



# PARMELIA RESOURCES

ACN 142 901 353

## PROSPECTUS

For a non-renounceable rights issue of one (1) New Option for every two (2) Shares held, at an issue price of \$0.005 per New Option, to raise approximately \$166,896 before costs (**Rights Issue**).

And for an issue of up to 5,000,000 New Options to Consultants in consideration for services rendered to the Company by the Consultants (**Consultants Issue**).

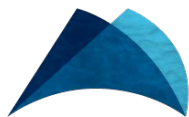
Each New Option is exercisable at \$0.05 on or before 5.00pm (WST) on 30 May 2017.

### **Important Information**

*This document is important and should be read in its entirety. If, after reading this Prospectus, you have any questions about the New Options being offered under this Prospectus or any other matter, then you should consult your professional adviser.*

*This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.*

**INVESTMENT IN THE NEW OPTIONS OFFERED BY THIS PROSPECTUS SHOULD BE CONSIDERED SPECULATIVE.**



## IMPORTANT NOTICE

### 1. PROSPECTUS

This Prospectus is dated 18 June 2014 and a copy of this Prospectus was lodged with ASIC on that date. ASIC takes no responsibility for the contents of this Prospectus.

No New Options will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Parmelia Resources Limited (**Parmelia** or the **Company**) has applied to ASX for quotation of the New Options offered under this Prospectus. ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may quote the New Options is not to be taken in any way as an indication of the merits of the Company.

In making representations in this Prospectus, regard has been made to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. Further information is provided in Sections 7.8 and 7.9 of this Prospectus.

Applications for New Options offered pursuant to this Prospectus can only be submitted on the applicable original Application Form which accompanies this Prospectus.

### 2. DISCLAIMER AND RISK FACTORS

The information contained in this Prospectus is not investment advice. Before deciding to invest in the Company, you should read and understand the entire Prospectus and, in particular, in considering the Company's prospects, you should consider the risk factors that could affect the Company's performance. You should carefully consider these factors in Section 6 in light of your personal circumstances (including financial and taxation issues) and seek advice from your professional adviser before deciding to invest. Investing in the Company involves risks.

Any references to past performance of the Company are no guarantee of future performance.

### 3. NO REPRESENTATIONS OTHER THAN THIS PROSPECTUS

No person is authorised to give any information or to make any representation in connection with the Rights Issue that is not contained in this Prospectus or has not been released to ASX with the authorisation of the Company.

The Application Form accompanying this Prospectus is important. Please refer to the instructions in Section 4 of this Prospectus regarding the acceptance of the Rights Issue.

### 4. FORWARD LOOKING INFORMATION

Some of the statements appearing in this Prospectus may be in the nature of forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. You should be aware that such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate.

Forward looking statements are subject to many inherent risks and uncertainties before actual outcomes are achieved. Those risks and uncertainties include factors and risks specific to the industry in which the Company operates as well as general economic conditions, interest rates, exchange rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and any variation may be materially positive or negative. Forward looking information (including forecast financial information) is subject to uncertainty and contingencies, many of which are outside the control of the Company.

### 5. NO COOLING OFF RIGHTS APPLY TO THIS OFFER

Cooling off rights do not apply to an investment pursuant to the Offers. This means that, in most circumstances, you cannot withdraw your Application Form once it has been lodged.

## 6. OFFER RESTRICTIONS ON DISTRIBUTION

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to lodge this Prospectus in any jurisdiction outside of Australia or to otherwise permit a public offering of New Options in any jurisdiction outside Australia. This Prospectus is not to be distributed in, and the Offers are not to be made in, countries other than Australia and New Zealand.

The New Options have not been and will not be registered under the US Securities Act of 1933 and may only be offered, sold or resold in, or to persons in, the United States in accordance with an available exemption from registration.

It is the responsibility of any Applicant under the Rights Issue to ensure compliance with any laws of a country relevant to their application. Return of a duly completed Application Form will be taken by the Company as a representation that there has been no breach of such laws, that the Applicant is an Eligible Shareholder and that the Applicant is physically present in Australia or New Zealand. Ineligible Foreign Shareholders should refer to Section 2.12 of this Prospectus for details of how their Entitlement will be dealt with.

## 7. PROSPECTUS AVAILABILITY

This Prospectus is available in electronic form at [www.parmeliaresources.com.au](http://www.parmeliaresources.com.au) for persons within Australia only. Persons who access the electronic form of this Prospectus must ensure that they download and read the entire Prospectus before completing an Application Form. A printed copy of this Prospectus is available free of charge by calling the Company.

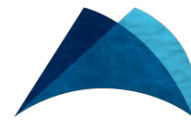
The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## 8. DEFINITIONS AND GLOSSARY, FINANCIAL AMOUNTS AND TIME

Definitions of certain terms used in this Prospectus are contained in Section 9. Unless otherwise indicated, all references to currency are to Australian dollars and all references to time (such as “WST”) are to Perth, Western Australian time, unless otherwise indicated.



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## IMPORTANT DATES

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

*The above dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend these dates without prior notice including extending the last date for receipt of the Application Form, or to delay or withdraw the Rights Issue at any time without prior notice. If withdrawn, all Application Monies for New Options which have not been issued will be refunded (without interest) as soon as practicable.*



## WHAT YOU NEED TO DO TO APPLY FOR NEW OPTIONS

### READ

Read this Prospectus in full paying careful attention to the benefits and risks associated with acceptance of the Offers.

### CONSIDER AND CONSULT

After reading the Prospectus, consider whether the investment and its risk profile is suitable for you in light of your particular financial position and investment objectives. If necessary please consult with your financial or investment adviser before making an investment decision.

### COMPLETE APPLICATION FORM

If you are an Eligible Shareholder under the Rights Issue and have decided to take up your Entitlement in full or in part, complete the Application Form accompanying this Prospectus and lodge the form together with your Application Money by **5:00pm (WST) on 18 July 2014**.

