

ASX ANNOUNCEMENT

29th July 2016

ASX: PML

QUARTERLY ACTIVITIES REPORT FOR JUNE 2016

Highlights

- ***Strategic Partnership formed with Global Business Resilience, a leading security consultancy firm to help identify global, regional and national threat environments and provide significant insights into potential, emerging and evolving security threats.***
- ***Agreement secured with RPMG International, a global consultant for corporate strategy optimization.***
- ***General meeting held on 13 July, shareholders passed all resolutions.***
- ***Prospectus lodged with ASIC dated 29th July 2016, Veriluma to raise \$3.5m at \$0.07/share as part of the transaction announced on 8 December 2015.***

Activities Report

During the quarter Parmelia Resources Ltd (ASX:PML) or the “Company” continued to progress through the necessary requirements to successfully complete the proposed acquisition of Australian technology company Veriluma Pty Ltd (ACN 117 490 785), as originally announced to the ASX on the 8 December 2015. The proposed acquisition of Veriluma will result in a significant change in the nature and scale of Parmelia's activities and as such required shareholder approval under Chapter 11 of the ASX Listing Rules, as well as requiring the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

The Company has now held its General Meeting of shareholders. All resolutions contained in the Notice of General Meeting dated 8 June 2016, were passed by the requisite majority of security holders. In addition the Company has today lodged a prospectus with the ASIC and the ASX dated the 29th July 2016. In accordance with the proposed acquisition of Veriluma, the transaction is conditional on, amongst other things, the Company successfully completing a capital raising under a full form prospectus to raise \$3.5 million at an issue price of \$0.07/share.

Global Business Resilience Partnership

During the quarter Veriluma entered into a commercial partnership with Global Business Resilience, a leading independent security consultancy founded by Mark Carrick, recently retired Commander of Counter Terrorism Intelligence in the NSW Police Force.

Global Business Resilience specialises in helping organisations predict and manage political, social, environmental and security risks in complex and hostile environments. Global security threats faced by governments around the world include terrorism, hostile nations, cyber attacks, humanitarian crisis and threats to our health from viruses such as Ebola and Zika.

The partnership will utilise Veriluma's patented predictive software engine to better understand the ever-changing global, regional and national threat environments and thereby provide significant insights into potential emerging and evolving issues and threats. The initial focus of this partnership will be to offer national security agencies predictive capabilities that allow them to identify and understand threats; to implement risk strategies; and to respond quickly and effectively when action is required.

RPMG International Commercial Agreement with Veriluma

Veriluma also entered into a License Agreement with RPM Group International (RPMG) to provide Veriluma's patented predictive intelligence technology for application across RPMG's client base. The Agreement covers a range of licence and subscription fee applications and has potential for recurring revenue. RPMG specialises in Revenue Performance Management, Revenue Growth, Sales Process Engineering, Sales and Marketing Alignment and consults to global enterprises across all industries.

RPMG has been in operation since 2005 and has worked with many major organisations including McDonalds, Google, Invacare, BT Financial and Telecom NZ. As part of the Agreement, Veriluma will work with RPMG to develop predictive models that will be initially embedded within RPMG's hosted analytics application, Telemetry.

EXPLORATION

JAUARDI HILLS PROJECT

The company continues to evaluate potential commercial opportunities on its gold assets at the Jaurdi Hills Project these include possible, joint ventures, earn in deals or sale of the in-situ gold resource at Panther as well as the adjoining extensive and promising exploration tenement portfolio.

CORPORATE

Meeting of Shareholders

On the 13 July 2016 the company held a General Meeting of shareholders following despatch of a Notice of General Meeting on the 10 June 2016. In accordance with Listing Rule 3.13.2, the Company advised the market on the 13 July 2016, that the resolutions contained in the Notice of General Meeting dated 8 June 2016, were passed by the requisite majority of security holders. All resolutions were decided on a show of hands.

Proposed Capital Raising

In accordance with the proposed 100% acquisition of predictive intelligence company Veriluma Pty Ltd (ACN 117 490 785) and as announced on the 8 December 2015, the transaction is conditional on, amongst other things, the Company successfully completing a capital raising under a full form prospectus to raise \$3.5 million at an issue price of \$0.07/share. The Company has today lodged a Prospectus with the ASIC and the ASX dated the 29th July 2016.

