applications or processes

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BLOOMBERG NEWS 20 JUNE 2014:

"Chinese property trusts face record repayments next year as the real-estate market cools, fueling speculation among bond funds that more developers will collapse.

The trusts, which channel money from wealthy individuals to smaller builders that have trouble obtaining financing elsewhere, must repay 203.5 billion yuan ($32.7 billion) in 2015, according to Use Trust, a Chinese research firm. That's almost double the 109 billion yuan due this year. New issuance of the products slumped to 40.7 billion yuan this quarter, the least in more than two years,

"Trust loan defaults will rise substantially," said Fiona Cheung, head of Asia credit at Manulife Asset Management's fixed-income team which oversees $44 billion globally. "It won't be surprising if there are more collapses of China's property companies. Those companies that suffer from weak sales, that bought land too aggressively last year funded by debt and that have poor access to capital markets will potentially experience cash flow pressure."

JPMorgan Chase & Co. says the real-estate industry poses the biggest near-term risk to growth in the world's second-largest economy after new home prices dropped in the most cities in two years last month. China's banking regulator said on June 6 it will monitor developer finances, a sign of concern defaults may spread after the March collapse of Zhejiang Xingrun Real Estate Co., a builder south of Shanghai."

Collapse of the Chinese Property Market

Collapse of Chinese Property Market

The Chinese property market will not collapse soon

The Chinese property market will collaps soon

The Chinese property market will collapse soon
64% Somewhat Likely — 93% Very Certain

The Chinese property market will not collapse soon
36% Somewhat Unlikely — 93% Very Certain

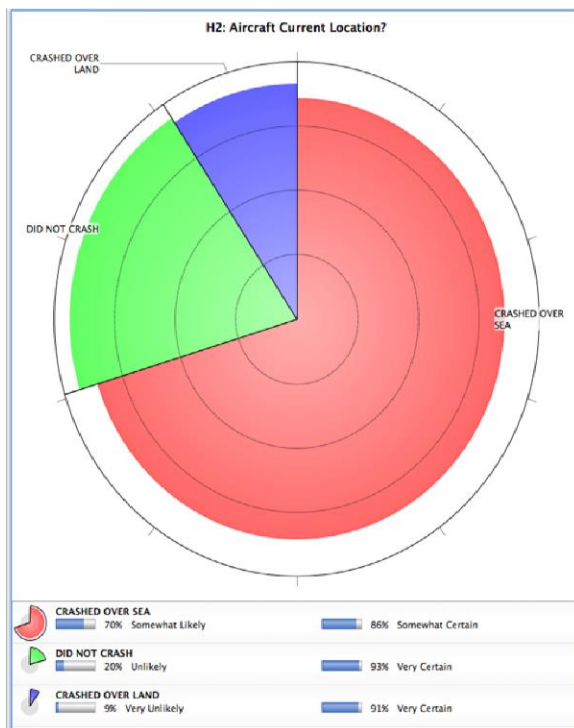With an objective assessment, decisions to act can be taken sooner or different decisions can be made.