**If you have any queries concerning the Rights Issue or what to do with this Prospectus, please contact:**

Parmelia Resources Limited Shareholder Information Line

Telephone number: 1300 850 505 (within Australia) or  
+61 (0)8 9323 2000 (outside Australia)  
From 8:30am to 5:00pm EST, Monday to Friday

**Or contact your stockbroker or professional adviser.**



1. INVESTMENT OVERVIEW

QUESTION	RESPONSE	FURTHER DETAIL
What is being offered under this Prospectus?	<p><b>Rights Issue</b></p> <p><i>A non-renounceable entitlement issue of one (1) New Option for every two (2) Shares held by Shareholders registered at the Record Date at an issue price of \$0.005 per New Option.</i></p> <p><b>Consultant Issue</b></p> <p><i>An issue of 5,000,000 New Options to the Consultants at no cost as consideration for services rendered by the Consultants to the Company. Refer to section 2.2 for further details.</i></p> <p><i>Each New Option issued under the Rights Issue and Consultant Issue is exercisable at \$0.05 on or before 5.00pm (WST) on 30 May 2017.</i></p>	Section 2.1
What is the purpose of the Rights Issue?	<p><i>The purpose of the Rights Issue is:</i></p> <p><i>(a) to reward Shareholders for their ongoing support of the Company; and</i></p> <p><i>(b) to raise \$166,896 before costs.</i></p>	Section 3.1
How will the proceeds of the Rights Issue be used?	<p><i>For further exploration on the Company's existing projects, general working capital and costs of the Rights Issue.</i></p>	Section 3.2
Who can participate in the Rights Issue?	<p><i>Current Australian and New Zealand Shareholders may participate in the Rights Issue.</i></p>	Section 2.12
What are my alternatives in respect of the Rights Issue?	<p><i>If you are an Eligible Shareholder, you may:</i></p> <p><i>(a) take up all or part of your Entitlement;</i></p> <p><i>(b) take up all of your Entitlement and apply for Additional Options; or</i></p> <p><i>(c) allow all or part of your Entitlement to lapse.</i></p>	Section 4.1
What is the effect of the Offers on the control of the Company?	<p><i>Assuming all New Options are issued and exercised, the potential effect of the Rights Issue on control of the Company is as follows:</i></p> <p><i>(a) If all Eligible Shareholders take up their Entitlements under the Rights Issue, the Rights Issue will have no significant effect on the control of the Company.</i></p> <p><i>(b) If some Eligible Shareholders do not take up all of their Entitlements under the Rights Issue, the interests of those Eligible Shareholders will be diluted.</i></p> <p><i>(c) If some Eligible Shareholders take up all of their Entitlements and some of the Shortfall Options under the Rights Issue, the interests of those Eligible Shareholders will increase.</i></p> <p><i>(d) The proportional interests of Ineligible Foreign Shareholders will be diluted because those Ineligible Foreign Shareholders are not entitled to participate in the Rights Issue.</i></p>	Section 2.17





QUESTION	RESPONSE	FURTHER DETAIL
	<i>The Consultants Issue will have no significant effect on the control of the Company.</i>	
Is the Rights Issue underwritten?	No	Section 2.5
How will any shortfall under the Rights Issue be allocated?	<i>Directors reserve the right to issue Shortfall Options at their absolute discretion.</i>	Section 2.9
What are the key risks?	<p><i>The key risks that may affect the Company are:</i></p> <ul style="list-style-type: none"> <li><i>(a) the Company will require additional capital in the short term (in addition to that raised under this Rights Issue) in order to fund its ongoing exploration activities – the failure to raise capital if and when needed could delay or suspend the Company's business strategy, could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern;</i></li> <li><i>(b) the Company's interest in its tenements is subject to licence conditions and minimum expenditure requirements – it may lose its interest in those tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments;</i></li> <li><i>(c) the Company's tenements each have an expiry date – it may lose its interest in those tenements if they are not renewed as and when required;</i></li> <li><i>(d) from time to time the Company enters into option agreements pursuant to which it is granted options to acquire interests in tenements – there is a risk of default or that the counterparties will not comply with the terms and conditions of those option agreements in which case the Company's interest in those tenements will be adversely affected;</i></li> <li><i>(e) any additional capital raised by the Company could dilute existing Shareholders;</i></li> <li><i>(f) mineral exploration, development and mining are inherently high-risk enterprises, only occasionally providing high rewards and there is no guarantee the Company's activities will result in the discovery of an economically viable mineral deposit;</i></li> <li><i>(g) the Company may be adversely affected by changes in commodity prices, interest rates and exchange rates;</i></li> <li><i>(h) the Company relies on its Executive Chairman and other key personnel to carry out its day to day operations – if a member of key personnel leaves the Company, those operations may be adversely affected;</i></li> <li><i>(i) the Company currently holds assets in Mongolia and may in the future acquire assets in other foreign jurisdictions – the legal and commercial business environment in these jurisdictions is different to Australia, which can involve significant political</i></li> </ul>	Section 6



QUESTION	RESPONSE	FURTHER DETAIL
	<p><i>instability and sovereign risk for the Company, including the risk of political change, lack of law enforcement and the enactment of new laws which may adversely impact the Company or create legal or commercial uncertainty.</i></p> <p><i>See Section 6 for a more comprehensive list and explanation of the potential risks faced by the Company.</i></p>	
What are the key dates for the Rights Issue?	<p><i>"Ex date": 20 June 2014</i></p> <p><i>Record date: 24 June 2014</i></p> <p><i>Offer opens: 27 June 2014</i></p> <p><i>Offer closes: 18 July 2014</i></p> <p><i>New Options issued: 25 July 2014</i></p> <p><i>Trading commences: 28 July 2014</i></p>	Page 1 above

## 2. DETAILS OF THE OFFERS

### 2.1 Rights Issue

The Company is conducting a non-renounceable rights issue of one (1) New Option for every two (2) Shares held, at an issue price of \$0.005 per New Option, to raise approximately \$166,896 before costs (**Rights Issue**).

Each New Option will:

- (a) be listed (subject to ASX granting quotation);
- (b) have an exercise price of \$0.05; and
- (c) expire at 5:00pm (WST) on 30 May 2017.

As noted in Section 2.14, application has been made for quotation of the New Options on ASX.

As noted also in Section 2.9, Eligible Shareholders (other than Directors and related parties of the Company) will be able to apply for Additional Options in excess of their Entitlements.

### 2.2 Consultants Issue

This Prospectus is also for the offer of 5,000,000 New Options to Consultants, at no issue price, as consideration to Consultants for services rendered to the Company. The grant of these New Options under the Consultants Issue is independent of the outcome of the Rights Issue or any Shortfall Offer. Refer to section 2.20 for further details.

The Consultants Issue is a separate offer to the Rights Issue and is only open to Consultants invited to participate by the Board. The Consultants will not be related parties of the Company.

The New Options issued under the Consultants Issue will be issued under the Company's 15% capacity in Listing Rule 7.1.

### 2.3 Fractional Entitlements

Fractional Entitlements of the Rights Issue will be rounded down to the nearest whole number of New Options. For this purpose, holdings in the same name are aggregated for calculation of Entitlements.

### 2.4 Brokerage and Stamp Duty Costs

No brokerage or stamp duty is payable by Eligible Shareholders or the Consultants on the issue of New Options under this Prospectus.

### 2.5 Underwriting

The Rights Issue and the Consultants Issue are not underwritten.

### 2.6 Opening and Closing Date

The Rights Issue will open for receipt of acceptances on 27 June 2014. The Closing Date for acceptance of your Entitlement is 5.00 pm WST on 18 July 2014.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the last date for receipt of the Application Form, or to delay or withdraw the Rights Issue at any time without prior notice, in which case all Application Monies for New Options which have not been issued will be refunded (without interest) as soon as practicable.

