

# ASX ANNOUNCEMENT



17<sup>th</sup> June 2014

ASX: PML

PARMELIA  
RESOURCES

## PARMELIA RESOURCES SECURES EXCLUSIVE RIGHT TO ACQUIRE 80% INTEREST IN STRATEGIC KAMBALDA NICKEL SULPHIDE TENEMENT

### *Highlights*

- Tenement, is located in the highly prospective Kambalda / Widgiemooltha nickel province of Western Australia.
- Project encompasses approx. 15kms strike of the ultramafic sequence that hosts Mithril Resources (ASX: MTH), Hendrix and Floyd nickel-sulphide prospects which returned a maximum historical drill intersection of 9.1m @ 2.5% Ni and 155ppm Cu.
- PML has so far identified three conceptual nickel-sulphide exploration targets within the project area along strike of Hendrix and Floyd. Further exploration plans to be announced in due course.
- Ultramafic stratigraphy within the project area is thought to be contemporaneous to the rocks that host the Spagoville Mining Centre.
- Parmelia has secured an exclusive right to earn an 80% interest.

Level 4, 66 Kings Park  
Road, West Perth WA  
6004, Australia

Postal PO Box 52  
West Perth WA  
6872, Australia

T +61 8 6141 3500  
F +61 8 6141 3599  
E [info@pameliaresources.com](mailto:info@pameliaresources.com)

[PARMELIARESOURCES.COM](http://PARMELIARESOURCES.COM)

Parmelia Resources Ltd (ASX:PML) is pleased to announce that it has entered into an agreement ("Agreement") with Maincoast Pty Ltd ("Maincoast") where by Parmelia Resources Ltd ("Parmelia") has secured the exclusive right to farm in and earn an 80% interest in Exploration License Application E15/1410.

The tenement, known as the "Spa Go West" tenement, is located in the highly prospective Kambalda / Widgiemooltha nickel province of Western Australia (See Fig. 1). Parmelia is currently engaged in a comprehensive review of nickel sulphide opportunities with the view to establishing a portfolio of high quality nickel sulphide assets. Spa Go West is an important addition to the portfolio and is considered to be a strategic acquisition for Parmelia.

### *Project Background*

The Spa Go West Project is located about 65km south of Kalgoorlie and 30km south-west of Kambalda in the Eastern Goldfields region of Western Australia. The project area envelops Mithril Resources' (ASX:MTH) 80% owned Logan's Find Project both north and south along strike of its highly prospective Hendrix and Floyd nickel-sulphide exploration targets (See Fig. 1).

## *Tenure*

The Spa Go West Project comprises pending Exploration Licence E15/1410 held by Maincoast Pty Ltd. It covers an area of 34 blocks subject to excision by existing overlapping tenements on granting.

## *Geology & Mineralisation*

Spa Go West is located on the western boundary of the Norseman-Wiluna Belt. The project area encompasses approx. 15km strike-extent of a felsic volcanic, komatiite and basalt sequence on the western side of a SSE-plunging anticlinal feature called the Spagoville Anticline. The komatiitic sequence is known as the Spagoville Ultramafic Belt and in the vicinity of the project area, on the western side of the Spagoville Dome, the formation comprises south-west dipping and facing Upper (western) and Lower (eastern) komatiitic flows separated by felsic volcanic and basaltic rocks.

Mithril Resources' (ASX:"MTH") Hendrix and Floyd nickel-sulphide prospects are situated on the basal contact of the Lower Flow within its Logan's Find Project. They comprise anomalous Ni, Cu & PGE's in MTH soil samples & historical INCO drilling co-incident with conductivity anomalies recently identified by MTH. Hendrix is particularly prospective having returned a best intersection of 30 feet or 9.1m @ 2.5% Ni and 155ppm Cu from the weathered zone 35 feet (10.7m) down a 1970 INCO percussion hole that is adjacent to a MTH conductivity anomaly (refer ASX:MTH 7th & 27th March 2014). Both prospects are currently being drilled by MTH (refer ASX:MTH 23rd May 2014).