In 2010, who created the Stuxnet Worm that shut down Iran's nuclear plant?
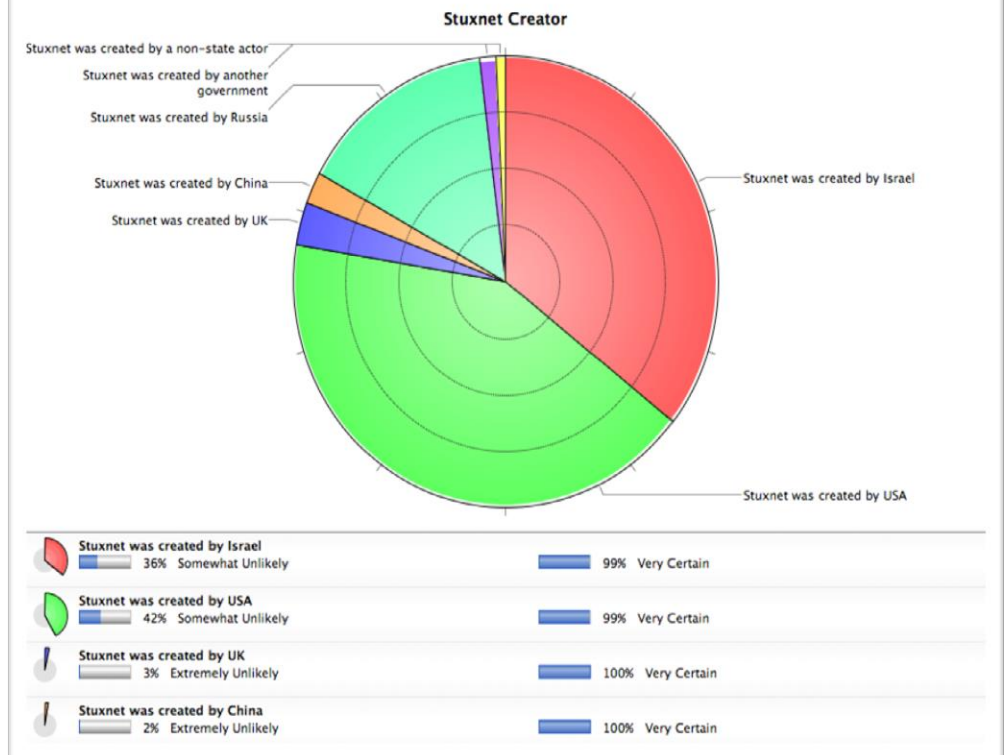
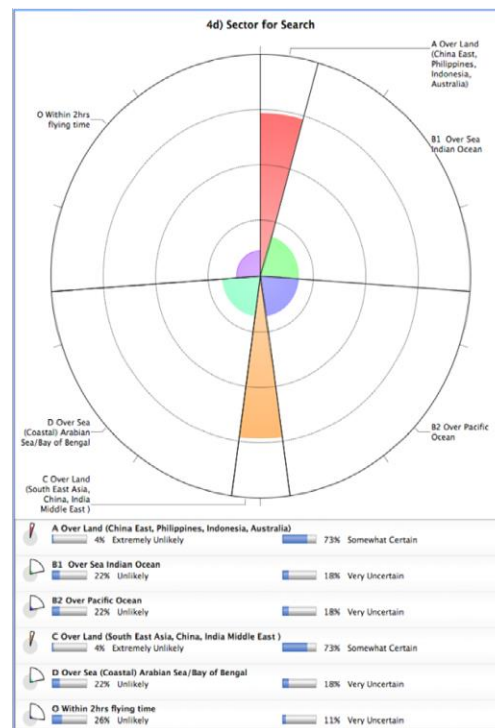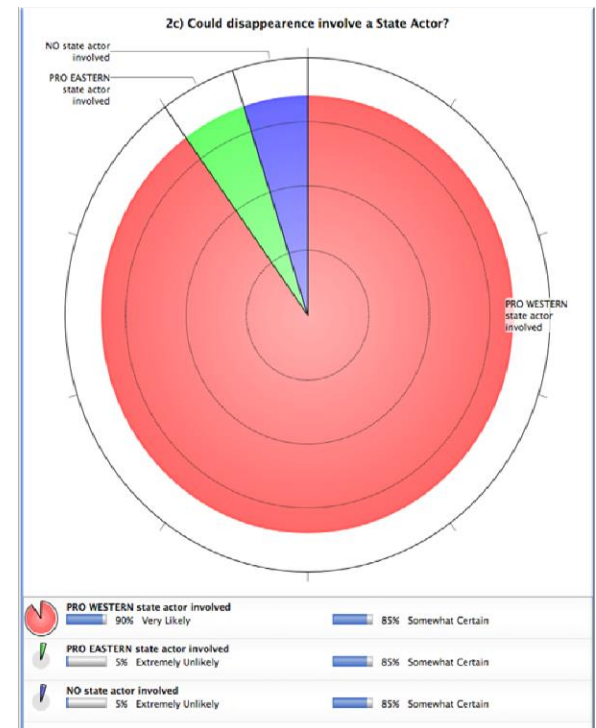# Disappearance of MH370

Possibilities for the search area?

Sector for search: Where specifically should we search?

Could a state actor be involved in the disappearance?

Case Study:
Real-Time Credit Assessment for Marketlend

Veriluma's software calculates the likelihood and probability of default for all unsecured SME loans screened and funded by innovative Australian market place lender, Marketlend.

Real-time assessment capability at inception and on demand throughout life of loan

Incorporates multiple quantitative and qualitative information inputs

Credit algorithms and metrics readily adjustable

Veriluma's benefit to Marketlend:

Unique prescriptive analytics capability incorporates unknown/partly known inputs and eliminates subjective bias in loan grading

Delivers enormous efficiency benefits over manual or partly manual grading systems

Audit feature enables tracking and revision of key inputs

Result: *real-time, dynamic credit assessments, zero net credit losses to date*

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Case Study:
Oniqua's Inventory Optimisation

Veriluma's software calculates the likelihood and probability of failure of all critical inventory items for Oniqua MRO's global client base

Uses multiple data sources and qualitative input to calculate and assign parts criticality

Readily customisable for scenario and "what if" analysis

Veriluma's benefit to Oniqua's clients:

Determines spare parts criticality thus leading to material reduction in working capital needs

Reduces risk of production shutdown due to lack of critical inventory

Improves project planning and management

Enhances strategic planning and competitive positioning

Result*: reduced working capital and lost production days, improved project management*

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