### 2.7 Purpose of the Rights Issue

The Company expects to receive approximately \$166,896 under the Rights Issue (before costs) and proposes to use the proceeds as set out in Section 3.



## 2.8 Entitlements under the Rights Issue

Eligible Shareholders who are on the Company's Share register at the close of business on the Record Date, being 24 June 2014, will receive rights to acquire one (1) New Option for every two (2) Shares held at an issue price of \$0.005 per New Option.

An Application Form setting out an Eligible Shareholder's Entitlement to New Options accompanies this Prospectus.

The Rights Issue is non-renounceable, and therefore the Entitlements are not transferable and cannot be traded on ASX or any other exchange or privately transferred. Eligible Shareholders will not receive any value if they do not take up their Entitlement for New Options.

## 2.9 Application for Additional Options

Eligible Shareholders (other than directors and related parties of the Company) may, in addition to taking up their Entitlements in full, apply for Additional Options in excess of their Entitlements. Additional Options will only be available where there is a shortfall between Applications received from Eligible Shareholders and the number of New Options proposed to be issued under the Rights Issue. Additional Options will be issued on the same terms as other New Options issued under this Prospectus.

Subject to the Corporations Act and the Listing Rules, the Directors will exercise their discretion in determining allocations of Additional Options applied for by Eligible Shareholders. It is an express term of the offer that Eligible Shareholders who apply for Additional Options are bound to accept a lesser number of Additional Options than applied for, or may be allocated no Additional Options at all.

In the event Eligible Shareholders who apply for Additional Options are allocated a lesser number of Additional Options than applied for, or are allocated no Additional Options, any excess Application Monies will be refunded without interest.

## 2.10 Shortfall Offer

Any Entitlement not taken up pursuant to the Rights Issue (including applications for Additional Options) will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each New Option to be issued under the Shortfall Offer (**Shortfall Options**) shall be \$0.005 being the price at which New Options have been offered under the Rights Issue.

The Directors reserve the right to issue Shortfall Options at their absolute discretion.

## 2.11 Application required for New Options

A detailed explanation of the actions required by Eligible Shareholders to apply for New Options is set out in Section 4.

## 2.12 Treatment of overseas Shareholders under the Rights Issue

The Company is of the view that it is unreasonable to make the Rights Issue offer to any Shareholder whose registered address as at the Record Date is outside of Australia or New Zealand having regard to:

- (a) the number of Shareholders outside these jurisdictions;
- (b) the number and value of the New Options that could be offered outside these jurisdictions; and
- (c) the cost of complying with applicable regulations in jurisdictions outside these jurisdictions.

This Prospectus has not been and will not be registered under the securities laws of jurisdictions outside these jurisdictions. Accordingly, no Application Forms will be sent, and no offer will be made, to Ineligible Foreign Shareholders. This Prospectus (without an Application Form) will be sent to them for information purposes only.

Eligible Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed.

Non-Australian Eligible Shareholders should note that the Rights Issue is being conducted in accordance with the laws in force in Australia and the Listing Rules.

The Rights Issue offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Options.

Recipients of this Prospectus may not send or otherwise distribute this Prospectus or the Application Form to any person outside Australia (other than to Eligible Shareholders).

### 2.13 Minimum Subscription

There is no minimum subscription for the Rights Issue.

### 2.14 Applying for quotation of New Options

The Company has already applied to ASX for the New Options to be granted quotation.

If ASX does not grant quotation of the New Options offered pursuant to this Prospectus within three months after the date of this Prospectus (or such period as varied by ASIC), the Company will not issue any New Options and will repay all application monies for the New Options within the time period prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation of the New Options is not to be taken in any way as an indication of the merits of the Company or the New Options now offered for subscription.

### 2.15 Issue of New Options under the Rights Issue

New Options will be issued only after all Application Monies have been received. It is expected that New Options will be issued on or about 25 July 2014 and normal trading of the New Options on ASX is expected to commence on or about 28 July 2014.

All Application Monies received before New Options are issued will be held in a special purpose account. After any Application Money is refunded (if required) and New Options are issued to Applicants, the balance of funds in the account plus any accrued interest will be received by the Company.

### 2.16 CHES

The Company participates in the Clearing House Electronic Sub-register System, known as CHES, operated by ASX Settlement Pty Ltd (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Operating Rules.

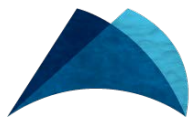
Under CHES, Applicants will not receive a certificate but will receive a statement that sets out the number of New Options issued to each successful Applicant under this Prospectus.

It is the responsibility of Applicants to determine their allocation before trading in the New Options. Applicants who sell New Options before they receive their statement do so at their own risk.

### 2.17 Effect of the Rights Issue on the Control of the Company

Generally, Eligible Shareholders who take up their Entitlement in full should not have their interest in the Company diluted by the Rights Issue (subject to immaterial movements as a result of rounding of Entitlements).

The potential effect of the Rights Issue on the control of the Company (assuming all New Options are exercised) is as follows:



- (a) If all Eligible Shareholders take up their Entitlements under the Rights Issue, the Rights Issue will have no significant effect on the control of the Company.
- (b) If some Eligible Shareholders do not take up all of their Entitlements under the Rights Issue, the interests of those Eligible Shareholders will be diluted.
- (c) If some Eligible Shareholders take up all of their Entitlements and some of the Additional Options or Shortfall Options under the Rights Issue, the interests of those Eligible Shareholders will increase.
- (d) The proportional interests of Ineligible Foreign Shareholders will be diluted because those Ineligible Shareholders are not entitled to participate in the Rights Issue.

#### 2.18 Rights attaching to New Options

A summary of the important rights attaching to the New Options (and to the Shares issued on exercise of the New Options) is contained in Section 5.1 of this Prospectus.

#### 2.19 Risk Factors

An investment in the Company carries certain risks that may impact on the future prospects of the Company and the value of the Company's securities. The New Options should be considered speculative. The Directors recommend that potential investors carefully consider this Prospectus and consult their professional advisors before deciding whether to apply for New Options pursuant to this Prospectus.

The risk factors affecting an investment in the Company are discussed in detail in Section 6 of this Prospectus.

#### 2.20 Application for New Options under the Consultants Issue

This Prospectus is also for the offer and issue of 5,000,000 New Options to the Consultants. The issue of these New Options to the Consultants is independent of the outcome of the Rights Issue and the Shortfall Offer.

An application for 5,000,000 New Options can only be made on the separate Application Form, entitled "Consultants Issue Application Form", which will be sent by the Company to Consultants invited to participate in the Consultants Issue.

