

ASX: BFE**SHARE INFORMATION**

Issued Shares: 363.3m

Unlisted Options: 1.5m

BOARD OF DIRECTORS

Chairman: M. Billing

Non-Exec: M. Sheldrick

Non-Exec: M. Green

PRINCIPAL CONTACTS**SHAREHOLDER RELATIONS**Mick Billing – Chairman
Phone: +61 414 741 007**CORPORATE**Matthew Sheldrick - NED
Phone: +61 417 923 155**OPERATIONS**Graeme Purcell – COO
Phone: +61 400 551 700**FURTHER INFORMATION**blackfireminerals.com.au**REGISTERED OFFICE**Suite 9, 330 Churchill Avenue
Subiaco, Western Australia, 6008**PRINCIPAL OFFICE**Level 2, 9 Colin Street
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Security Transfer Registrars

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By Electronic Lodgement
Company Announcements Office
ASX Limited
2 The Esplanade Perth WA 6000

7 March 2014

**Option to Sell Interest in E28/1915
("Mystique Gold Project")**

Black Fire Minerals Ltd (Black Fire or Company) (ASX: BFE) is pleased to announce that it has today executed an Option and Sale Agreement ("Agreement") with ASX listed Parmelia Resources Ltd ("Parmelia") (ASX: PML) over its 60% interest in E28/1915 (known as the Mystique Gold Project) located in the Albany-Fraser Range region of Western Australia. Black Fire's Joint Venture partner Entrée Gold Inc. has also agreed to divest its 40% interest in E28/1915 to Parmelia on the same terms.

Under the terms of the Agreement, Parmelia has been granted a six month Option period by each of Black Fire and Entrée to conduct certain due diligence over the tenement. In return for this six month Option period, Parmelia have agreed to pay an amount of \$12,957 as an Option fee to cover the 2014 annual Department of Mines and Petroleum (DMP) licence fee. The Option fee is payable upon receipt of an exemption from the DMP relating to a shortfall in minimum expenditure requirements for the 2013 reporting period.

At the expiry of this Option period, Parmelia can either withdraw from the Agreement or elect to proceed with the acquisition by issuing up to 12 million fully paid ordinary shares in Parmelia at a deemed price of 2.5 cents per share for deemed total consideration of \$300,000. The number of shares issued by Parmelia will be dependent on its ability to issue new shares as governed by ASX Listing Rule 7.1. If Parmelia is unable to issue the full 12 million shares, then any shortfall will be met by a cash contribution for a combined cash and scrip consideration of \$300,000.

The consideration will be divided proportionately between Black Fire (60%) and Entrée Gold (40%).

The Directors of Black Fire consider that the disposal of its interest in the Mystique Project to be in the best interests of shareholders and leaves the Company better positioned to focus on its interest in the Pilot Mountain Tungsten Project in Nevada, USA., whilst retaining the benefit of any equity upside in Parmelia should they achieve success at Mystique.

Yours faithfully

By Order of the BoardMICK BILLING
Chairman