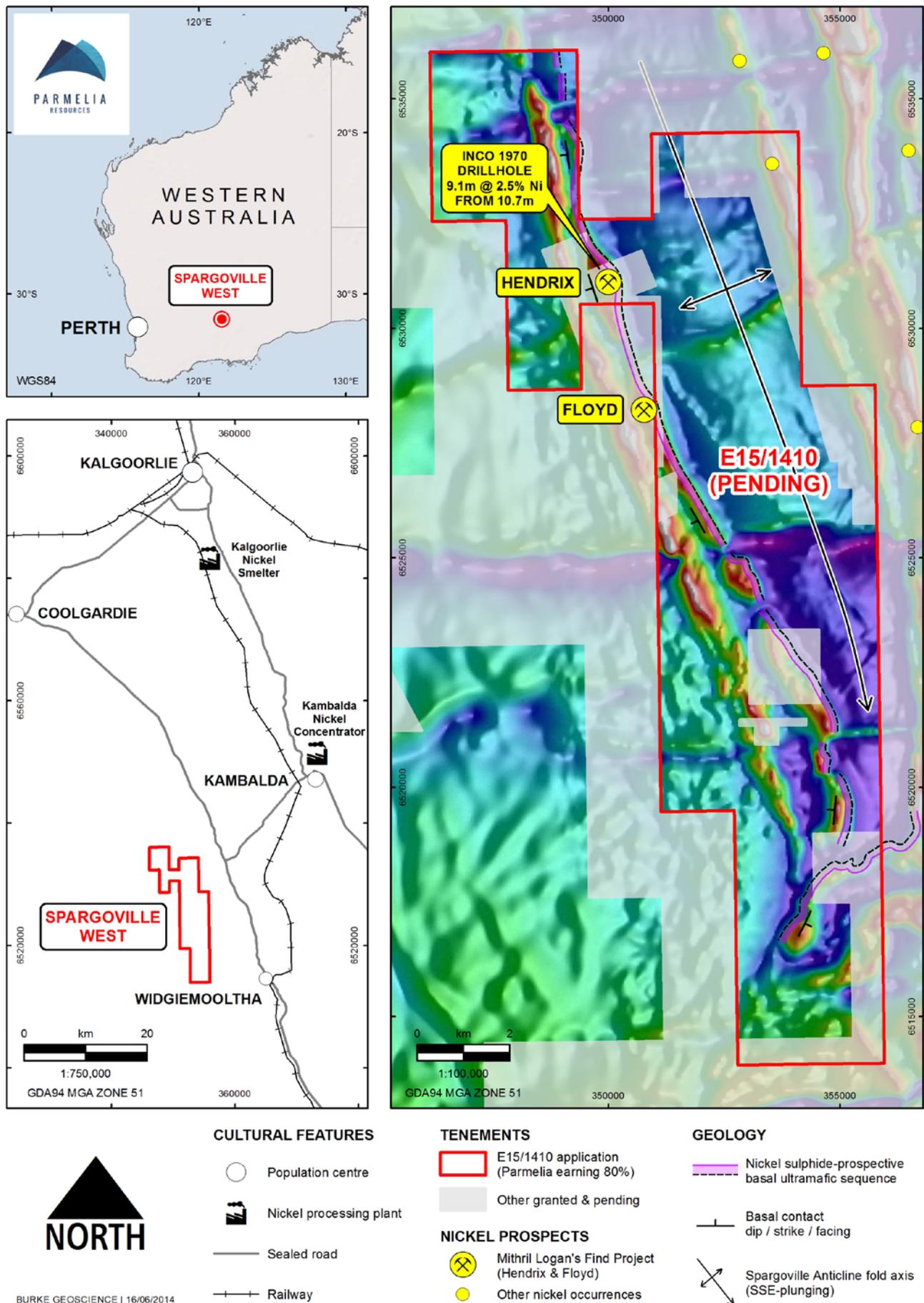
The Spagoville nickel-sulphide mining centre is located on the eastern side of the Spagoville Anticline. Therefore, assuming that both sides share the same stratigraphy, the ultramafic rocks on the western side of the fold in the vicinity of the project area could potentially be as prospective as those in the east thus further supporting Spa Go West's nickel-sulphide exploration potential.

## *Nickel-Sulphide Exploration Potential*

The Spa Go West Project encompasses about a 15km strike-extent of the prospective basal contact of the Lower Flow of Spagoville Ultramafic Belt both north and south along strike of Hendrix and Floyd. The northern flank of the Hendrix lava channel just overlaps E15/1410. The Ni-Cu-PGE soil anomaly continues up to the tenement boundary but the EM anomaly terminates before the boundary (refer ASX:MTH 17th February & 27th March 2014).