No consideration is payable with the Consultants Issue Application Form. The completed form is to be lodged at the Company's registered office:

Street: Level 4, 66 Kings Park Road  
West Perth WA 6005

Postal: PO Box 52  
West Perth WA 6872

Telephone: +61 (0)8 6141 3500

Facsimile: +61 (0)8 6141 3599



### 3. PURPOSE AND EFFECT OF THE OFFERS

#### 3.1 Purpose of the Offers

The purpose of the Rights Issue is to:

- (a) to reward Shareholders for their ongoing support of the Company; and
- (b) to raise \$166,896 before costs.

The purpose of the Consultants Issue is to provide consideration to Consultants for services rendered to the Company.

#### 3.2 Use of funds

The funds raised from the Rights Issue will be applied towards the following:

- (a) exploration on the Company's existing projects;
- (b) general working capital; and
- (c) meeting the costs of the Rights Issue.

No funds will be raised from the Consultants Issue.

The proposed use of funds raised under the Rights Issue is summarised as follows:

Use of Funds	Amount (\$)
Exploration of Existing Projects	100,000
Working capital and administration	42,171
Costs of the Rights Issue	24,725
<b>TOTAL FUNDS APPLIED</b>	<b>\$166,896</b>

#### 3.3 Effect of the Offers

The principal effects of the Rights Issue will be to:

- (a) increase the Company's cash reserves by approximately \$166,896 (before taking into account the costs of the Rights Issue and prior to the deployment of those funds); provide the Company with additional capital for the purposes referred to in Section 3.1 and 3.2; and
- (b) increase the total number of issued Options (refer to Section 3.4).

Pro forma financial information summarising the effects of the Rights Issue is provided in Section 3.5.

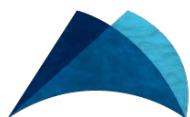
The principal effect of the Consultants Issue will be to increase the number of issued Options by 5 million.

#### 3.4 Effect on Capital Structure

This section sets out the effect of the Rights Issue and Consultants Issue on the capital structure of the Company. It assumes that none of the existing Options on issue are exercised prior to the Record Date.

Set out below is the existing Share capital structure of the Company (as at the date of this Prospectus), together with the impact of the Rights Issue.

Ordinary Shares	Number
Existing Issued Capital	66,758,331
Shares offered pursuant to the Rights Issue and Consultant Options	Nil
<b>TOTAL ORDINARY SHARES</b>	<b>66,758,331</b>



In addition, the Company has on issue the following unlisted Options as at the date of this Prospectus and the table below sets out for illustrative purposes only the impact of the issue of the New Options under the Offers.

Options	Expiry Date	Exercise Price	Number
Unlisted Options as at the date of the Prospectus	30 June 2014	\$0.28	335,000
	25 August 2014	\$0.25	2,000,000
	31 October 2016	\$0.065	4,500,000
	15 November 2016	\$0.15	15,941,667

Options	Number
Total number of Options as at the date of the Prospectus (see above)	22,776,667
New Options offered pursuant to the Rights Issue	33,379,166
New Options issued pursuant to the Consultants Issue	5,000,000
<b>TOTAL OPTIONS</b>	<b>61,155,833</b>

### 3.5 Effect of the Rights Issue on the Company's Financial Position

Set out below for illustrative purposes is the unaudited consolidated statement of financial position as at 31 December 2013 including the effect of the Rights Issue, assuming that:

- the issue of 33,379,166 New Options offered pursuant to the Rights Issue at \$0.005 per New Option to raise approximately \$166,896 has been completed; and
- the estimated costs of the Rights Issue are approximately \$24,725.







## Unaudited Statement of Financial Position at 31 December 2013

	REVIEWED 31 December 2013 \$	PRO FORMA 31 December 2013 \$
<b>CURRENT ASSETS</b>		
Cash	606,878	749,049
Trade and other receivables	68,514	68,514
Other assets	15,626	15,626
<b>TOTAL CURRENT ASSETS</b>	<b>691,018</b>	<b>833,189</b>
<b>NON-CURRENT ASSETS</b>		
Term deposit	48,421	48,421
Exploration and evaluation	2,184,188	2,184,188
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,232,609</b>	<b>2,232,609</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	244,149	244,149
<b>TOTAL CURRENT LIABILITIES</b>	<b>244,149</b>	<b>244,149</b>
<b>NON-CURRENT LIABILITIES</b>		
Trade and other payables	41,400	41,400
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>41,400</b>	<b>41,400</b>
<b>NET ASSETS</b>	<b>2,638,078</b>	<b>2,780,249</b>
<b>EQUITY</b>		
Issued capital	5,282,089	5,282,089
Reserves	154,232	296,403
Accumulated losses	(2,798,243)	(2,798,243)
<b>TOTAL EQUITY</b>	<b>2,638,078</b>	<b>2,780,249</b>

Note: The Company's cash position at 31 March 2014 was \$343,000.

### 3.6 Market Price of Shares

The highest and lowest closing market prices of the Shares on ASX during the three (3) months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales, are:

-  Highest: \$0.035 on 19 March 2014
-  Lowest: \$0.013 on 12 May 2014

The volume weighted average sale price on ASX of the Shares during the three (3) months immediately preceding the date of lodgement of this Prospectus with ASIC (**VWAP**) is \$0.0236.

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.021 on 16 June 2014.



## 4. ACTION REQUIRED BY ELIGIBLE SHAREHOLDERS

### 4.1 What Eligible Shareholders may do

The number of New Options to which Eligible Shareholders are entitled (your Entitlement) is shown on the accompanying Application Form.

If you do not take up your Entitlement, then your percentage holding in the Company will be diluted (assuming the New Options are exercised).

As an Eligible Shareholder you may:

- (a) take up all or part of your Entitlement (refer to Section 4.2 below);
- (b) take up all of your Entitlement and apply for Additional Options (refer to Section 4.3 below); or
- (c) allow all or part of your Entitlement to lapse (refer to Section 4.4 below).

Ineligible Foreign Shareholders may not take any of the steps set out in Sections 4.2 to 4.3.

### 4.2 Taking up all or part of your Entitlement

You may take up all or part of your Entitlement by completing the Application Form and attaching payment to reach Computershare Investor Services Pty Limited (**Share Registry**) by no later than 5:00pm (WST) on the Closing Date or by paying by BPay.

