

JUNE 2014 QUARTERLY REPORT

30 July 2014

PELICAN RESOURCES LIMITED

ASX: PEL

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Capital:

Ordinary shares: 241,282,360

HIGHLIGHTS

- The Romblon Project site was on care and maintenance during the Quarter pending the result of the representation made on the lifting of the Cease and Desist Order (CDO) issued by the Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources (DENR).
- The Cockatoo Island project was purchased by Pluton Resources Limited and its joint venture partner Wise Energy from Cliffs Asia Pacific Iron Ore Pty Ltd in September 2012. Pluton is the operator and maintains management control of the project.
- The option agreement on the San Marcos Gold Project located in Arizona, USA was signed in the Quarter ending 31st March 2013. An experienced consulting firm prepared a 3D model of the deposit based on historical drilling and sampling.

REPUBLIC OF THE PHILIPPINES

ROMBLON PROJECT, SIBUYAN ISLAND, ROMBLON PROVINCE (MPSA No. 3042009-IVB)

Interest: MPSA 3042009-IVB

The Romblon Project on Sibuyan Island in the Romblon Province in the Philippines is being evaluated as a source of direct shipping lateritic nickel ore (DSO). The nickel resource explored by two Japanese nickel companies in 1972 is covered by a Mineral Production Sharing Agreement (MPSA).

The project is in the process of being transferred from Altai Resources Philippines Inc (Altai), the original applicant and vendor of the MPSA, to Sibuyan Nickel Properties Development Corporation (SNPDC). SNPDC is owned by Pelican Resources Limited in conjunction with its Joint Venture partner All-Acacia Resources Inc.

The Romblon Project site was on care and maintenance during the quarter pending the result of the representation made on the lifting of the Cease and Desist Order (CDO) issued by the Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources (DENR).



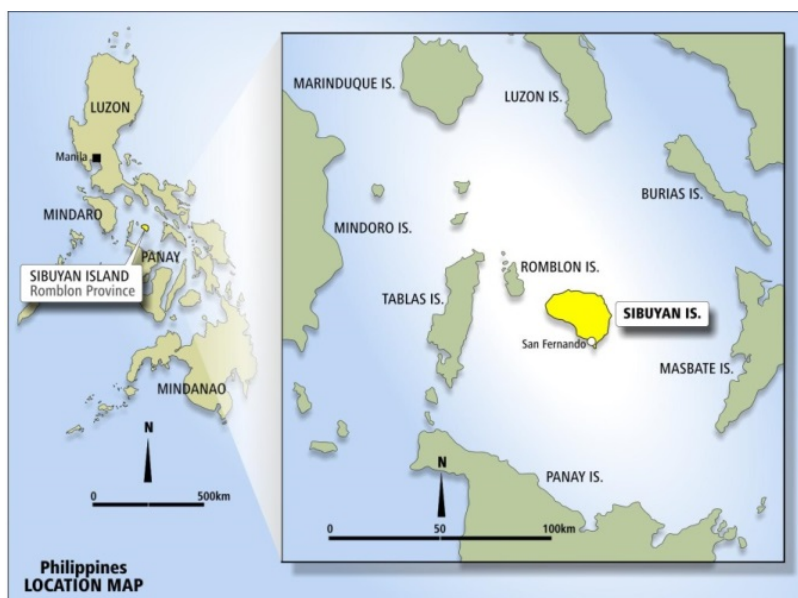
SNPDC made representations to the Office of the President of the Philippines (**OP**) where its own appeal in respect of the Cease a Desist Order was still pending. The Office of the President was advised of the Court Resolution declaring the Romblon Province Governor's Executive Order banning mining unconstitutional and asking that any pending Appeal be immediately resolved. The OP responded to the request during the 2nd Quarter stating that it was too early to make a representation to the OP and the decision was still in the jurisdiction of the DENR. SNPDC is following up on the representation to the DENR.

The Company is undertaking an internal study to evaluate a Direct Reduction Process for laterite nickel ore. The technology to process high iron ore into Sponge Iron (SFE) and high nickel ore into Sponge Nickel (SNI) is being developed in China. Processing nickel laterite ore in the Philippines has the potential to increase the value of the Romblon Nickel Project. The initial Scoping Study will include a review of Direct Reduction Iron (DRI) facilities currently operating in China and India through the added value of the processed nickel.

Samples of the nickel ore from the Romblon Nickel Project cannot be obtained until the CDO is lifted. Discussions are ongoing with the Owners of other nickel projects in the Philippines regarding their interest in a joint venture to process nickel ore in the Philippines utilizing the Direct Reduction Process.