PML has so far identified three conceptual nickel-sulphide exploration targets within the project area that are thought to comprise inferred lava channel pathways on the basal contact of the Lower Flow. Potential exists for numerous other similar targets along strike within the project area.

Ultramafic stratigraphy within the project area is possibly contemporaneous to that which hosts the Spagoville Mining Centre on the other side of the Spagoville Anticline.



**Figure 1:** Location of tenement E15/1410, featuring the location of nickel-sulphide prospective ultramafic stratigraphy and Mithril Resources' Logan's Find nickel-sulphide prospects together with important infrastructure and processing facilities. Background image is TMI RTP aeromagnetic imagery. (Map not displayed at exact scale).

## Agreement

The key terms of the Agreement are as follows:

- Maincoast has granted Parmelia the sole and exclusive right to farm in and earn an 80% interest in the Tenement in consideration for Parmelia paying \$15,000 cash and issuing 2.5 million shares to Maincoast. Maincoast has agreed to enter into a voluntary escrow agreement in respect of the 2.5 million shares pursuant to which it will be restricted from selling those shares for 12 months.
- In order to earn an 80% interest in the Tenement, Parmelia must complete 10 line kilometres of moving loop electromagnetic survey and an aggregate of 1,000 metres of reverse circulation and/or diamond drilling on the Tenement within 2 years.
- Parmelia may elect to withdraw from the Agreement at any time before it completes the earn in of the 80% interest in the Tenement.
- If there is a nickel sulphide discovery (being a first drill hole intersection of at least 5 contiguous metres with a minimum grade 2.5% Ni, 1000ppm Cu and 2% S) or gold discovery (being a minimum JORC 2012 mineral resource estimation of 100,000 oz of contained gold with an average grade of 2g/t) on the Tenement, Parmelia will issue to Maincoast the number of shares equivalent to a 15% interest in Parmelia at that time, subject to shareholder approval under Listing Rule 7.1 (if required).
- Upon completing the earn in of the 80% interest in the Tenement, Parmelia will sole fund exploration on the Tenement until completion of a bankable feasibility study (**BFS**). Once a BFS is completed, if the parties elect to proceed with a mining operation, they will enter into a separate mining joint venture agreement and will contribute to expenditure in proportion to their respective joint venture interests.

## Revised Entitlement Offer Timetable

Parmelia refers to its announcement dated 6 June 2014 about the Company's proposed Rights Issue, and advises that the indicative timetable of the Rights Issue has been revised in accordance with the table set out below. The Company now expects to lodge a prospectus with ASX and ASIC on Wednesday, 18 June 2014, and it is anticipated that the Rights Issue offer will open on Friday, 27 June 2014.

EVENT	DATE
Announcement of rights issue and Appendix 3B lodged	6 June 2014
Prospectus lodged with ASIC and ASX	18 June 2014
Notice sent to Shareholders containing information required for Appendix 3B in relation to the Rights Issue	19 June 2014
"Ex" date	20 June 2014
Record date to determine Entitlements under the Rights Issue	24 June 2014
Opening date of Rights Issue	27 June 2014
Despatch prospectuses and application forms	27 June 2014
Closing date for acceptances under the Rights Issue	18 July 2014

Options quoted on a deferred settlement basis	21 July 2014
Company notifies ASX of under-subscription	23 July 2014
Issue date	25 July 2014
Trading of New Options expected to commence	28 July 2014

### ***Additional Opportunities***

The company continues to evaluate several additional opportunities and is actively engaged in negotiations with respect to these possible opportunities. Further details will be made available to the market if and when negotiations reach a successful conclusion.

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

Phone +61 (0)8 6141 3500

Fax +61 (0)8 6141 3599

[www.parmeliareources.com](http://www.parmeliareources.com)

**Nigel Gellard**  
**Executive Chairman**

#### *Competent Persons Statement*

*The information in this report that relates to Exploration Results is based on, and fairly represents, information compiled by Mr. Stephen Burke, who is a Member of the Australian Institute of Geoscientists and who has had sufficient experience which is relevant to the style of mineralisation 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. Burke 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.*