The Offer Price for each New Option accepted under your Entitlement is payable on application. You have the following payment options:

- (a) By attaching to your completed Application Form a cheque, bank or money order in Australian currency for the amount of your Application Monies to "**Parmelia Resources Limited Option Issue**" and crossed "**Not Negotiable**".
- (b) You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Options you have applied for in your Application Form, you will be taken to have applied for such lower number of whole New Options as your cleared application monies will pay for (and to have specified that number of New Options on your Application Form). Alternatively, your Application will not be accepted.
- (c) Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the applicant to ensure that funds are submitted through BPay® by the date and time mentioned above.
- (d) If paying via BPay®:
  - (i) you must follow the instructions for BPay® set out in the Application Form;
  - (ii) you do not need to return the Application Form but are taken to make each of the statements and representations on that form;
  - (iii) if you subscribe for less than your Entitlement or do not pay for your full Entitlement, you are taken to have accepted your Entitlement in respect of such whole number of New Options which is covered in full by your application monies; and
  - (iv) if your payment exceeds the amount payable for your full Entitlement, you are taken to have accepted your Entitlement in full and to have applied for such number of Additional Options which is covered in full by your Application Monies.

### 4.3 Applying for Additional Options

As detailed in Section 2.9 above, Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to taking up their Entitlements in full, apply for Additional Options in excess of their Entitlements.

If you wish to subscribe for Additional Options in addition to your Entitlement, then you should nominate the maximum number of Additional Options you wish to subscribe for on the Application Form and make payment for your full Entitlement and the Additional Options (at the Offer Price of \$0.005 for each Additional Option).

Eligible Shareholders who apply for Additional Options may be allocated a lesser number of Additional Options than applied for, or may be allocated no Additional Options at all, in which case excess Application Monies will be refunded without interest.

#### 4.4 Allow all or part of your Entitlement to lapse

If you wish to allow all or part of your Entitlement to lapse, you are not obliged to do anything in relation to that part of your Entitlement.

Entitlements of Eligible Shareholders are non-renounceable, which prevents Eligible Shareholders who do not wish to accept some or all of their Entitlement from transferring, selling or trading their rights on ASX.

#### 4.5 Enquiries

If you have any questions about your Entitlement, please contact the Company's Share Registry, Computershare Investor Services Pty Limited, the address and contact details for which are given in the Corporate Directory section located at the end of this Prospectus. Alternatively, contact your stockbroker or other professional adviser.

#### 4.6 Privacy

Applicants will provide personal information to the Company and the Share Registry. Company laws and tax laws require some of the information to be collected and kept. The Company will collect, hold and use the information provided by Applicants to process applications and to administer investments in the Company.

If the information requested in the Application Form is not provided, the Company and the Share Registry may not be able to process the relevant application.

The Company may disclose personal information for purposes related to shareholders' investments to the Company's agents and service providers. The types of agents and service providers that may be provided with personal information and the circumstances in which personal information may be shared are:

- (a) the Share Registry for ongoing administration of the shareholder register;
- (b) printers and other companies for the purpose of preparation and distribution of statements and for handling mail; and
- (c) legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering and advising on the Shares and Options and for associated actions.

The Company complies with its legal obligations under the *Privacy Act 1988* (Cth).

Shareholders may request access to their personal information held by (or on behalf of) the Company, and may be required to pay a reasonable charge to the Share Registry in order to access this personal information. Request for access to personal information should be made by writing to or telephoning the Share Registry, the address and contact details for which are given in the Corporate Directory section located at the end of this Prospectus.

## 5. RIGHTS AND LIABILITIES ATTACHING TO NEW OPTIONS

### 5.1 Rights attaching to New Options

The New Options issued pursuant to this Prospectus will be issued on the following terms and conditions:

- (a) Each New Option will entitle the holder to subscribe for one Share at an exercise price of \$0.05.
- (b) The New Options are exercisable at any time on or before 5.00pm (WST) on 30 May 2017 wholly or in part by delivering a duly completed form of notice of exercise to the Company, accompanied by payment of the exercise moneys. A notice of exercise is only effective when the Company has received the full amount of the exercise moneys in cleared funds.
- (c) All Shares issued on exercise of the New Options will rank equally in all respects with the Company's then existing Shares.
- (d) The New Options are freely transferable.
- (e) Application will be made to ASX for official quotation of the New Options. Application will be made to ASX for official quotation of all Shares issued pursuant to the exercise of New Options not later than 10 business days after the date of issue.
- (f) Holders of New Options may only participate in new issues of securities as Shareholders if a New Option has been exercised and a Share has been issued in respect of the New Option before the record date for determining entitlements to the issue. The Company must give at least 4 business days' notice to holders of any New Options before the record date for determining entitlements to the issue in accordance with the Listing Rules. This will give the holder of the New Options the opportunity to exercise their New Options prior to the record date for the new issue.
- (g) There will be no change to the exercise price of a New Option or the number of Shares over which a New Option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares (other than for a bonus issue, see further details in paragraph 5.1(h) below).
- (h) If there is a bonus issue to Shareholders (**Bonus Issue**), the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the New Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares of that class at the date of issue of the Bonus Shares.
- (i) If, prior to the expiry of any New Options, there is a reorganisation of the issued capital of the Company, the New Options shall be reorganised in the manner set out in the Listing Rules.

### 5.2 Rights attaching to Shares

The Company is incorporated in Australia and is subject to the Corporations Act. As a company listed on ASX, the Company is also regulated by the Listing Rules.

The rights attaching to ownership of Shares (including Shares issued on the exercise of the New Options) are:

- (a) described in the Constitution; and
- (b) regulated by the Corporations Act, Listing Rules and the general law (the **applicable law**).

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours. The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. All Shares issued on the exercise of the New Options will, from the time they are issued, rank *pari passu* with all the Company's existing Shares.



(i) **Voting Right**

Subject to the Constitution of the Company and any rights or restrictions at the time being attached to a class of shares, at a general meeting of the Company every Shareholder present in person, or by proxy, attorney or representative has one vote on a show of hands, and upon a poll, one vote for each Share held by the Shareholder and for each partly paid share held, a fraction of one vote equal to the proportion which the amount paid up bears to the amounts paid or payable on that share. In the case of an equality of votes, the chairperson does not have a casting vote.

(ii) **Dividends**

Subject to the Corporations Act and the Listing Rules, the Directors may determine that a dividend (whether interim, final or otherwise) is payable and fix the amount, method and time for payment of the dividend.

(iii) **Winding up**

If the Company is wound up whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide amongst the Shareholders in specie or kind, the whole or any part of the assets of the Company and may for that purpose, set such value as the liquidator considers fair upon any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders of the Company.

(iv) **Transfer of Shares**

Generally, Shares are freely transferable, subject to satisfying the requirements of the Listing Rules, ASX Settlement Operating Rules, the ASX Clear Operating Rules and the Corporations Act. The Directors may decline to register any transfer of Shares but only where permitted to do so by the Corporations Act, the Listing Rules, ASX Settlement Operating Rules, the ASX Clear Operating Rules or under the Constitution.

(v) **Directors**

The Constitution and the Listing Rules contain provisions relating to the rotation and election of Directors.