It is proposed that funds raised under the Prospectus together with existing cash reserves of the Company will be used for, amongst other things, cost of business development and commercialisation of the Veriluma technology, marketing, employees, and to provide working capital for the Company. An updated indicative timetable for the transaction is included and set out in the Prospectus.

Shareholders and investors can obtain full details of the “offer”, the capital raising and proposed issue of securities under the Prospectus from either the ASX website (<http://www.asx.com.au>) or from the Parmelia Resources Ltd website (<http://www.parmeliareources.com>).

Name Change

Should all of the contractual conditions and regulatory approvals be satisfied in respect of the proposed transaction, it is intended that the Company will undergo a change of name to Veriluma Limited. The new ASX ticker code for the Company will be VRI.

For further information concerning Parmelia’s activities please contact:

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Appendix 5B

Mining exploration entity quarterly report

Name of entity

Parmelia Resources Limited

ABN

48 142 901 353

Quarter ended ("current quarter")

June 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date 12 Months \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(128)	(453)
(b) development		
(c) production		
(d) administration	(79)	(443)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	2	6
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other – Refund of tenements deposit/R&D rebate	3	190
Net Operating Cash Flows	(202)	(700)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects		
(b)equity investments		
(c) other fixed assets		
1.9 Proceeds from sale of:		
(a)tenements	-	80
(b)equity investments		
(c)other fixed assets		
1.10 Loans to other entities	(100)	(330)
1.11 Loans repaid to other entities		
1.12 Acquisition cost	(138)	(209)
Net investing cash flows	(238)	(459)
1.13 Total operating and investing cash flows (carried forward)	(440)	(1,159)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(440)	(1,159)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. net of costs	-	1,208
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other – Funds held in trust		
	Net financing cash flows	-	1,208
	Net decrease in cash held	(440)	49
1.20	Cash at beginning of quarter/year to date	726	237
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	286	286

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	11
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director fees and payments to related entities for Corporate Services and Consulting fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

-

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	87
4.2	Development	
4.3	Production	
4.4	Administration	59
Total		146

Note: This estimated cash outflow for the next quarter is based upon the cash available as reported in this Appendix 4C item 1.22. The Company is currently undertaking to raise \$3.5M to facilitate the acquisition of Veriluma Pty Ltd, as approved at a General Meeting of the Company held 13 July 2016. Upon successful completion of the capital raise and acquisition of Veriluma Pty Ltd expected cash outflows for the next quarter would be revised to reflect the new direction of the Company.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	286	726
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		286	726

Interests in Mining Tenements

Disclosure in accordance with ASX Listing Rule 5.3.3

6.1	Project/ Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
	M16/35	Western Australia	100%	-	-
	M16/113	Western Australia	90%	-	-
	M16/114	Western Australia	90%	-	-
	M16/193	Western Australia	100%	-	-
	M16/194	Western Australia	90%	-	-
	M16/201	Western Australia	100%	-	-
	M16/203	Western Australia	90%	-	-
	M16/204	Western Australia	90%	-	-
	M16/205	Western Australia	90%	-	-
	M16/254	Western Australia	90%	-	-
	M16/255	Western Australia	90%	-	-
	M16/301	Western Australia	100%	-	-
	M16/365	Western Australia	100%	-	-
	M16/425	Western Australia	100%	-	-
	M16/462	Western Australia	100%	-	-
	P16/2444	Western Australia	100%	-	-
	P16/2460	Western Australia	90%	-	-
	P16/2627	Western Australia	100%	-	-
	P16/2673	Western Australia	100%	-	-
	P16/2674	Western Australia	100%	-	-

Appendix 5B
Mining exploration entity quarterly report

6.2	Farm-in Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
				-	-

6.3	Farm-out Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	120,209,347	120,209,347		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	15,941,667 4,500,000 4,500,000 44,354,509	- - - 44,354,509	<i>Exercise price</i> 15 cents 6.5 cents 6.4 cents 5 cents	<i>Expiry date</i> 15 November 2016 31 October 2016 31 October 2017 30 May 2017

Appendix 5B
Mining exploration entity quarterly report

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 29 July 2016
(Non-Executive Director and Company secretary)

Print name: Jay Stephenson