The nickel price and FOB price of laterite nickel DSO increased significantly between January and June 2014. Indonesia imposed a ban on DSO inclusive of laterite nickel ore effective 12 January 2014. Indonesia supplied approximately 50% of laterite nickel DSO shipped to China during CY2013. The price increase during the 2nd half of FY2014 was 35% and 200% for nickel metal and 1.8% Ni DSO respectively. The prices declined slightly towards the end of June 2014 due to a general slowdown in the Chinese economy and some resistance to the price increase.

Investor interest in nickel laterite ore and projects located in the Philippines is expected to increase substantially during FY2015 if the Indonesian ban of nickel laterite DSO is maintained. It could take 2-3 years for new nickel laterite ore processing plants to be constructed and commissioned in Indonesia. Additionally, the production ramp-up following plant commissioning is often over a 2-3 year period. Nickel and nickel laterite DSO prices are expected to continue to increase in FY2015 assuming positive growth in the Chinese economy.



PROJECT GENERATION IN THE PHILIPPINES

Pelican staff in the Philippines have been active in a review of new mining projects while the Romblon Nickel Project has been on care and maintenance. The focus is on permitted and advanced nickel laterite, iron ore and iron sand



projects. Efforts have been focused in Provinces that have a history of encouraging mining exploration and operations. A number of opportunities have been identified and a short list of projects with the highest potential will be evaluated through meetings with the relevant parties and site visits.

MABUHAY PROJECT, SURIGAO DEL NORTE PROVINCE, MINDANAO ISLAND (MPSA APPLICATION No. 000029-X)

Operator: Wallaby Corporation a subsidiary of Rugby Mining Limited

The old Mabuhay gold mine, on Surigao del Norte Province, Mindanao Island, Philippines, has the potential to host an underlying copper-gold porphyry system.

In 2011, the Company's Philippine associate, Sunpacific Resources Inc. (Sunpacific), entered into an agreement with Rugby Mining Limited (Rugby) a Canadian-listed company, to assign all its rights, title and interest under the Memorandum of Agreement (MOA) between All-Acacia Resources Inc. and Sunpacific. The assignment grants to Rugby the right to enter into an option to explore the project area at Mabuhay over a period of seven years.

In consideration for the assignment, Rugby will pay to the Company \$500,000 over a period of four years as Rugby progresses through the exploration phase. The first payment is due 12 months from the end of the Due Diligence period provided the MPSA is granted. In addition, Rugby will pay to the Company \$5 million on commencement of commercial production. Commercial production is defined as being 45 days after mineral products have been shipped from the property. The Company is monitoring progress on the exploration of the project area and particularly on the granting of permits.

Rugby informed the Company in FY14 that efforts towards application for a MPSA have ceased. Rugby decided to apply for an Exploration Permit (EP) to allow exploration drilling to commence at an earlier date. The DENR lifted the moratorium on applications for Exploration Permits (EPs) and Financial or Technical Assistance Agreements (FTAAs) effective 18 March 2013. The moratorium was imposed in January 2011 after the DENR ordered the MGB to review all pending and inactive mining projects in the country. The suspension covered applications for EPs, FTAAs and MPSAs. Rugby's EP application was near the end of the approval process as of 30 June 2014.

WESTERN AUSTRALIA

KIMBERLEYS

COCKATOO ISLAND PROJECT (M04/235)

Interest: 100%

Operator: Pluton Resources Limited

Cockatoo Island project, as previously advised, had been purchased from Cliffs Asia Pacific Iron Ore Pty Ltd by Pluton Resources Limited (**Pluton**) and its joint venture partner Wise Energy. In January 2013 the asset sale agreement between Pluton and the Wise Energy group was terminated with Pluton continuing as operator and manager of the project. The joint venture was reinstated with Pluton as the operator.

There were 7 shipments of ore during the reporting period totaling approximately 300,000 tonnes. The royalty is \$1.00 per tonne. The Company has made arrangements with Pluton to clear the arrears in royalty payments due to Pelican.

Subsequent to the end of the reporting period Pelican entered into a Subscription and Set-Off Agreement with Pluton. Under the Subscription and Set-Off Agreement, Pelican agrees to subscribe, via conversion of a portion of the debt owed by Pluton to Pelican, for shortfall in the Rights Issue up to an amount of \$250,000 at the issue price of 1c per share as announced to the market on 10 July 2014.