(vi) **Calls on Shares**

Subject to the Corporations Act, the Constitution and the terms of issue of a share, the Company may, at any time, make calls on the shareholders of a share for all, or any part of, the amount unpaid on the share. If a shareholder of the Company fails to pay a call or instalment of a call, the Company may, subject to the Corporations Act and Listing Rules, commence legal action for all, or part of the amount due, enforce a lien on the share in respect of which the call was made or forfeit the share in respect of which the call was made.

(vii) **Further Increases in Capital**

Subject to the Corporations Act, the Listing Rules, the Constitution and any rights attached to a class of shares, the Company (under the control of the Directors) may issue shares and grant options over shares, on any terms, at any time and for any consideration, as the Directors resolve.

(viii) **Variation of Rights Attaching to Shares**

Subject to the Corporations Act, the Listing Rules, the Constitution and the terms of issue of shares in a particular class, the Company may vary or cancel rights attached to shares in that class by either special resolution passed at a general meeting of the holders of the shares in that class, or with the written consent of the holders of at least 75% of the votes in that class.

(ix) **General Meeting**

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations Act and the Listing Rules.



## 6. RISKS

### 6.1 Introduction

There are a number of factors, both specific to the Company and of a general nature to the business and economic climate which may, either individually or in combination, affect the future operating and financial performance of the Company, its prospects, its investment returns and the value of the Shares. These risks include, but are not limited to, the risks set out in this Section.

The risks have been separated into Company specific risks (described under Section 6.2) and risks associated with investing in the market generally (described under Section 6.3). The Company's specific risks have been based on an assessment by the Directors of the probability of the risk occurring and the impact of the risk if it is to occur. This assessment was based on the knowledge of the Directors as at the date of this Prospectus and therefore there is no guarantee or assurance that the importance of the different risks referred to below will not change.

Prospective investors should note that this Section is not an exhaustive list of the risks associated with an investment in the Company and it should be considered in conjunction with other information disclosed in this Prospectus.

### 6.2 Company-specific Risks

#### (a) Future capital requirements

The Company's activities will require substantial expenditures beyond the Company's current cash reserves. The Company will therefore require an additional capital raising in the short term (in addition to this Rights Issue) to successfully achieve all the objectives of the Company's overall business strategy in the future. If the Company is unable to raise debt or equity to fund expansion after the exhaustion of its existing cash and the net proceeds of the Rights Issue there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital in the short term could delay or suspend the Company's business strategy, could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

#### (b) Title to tenements

Title to the Company's tenements are governed by the respective legislation and are evidenced by the granting of licences or permits. Each licence or permit is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in these tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

#### (c) Licences and permits

The Company's mining exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences, concessions, leases, tenements, permits and regulatory consents which may be withdrawn or made subject to limitations. Maintaining tenements, obtaining renewals, or getting tenements granted, often depends on the Company being successful in obtaining the required statutory approvals for its proposed activities and that the licences, concessions, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

(d) **Option agreements**

From time to time the Company enters into option agreements pursuant to which it has the option to acquire an interest in exploration tenements. In those circumstances, the Company is reliant on the counterparties complying with the terms and conditions of those option agreements, failing which the Company's interest in those tenements may be adversely affected.

(e) **Exploration and development**

Prospective investors should understand that mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery. There is no assurance that exploration of the mineral interests currently held by the Company, or any other projects that may be acquired in the future, will result in the discovery of an economically viable mineral deposit. Even if an apparently viable mineral deposit is identified, there is no guarantee that it can be profitably exploited.

(f) **Joint venture parties, agents, and contractors**

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

If the Company becomes a minority participant in any joint venture it will face additional risks associated with having a lower voting power in that minority position.

(g) **Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies or resource projects.

(h) **Native title**

The Native Title Act recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans in relation to its projects in Australia.

Native Title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the Native Title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost its connection with the relevant land or waters. Native Title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.

Tenements granted before 1 January 1994 are valid or validated by the Native Title Act. For tenements to be validly granted (or renewed) after 1 January 1994, the future act regime established by the Native Title Act must be complied with. The existence of a Native Title claim is not an indication that Native Title in fact exists on the land covered by the claim, as this is a matter ultimately determined by the Federal Court.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining operations.

(i) **Commodity price volatility and foreign exchange risk on revenues and expenses**

The revenue the Company may derive through the sale of commodities exposes the income of the Company to commodity price risks. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, forward selling by producers, and production cost levels in major metal-producing regions.

Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities, as well as general global economic conditions. These factors may have an adverse effect on the price the Company receives for its commodities.

Furthermore, the price of commodities is denominated in United States dollars whereas the income and expenditure of the Company are, and will be taken into account, in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(j) **Resource estimates**

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available through drilling, sampling and similar examinations.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(k) **Environmental risks**

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures, or production costs, or reduction in levels of production at producing properties, or require abandonment or delays in development of new mining properties.





(l) **Reliance on key personnel**

The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

(m) **Government regulation**

The mining, processing, development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people, and other matters. Although the exploration and development activities of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

(n) **Mining is inherently dangerous**

The Company's business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risks, including: environmental hazards; industrial accidents; metallurgical and other processing problems; unusual or unexpected rock formations; structure cave-in or slides; flooding; fires and interruption due to inclement or hazardous weather conditions. These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability.

Whether income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development.

(o) **Disputes and litigation**

Common with other companies in the mining exploration industry, from time to time the Company may be involved in disputes or litigation in respect of its assets or operations.

(p) **Sovereign risk and political instability**

The Company currently holds assets in Mongolia and may in the future acquire assets in other foreign jurisdictions. There are risks that changes in the legal or commercial business environment in these jurisdictions, such as currency controls, price controls, regulatory changes and political changes, may adversely affect the Company's operations or the value of its assets. In addition, the legal systems and laws in these jurisdictions are different to Australia, which may lead to uncertainty for the Company in enforcing legal and contractual rights in those jurisdictions.

### 6.3 General Risks

(a) **Market price fluctuations**

The New Options, and Shares issued on the exercise of the New Options, are to be quoted on ASX, where the price may rise or fall. The New Options issued under this Prospectus, and Shares issued on the exercise of the New Options, carry no guarantee in respect of profitability, return of capital, or the price at which they may trade on ASX. The value of the New Options, and Shares issued on the exercise of the New Options, will be determined by the market and will be subject to a range of factors, many or all of which may be beyond the control of the Company and the management team.



**(b) Economic factors**

Changes in economic and business conditions or government policies in Australia or internationally may affect the fundamentals of the Company's target markets or its cost structure and profitability. Adverse changes in the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), consumer spending, and employment rates, are outside the control of the Company and the management team and may have an adverse effect on the financial performance and/or financial position of the Company.

**(c) Changes in Laws and Government Policy**

Changes in government regulations and policies (including changes to federal or state mineral resources legislation and royalties and carbon pricing), both domestically and internationally, may adversely affect the financial performance or the current and proposed operations generally of the Company and the attractiveness of an investment in the Company.

