

ASX ANNOUNCEMENT



22nd April 2014

ASX: PML

PARMELIA TO UNDERTAKE SOIL SAMPLING PROGRAMME ON STRATEGIC FRASER RANGE TENEMENT

Parmelia Resources Limited (ASX:PML) announces that it intends to conduct a soil sampling program to explore for nickel-sulphide mineralisation on the recently optioned Fraser Range Exploration Licence E28/1915 [refer ASX:PML March 7th 2014].

Detailed planning is in progress with a view to commencing the survey as soon as possible. The program will be designed to test, and where possible improve upon, historical exploration by Black Fire Minerals Ltd (ASX:BFM) and other previous explorers. Further details and timing of the program will be announced once planning is complete.

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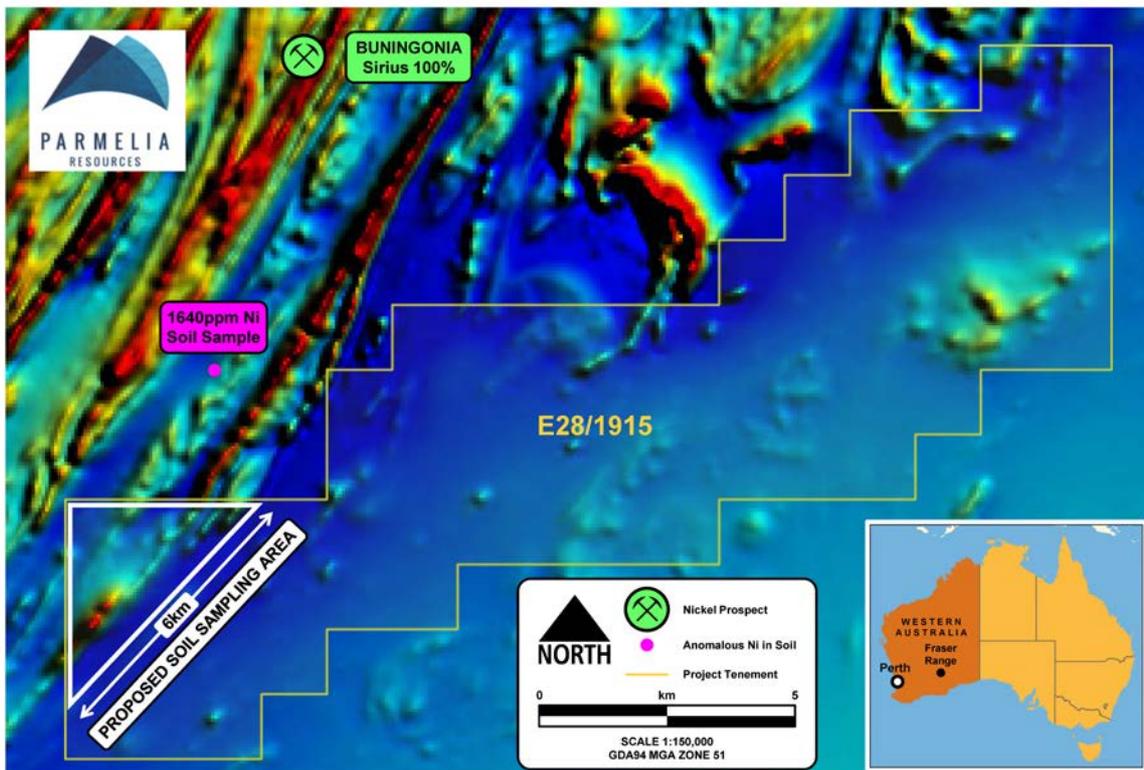


Figure 1 – Location of proposed soil sampling program relative to Sirius Resources' Buningonia Ni-Cu-PGE Prospect and the peak nickel result returned from a 1997 Geographe Resources soil geochemistry survey.

Project Background

E28/1915 is located in the Fraser Range region of Western Australia (See Fig. 1). It is considered a potentially strategic acquisition for PML for the following reasons:

- Exploration by Black Fire and Entrée Gold Inc was primarily focussed on previously identified gold anomalies. PML believes there may be potential for additional styles of mineralisation including Nova-Bollinger-type Mesoproterozoic circum-cratonic nickel-sulphide occurrences.
- Close proximity to tenements held by other active Fraser Zone nickel-sulphide explorers including Winward Resources, Sirius Resources, Bolgart Rise and other Mark Creasy-associated companies.
- Application was made for the tenement in 2009 with the aim of focusing on gold exploration hence its nickel-sulphide potential remains mostly untested.
- It is located SSW along strike of an historical nickel soil anomaly identified by Geographe Resources in a broad-spaced (1km x 1km) soil geochemical sampling program conducted during the late 1990's that returned a peak result of 1640ppm Ni and 76ppm Cu (refer ASX: BFE October 18, 2012).

The exploration potential of the Albany-Fraser Belt has been significantly enhanced over the past decade, initially due to the discovery of the Tropicana gold deposit by AngloGold Ashanti and Independence Group in 2005 – which has a Mineral Resource exceeding 7.7Moz Au (refer ASX: IGO February 28 2014) – but more recently as a result of the discovery of the Nova-Bollinger nickel-sulphide deposit by Sirius Resources in 2012 (refer ASX: SIR July 26 2012).

At a regional scale the Fraser Range Project straddles the Fraser and Nornalup zones of the central Albany–Fraser Belt which is a Proterozoic orogenic belt accreted to the south and south-east margins of the Archaean Yilgarn Craton. The belt comprises highly metamorphosed metagabbros, felsic granulites and garnetiferous metasediments after reworked Archaean protoliths and Proterozoic sediments, mafic and felsic intrusions. Outcrop within E28/1915 is rare as it is mostly covered by aeolian sands, pedogenic carbonate and the eastern half of the tenement is overlain by the Tertiary Eucla Basin.

PML recognises multiple exploration opportunities within E28/1915 including following-up the partially tested historical gold targets at the Torquata and Salubris prospects and exploring for Nova-Bollinger analogues in Fraser Zone gabbroic rocks in the south-west of the tenement.

Additional Opportunities

The company continues to evaluate several additional exploration opportunities and is actively engaged in negotiations with respect to these prospects. The market will be informed if and when negotiations reach a successful conclusion.

For further information concerning PML's activities or future exploration plans please contact Nigel Gellard, Executive Chairman at:

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The information in this report that relates to Exploration Results and Targets is based on, and fairly represents, information compiled by Mr. G. Purcell, who is a Member of the Australian Institute of Geoscientists and who has had sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activities which are 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'. Mr. Purcell is a consultant to Parmelia Resources and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.