SAN MARCOS GOLD PROJECT, ARIZONA USA



Interest: Option to earn up to 100%
Operator: Pelican wholly owned USA subsidiary Dore 5

During the reporting period, Dore 5 was focused on prospect generation activity. Numerous prospective properties were reviewed mostly through land research and data analysis. The properties reviewed were Johnson Camp, Gold Bar, Socorro Mine area, Harquahala Mine area, and El Tigre. Johnson Camp is a fully permitted mine that is currently producing Cu from leach pads, however a significant resource remains unmined.

The Gold Bar property is a historic mine on patented land near Wickenburg, AZ. Various reports indicate historic production totaling 24,000 tons grading 0.88 opt gold. There are numerous mineral occurrences on the property with good molybdenum assays and a copper vein reported to grade better than 5%. The most promising aspect of this property is the fact that well mineralized breccia pipes are inclined. Previous exploration and development has focused on mineralization directly below surface outcrops, however the dipping breccia pipes and recent work on the structure and extensional tectonics of the area leads the author to believe significant potential for a large mineralized system exists on untested areas of this property. The Companies US Director / Geologist has recommended pursuing this property. A decision of how to proceed is still with Dore 5.

The Socorro Mine district is adjacent to the San Marcos project. Non-public data exists on the area. This data (soil sampling, mapping) was reviewed and indicates the potential for Au mineralization along a compressive structural corridor. Open ground is available for staking.

Research and a brief data review was conducted on the Harquahala and El Tiger Mine located in W. Arizona. These properties represent the opportunity for a small 100-200K+ oz operation. Further due diligence is needed before any recommendation is made.

RELINQUISHMENTS

Nil

NEW ACQUISITIONS

Nil

Signed on behalf of the Board of Pelican Resources Limited

J H Hills BSc, BSc Hons, MSc, PhD, M.Aus.I.M.M.



For further information:

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Dr John Hills

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Competent Person's Statement

The information in this Report that relates to Mineral Resources is based on, and accurately reflects, the information compiled by Dr John Hills a consultant to Pelican Resources Limited. Dr Hills is a member of the Australasian Institute of Mining and Metallurgy, respectively. Dr Hills has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities which they are undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Hills consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.



Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

PELICAN RESOURCES LIMITED

ABN

12 063 388 821

Quarter ended ("current quarter")

30 JUNE 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	--	--
1.2 Payments for (a) exploration & evaluation	(102)	(505)
(b) development	--	--
(c) production	--	--
(d) administration	(163)	(677)
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	5	28
1.5 Interest and other costs of finance paid	--	--
1.6 Income taxes paid	--	--
1.7 Other (Royalties)	95	597
Other (GST)	(4)	13
Other (provide details if material)	3	3
Net Operating Cash Flows	(166)	(541)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	--	--
(b) equity investments	--	--
(c) other fixed assets	(35)	(35)
1.9 Proceeds from sale of: (a) prospects	--	--
(b) equity investments	41	41
(c) other fixed assets	--	--
1.10 Loans to other entities	--	--
1.11 Loans repaid by other entities	--	--
1.12 Other (provide details if material)	7	33
Net investing cash flows	13	39
1.13 Total operating and investing cash flows (carried forward)	(153)	(502)

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(153)	(502)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3	3
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 (capital raising costs)	--	--
	Net financing cash flows	3	3
	Net increase (decrease) in cash held	(150)	(499)
1.20	Cash at beginning of quarter/year to date	916	1,265
1.21	Exchange rate adjustments to item 1.20	--	--
1.22	Cash at end of quarter	766	766

Payments to directors of the entity, associates of the directors, 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	82
1.24	Aggregate amount of loans to the parties included in item 1.10	--

1.25 Explanation necessary for an understanding of the transactions

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

+ See chapter 19 for defined terms.

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	50
4.2 Development	--
4.3 Production	--
4.4 Administration	50
Total	100

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	113	116
5.2 Deposits at call	650	800
5.3 Bank overdraft	--	--
5.4 Other (share application account)	3	--
Total: cash at end of quarter (item 1.22)	766	916

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	(refer attached notes)		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	(refer attached notes)		

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 (description)			
7.2				
	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs, redemptions			
7.3	+Ordinary securities	241,274,320	241,274,320	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs	71,252	71,252	
7.5	+Convertible debt securities (description)			

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	88,096,475	88,096,475	\$0.04	30/06/2014
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
(Director)

Date: 30 July 2014

Print name: JOHN PALERMO

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the

+ See chapter 19 for defined terms.

reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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