**(d) Taxation**

There may be tax implications arising from Applications for New Options, the receipt of dividends (both franked and unfranked) (if any) from the Company in respect of Shares issued on the exercise of the New Options, participation in any on-market buy-back and on the disposal of New Options or Shares issued on the exercise of the New Options.

**(e) Global credit and investment markets**

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including ASX). This may impact the price at which the New Options trade regardless of operating performance, and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

## 7. ADDITIONAL INFORMATION

### 7.1 Nature of the Prospectus

This Prospectus is a transaction specific prospectus issued under section 713 of the Corporations Act which allows the issue of a transaction specific prospectus in relation to offers of options to acquire continuously quoted securities.

### 7.2 Indemnification of Directors

To the extent permitted by law, the Company indemnifies every person who is or has been an officer of the Company against reasonable legal costs incurred in defending an action for a liability incurred or allegedly incurred by the person as an officer of the Company.

### 7.3 Taxation

The Directors consider that it is not appropriate to give advice regarding the taxation consequences associated with subsequent disposal of any New Options subscribed for under this Prospectus or any Shares issued on the exercise of those New Options.

The Directors recommend that all Eligible Shareholders consult their own professional tax advisers.

### 7.4 Material contracts

As at the date of this Prospectus, the Company has not entered into any new material contracts that have not been disclosed to ASX.

### 7.5 Litigation

The Directors are not aware of any legal proceedings which have been threatened or actually commenced against the Company which would have a material adverse effect on its operations or assets.

### 7.6 Consents and Interests of Parties

Each of the parties referred to in this Section does not make, or purport to make, any statement in this Prospectus other than as specified in this Section and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name or a statement included in this Prospectus with the consent of that party as specified in this Section.

Computershare Investor Services Pty Limited (**Computershare**) has given and, as at the date of this Prospectus, has not withdrawn its written consent to be named as the Company's Share Registry in the form and context in which it is named. Computershare has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registry to the Company. Computershare has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for any part of, this Prospectus.

K&L Gates has given, and as at the date of this Prospectus, has not withdrawn its consent to being named in this Prospectus as lawyers to the Company in the form and context in which its name has been included. K&L Gates has not caused the issue of or in any way authorised this Prospectus and expressly disclaims and takes no responsibility for any part of, or the issue of, this Prospectus.

Wolfstar Group Pty Ltd has given, and as at the date of this Prospectus, has not withdrawn its consent to being named in this Prospectus in the form and context in which its name has been included. Wolfstar Group Pty Ltd has not caused the issue of or in any way authorised this Prospectus and takes no responsibility for the issue of this Prospectus.



Other than as set out below or elsewhere in this Prospectus, all persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation of or distribution of this Prospectus do not have, and have not had in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of New Options pursuant to this Prospectus; or
- (c) the offer of New Options pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the offer of New Options pursuant to this Prospectus.

K&L Gates is entitled to be paid approximately \$10,500 (excluding GST) for advice and assistance in relation to the due diligence and other services related to the Prospectus. K&L Gates has been paid or is entitled to be paid approximately \$33,078 for legal fees for services to the Company in the previous 2 years (excluding fees in respect of the Prospectus).

#### 7.7 Directors' authorisation

Each Director of the Company has given, and has not withdrawn, his consent to the lodgement of this Prospectus with ASIC.

#### 7.8 Continuous Disclosure and Documents Available for Inspection

The Prospectus is issued pursuant to section 713 of the Corporations Act.

Section 713 of the Corporations Act enables companies to issue transaction specific prospectuses where those companies are, and have been for a period of 12 months, disclosing entities.

The Company is a "disclosing entity" for the purposes of section 713 of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which require it to disclose to ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company will provide a copy of each of the following documents, free of charge, to any person who asks for it prior to the Closing Date:

- (a) the Annual Report for the financial year ended on 30 June 2013, being the annual financial report most recently lodged with ASIC by the Company;
- (b) the Half-Yearly Report for the half-year ended on 31 December 2013, being the half-year financial report lodged with ASIC after the lodgement of the Annual Report and before the lodgement of the Prospectus; and
- (c) any continuous disclosure notices given by the Company after the lodgement of the Annual Report referred to in paragraph (a) above and before the lodgement of this Prospectus with ASIC.

Such notices are listed below under the heading "ASX Releases" in Section 7.9.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.



## 7.9 ASX Releases

ASX releases of the Company since the Annual Report are listed below:

Date	Headline
18 June 2014	Revised Rights Issue Timetable and Updated Appendix 3B
17 June 2014	Trading Halt and New Rights Issue Timetable
17 June 2014	Trading Halt
17 June 2014	Exclusive rights to acquire Kambalda nickel sulphide tenement
6 June 2014	Appendix 3B
6 June 2014	Non-Renounceable Rights Issue of Options
26 May 2014	Board Changes / Appendix 3X / Appendix 3Z
30 April 2014	Quarterly Activities and Cash flow Report
22 April 2014	BFE: Acquisition of 40% Interest in E28/1915 - Mystique Prjt
22 April 2014	Soil Sampling Programme to be Undertaken at Fraser Range
24 March 2014	Appendix 3B - Amended
19 March 2014	Cleansing Statement and Appendix 3B
18 March 2014	Listing Rule 14.7 Waiver
14 March 2014	Half Year Accounts
7 March 2014	Option to Acquire 100% Interest in Strategic Fraser Range
7 March 2014	BFE: Option to Sell Interest in Mystique Gold Project
31 January 2014	Quarterly Activities and Cash flow Report
28 January 2014	Results of Phase 1 Scout Drilling at Darvii Naruu, Mongolia
2 December 2013	Placement Disclosure
28 November 2013	Cleansing Statement / Appendix 3B / Appendix 3Y x 3
12 November 2013	First Round of Drilling Completed at Darvii Naruu Mongolia
7 November 2013	Results of Annual General Meeting
31 October 2013	Quarterly Activities Report and Quarterly Cashflow Report
24 October 2013	Drilling Starts at Darvii Naruu, Copper Gold Project
17 October 2013	Becoming a substantial holder
11 October 2013	Notice of Annual General Meeting/Proxy Form
4 October 2013	Placement
1 October 2013	SEO Exercises Option to Acquire Project in Western Mongolia

## 7.10 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director has or had within two (2) years before the lodgement of this Prospectus with ASIC, any interest in:



- (a) the formation or promotion of the Company;
  - (b) any property acquired or proposed to be acquired by the Company in connection with its promotion or formation or in connection with the offer of New Options; or
  - (c) the offer of New Options, other than as ordinary Shareholders,
- and no amounts or benefits have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director:
- (d) to induce him or her to become, or to qualify him, as a Director; or
  - (e) for services rendered by him or her in connection with the promotion or formation of the Company or the offer of New Options.

