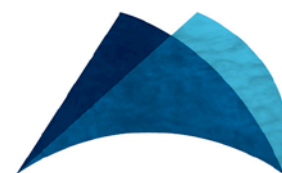


ASX ANNOUNCEMENT



P A R M E L I A
RESOURCES

6 June 2014

ASX: PML

NON-RENOUNCEABLE RIGHTS ISSUE OF OPTIONS

Parmelia Resources Limited (ASX:PML) (Parmelia or Company) is pleased to announce that it will conduct a pro rata non-renounceable rights issue of options on the basis of 1 new option for every 2 shares held as at the record date at \$0.005 per new option to raise up to \$160,645 before costs (Rights Issue). The Company will also issue up to 5,000,000 new options to consultants (to be determined by the directors of the Company) at no cost as consideration for services provided to the Company (Consultant Issue).

The new options issued under the Rights Issue and Consultants Issue will be exercisable at \$0.05 on or before 5.00pm (WST) on 30 May 2017. The Company has, by lodging the attached Appendix 3B, applied for quotation of the new options issued under the Rights Issue and Consultant Issue on ASX.

The Rights Issue and Consultant Issue do not require shareholder approval. The new options under the Consultant Issue will be issued using the Company's 15% placement capacity under Listing Rule 7.1.

The directors of Parmelia reserve the right to place any shortfall under the Rights Issue at their discretion, provided that the shortfall will be placed at the same price as the new options are issued under the Rights Issue and will be completed not more than 3 months after the Rights Issue closes.

The Rights Issue is only open to Parmelia shareholders with registered addresses within Australia and New Zealand at the record date (Eligible Shareholders). The Company intends to lodge a prospectus with ASIC and ASX on or about 13 June 2014 in respect of the Rights Issue and Consultant Issue (Prospectus), which will be sent to Eligible Shareholders together with a personalised application form on or about 24 June 2014. If the Prospectus is lodged on 13 June 2014, the record date for the Rights Issue will be 19 June 2014.

The funds raised under the Rights Issue will be used for further exploration on the Company's existing projects, general working capital and the costs of the Rights Issue and Consultant Issue.

Shareholders should read the Prospectus in full and seek advice from their professional advisers before deciding whether to participate in the Rights Issue.

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Timetable

The proposed timetable for the Rights Issue and Consultant Issue is as follows.

| EVENT | DATE |
|---|--------------|
| Announcement of rights issue and Appendix 3B lodged | 6 June 2014 |
| Prospectus lodged with ASIC and ASX | 13 June 2014 |
| Notice sent to Shareholders containing information required for Appendix 3B in relation to the Rights Issue | 16 June 2014 |
| "Ex" date | 17 June 2014 |
| Record date to determine Entitlements under the Rights Issue | 19 June 2014 |
| Opening date of Rights Issue and Consultant Issue | 24 June 2014 |
| Despatch prospectuses and application forms | 24 June 2014 |
| Closing date for acceptances under the Rights Issue and Consultant Issue | 15 July 2014 |
| Options quoted on a deferred settlement basis | 16 July 2014 |
| Company notifies ASX of under-subscription | 18 July 2014 |
| Issue date | 22 July 2014 |
| Trading of New Options expected to commence | 23 July 2014 |

*Note: this timetable is indicative only and may change, subject to the ASX Listing Rules.

For further information regarding the Rights Issue or Consultant Issue please contact Nigel Gellard, Executive Chairman at:

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Nigel Gellard
Executive Chairman