The Directors' and their nominees' current shareholdings and interests in Shares and Options are as follows:

	Nigel Gellard	Jay Stephenson	Peter Ellery
Current Number of Shares	1,544,444	190,000	Nil
Current percentage holding	2.31%	0.28%	Nil
Current number of Options	2,972,219	Nil	250,000
Entitlement to New Options under the Rights Issue <sup>1</sup>	772,222	95,000	Nil
Maximum number of Options following the Rights Issue <sup>2</sup>	3,744,441	95,000	250,000
Maximum number of Shares if all Options (including New Options) are exercised <sup>2</sup>	5,288,885	285,000	250,000
Maximum percentage of Shares if all Options (including New Options) are exercised <sup>3</sup>	4.13%	0.22%	0.20%

<sup>1</sup> Assuming Directors do not exercise their existing Options before the Record Date.

<sup>2</sup> Assuming Directors and their nominees take up their Entitlements under the Rights Issue.

<sup>3</sup> Assuming only Directors Options above are exercised

At the time of lodging this Prospectus, the Directors and their nominees have indicated that they will take up their full Entitlements under the Rights Issue.

The remuneration paid (including superannuation and non-cash share based payments) to Directors or their nominees during the past two financial years preceding the lodgement of this Prospectus with ASIC is set out below:

Director	FY 2013 Salary and fees \$	FY 2013 Share-based Payments No.	FY 2012 Salary and fees \$	FY 2012 Share-based Payments No.
Nigel Gellard	\$32,700	N/A	\$32,700	N/A
Jay Stephenson*	Nil	N/A	Nil	N/A
Peter Ellery	\$19,942	N/A	N/A	N/A

\*Wolfstar Group Pty Ltd, an entity associated with Jay Stephenson, has received \$96,000 in fees from the Company for the past 2 financial years for company secretarial and accounting services rendered to the Company



### 7.11 Estimated Costs of the Offers

The expenses of the Offers (exclusive of GST) are estimated to be approximately \$24,725 made up as follows:

Estimated Costs	Amount \$
Legal	10,500
Printing, postage and share registry	10,000
ASX listing fees	2,000
ASIC lodgement fee	2,225
<b>TOTAL ESTIMATED COSTS OF RIGHTS ISSUE</b>	<b>24,725</b>



## 8. DIRECTORS' STATEMENT

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

Dated this 18th day of June 2014

Signed for and on behalf of the Company

NIGEL GELLARD  
Chairman



## 9. DEFINITIONS

In this Prospectus the following terms and abbreviations have the following meanings, unless otherwise stated or unless the context otherwise requires:

**\$** means Australian dollars.

**Additional Options** means New Options applied for by an Eligible Shareholder that are in excess of the Eligible Shareholder's Entitlement.

**Appendix 3B** means the ASX form for the new issue announcement and application for quotation of additional securities and agreement.

**Applicant** means a person who submits an Application Form.

**Application Form** means:

- a. in relation to the Rights Issue, the personalised application form accompanying this Prospectus that sets out the Entitlements of Shareholders to subscribe for New Options pursuant to the Rights Issue, and
- b. in relation to the Consultants Issue, the application form accompanying this Prospectus and to be used in relation to the Consultants Issue.

**Application Money** means money payable by Applicants in respect of their applications for New Options under the Rights Issue.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange (as applicable).

**ASX Settlement Operating Rules** means ASX Settlement Pty Limited's operating rules.

**Board** means the board of Directors of the Company.

**Business Day** has the meaning ascribed to it in the Listing Rules.

**Constitution** means the constitution of the Company.

**Consultants** means consultants of the Company determined by the Board.

**Consultants Issue** means the issue of New Options to Consultants under this Prospectus.

**CHES** means Clearing House Electronic Sub-register System.

**Closing Date** means the closing date of the Rights Issue, being 18 July 2014 (subject to the right of the Directors to change this date without notice).

**Company** or **Parmelia** means **Parmelia Resources Limited** ACN 142 901 353.

**Corporations Act** means *Corporations Act 2001 (Cth)*.

**Directors** means the directors of the Company.

**Eligible Shareholder** means a Shareholder of the Company, as at the Record Date, who is not an Ineligible Foreign Shareholder.

**Entitlement** means an Eligible Shareholder's entitlement to participate in the Rights Issue as it appears on the Application Form.

**Ineligible Foreign Shareholder** means a Shareholder, at the Record Date whose registered address is not situated in Australia or New Zealand.

**Listing Rules** means the listing rules of ASX as amended from time to time.

**New Options** means the Options to be issued under the Rights Issue and Consultants Issue, with an exercise price of \$0.05 and expiring at 5pm (WST) on 30 May 2017.

**Offers** means the offers made under the Consultants Issue and the Rights Issue.

**Offer Price** means \$0.005 per New Option issued under the Rights Issue.

**Opening Date** means the opening date of the Rights Issue, being 27 June 2014 (subject to the right of the Directors to change this date without notice).

**Option** means an option to subscribe for a Share.

**Option-holder** means a holder of Options.

**Prospectus** means this prospectus.

**Record Date** means 24 June 2014 (subject to the right of the Directors to change this date without notice).

**Rights Issue** means the rights issue the subject of this Prospectus.

**Section** means a section of this Prospectus.



**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** means Computershare Investor Services Pty Limited.

**Shareholder** means a holder of Shares.

**Shortfall Offer** means the offer of Shortfall Options.

**Shortfall Options** means those New Options under the Rights Issue not applied for by Eligible Shareholders pursuant to the Prospectus by the Closing Date.



## 10. CORPORATE DIRECTORY

### DIRECTORS

Mr Nigel Gellard	<i>Executive Chairman</i>
Mr Jay Stephenson	<i>Non-Executive Director</i>
Mr Peter Ellery	<i>Non-Executive Director</i>

### COMPANY SECRETARY

Mr Jay Stephenson

### REGISTERED OFFICE

Street: Level 4, 66 Kings Park Road  
West Perth WA 6005

Postal: PO Box 52  
West Perth WA 6872

Telephone: +61 (0)8 6141 3500

Facsimile: +61 (0)8 6141 3599

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

### SECURITIES EXCHANGE

Australian Securities Exchange  
ASX Code – PML

### LAWYERS

K&L Gates  
Level 32, 44 St Georges Terrace  
Perth WA 6000

### SHARE REGISTRY

Computershare Registry Services Pty Limited  
45 St Georges Terrace  
PERTH WA 6000

Telephone: 1300 850 505 (within Australia)

Telephone: +61 (0)8 9323 2000

Facsimile: +61 (0)8 9323 2033

Website: [www.investorcentre.com](http://www.investorcentre.com)

### CORPORATE ADVISER

Wolfstar Group Pty Ltd  
Level 4, 66 Kings Park Road  
WEST PERTH WA 6005