

# ASX Announcement

16 SEPTEMBER 2021



PEARL GULL IRON

## PRE-QUOTATION DISCLOSURE

Pearl Gull Iron Limited (ASX: **PLG**) (**Pearl Gull** or the **Company**) is pleased to provide the following information in respect of its admission to the Official List of ASX and quotation of its securities. Capitalised terms in this announcement have the meaning given in the Replacement Prospectus dated 5 August 2021 (**Prospectus**) unless the context suggests otherwise.

### 1. Completion of Offers

The Company confirms the close of the offers (**Offers**) under its Prospectus and confirms:

- (a) the issue of 20,000,000 ordinary shares at an issue of \$0.20 per share under the Offer;
- (b) the issue of 20,000,000 unlisted options exercisable at \$0.30 each expiring on 13 September 2024;
- (c) the issue of 36,777,857 Shares on conversion of the Convertible Notes;
- (d) the issue of 36,777,857 Convertible Note Options on conversion of the Convertible Notes exercisable at \$0.30 each expiring on 13 September 2024; and
- (e) the issue of 9,470,000 unlisted incentive options to Key Personnel with a nil exercise price each expiring on 1 June 2026.

### 2. Conversion of Convertible Notes and settlement of interest

The Company confirms:

- (a) the conversion of the January 2021 Notes to 18,351,305 Shares in PLG at a conversion price of \$0.16 and the issue of 18,351,305 Convertible Note Options;
- (b) the conversion of the February 2021 Notes to 13,720,651 Shares at conversion price of \$0.17 and the issue of 13,720,651 Convertible Note Options;
- (c) the conversion of the May 2021 Notes to 4,705,901 Shares in PLG at conversion price of \$0.17 and the issue of 4,705,901 Convertible Note Options; and
- (d) settlement in cash of the interest on the convertible notes accrued at 10% per annum.

### 3. Capital Structure

Security	Number
Ordinary Shares	100,027,858
Options exercisable at \$0.30 each, expiring 13 September 2024	56,777,857
Incentive Options issued to Key Personnel with a nil exercise price, expiring 1 June 2026	9,470,000

**Table 1: Capital structure**



**Registered Address**  
Pearl Gull Iron Limited  
ACN 621 103 535  
ABN 62 621 103 535

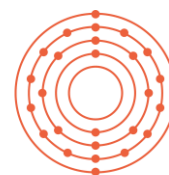
945 Wellington Street,  
West Perth, WA 6005  
[www.pearlgulliron.com.au](http://www.pearlgulliron.com.au)

**Directors**  
**Russell Clark** – Non-Executive Chairman  
**Jonathan Fisher** – Director  
**Alexander Passmore** – Director  
**Catherine Moises** – Non-Executive Director

E: [admin@pearlgulliron.com.au](mailto:admin@pearlgulliron.com.au)  
P: +61 8 6270 4700

**Projects**  
North Bay  
Switch Pit  
Magazine Pit

Shares on Issue	100,027,858
Share Price	\$0.20
Market Cap	\$20.0
ASX Code	PLG



#### 4. Access to Tenements

The Company confirms that there are no legal, regulatory, statutory or contractual impediments to the Company entering its granted tenements and carrying out exploration activities such that the Company will be able to spend its cash in accordance with its commitments for the purposes of Listing Rule 1.3.2(b).

#### 5. Update of status of Licence Applications

Prospecting Licence P04/299 application was objected to by third parties (as previously set out in the Prospectus). A Warden's Court mention hearing is scheduled for 10 December 2021. This tenure covers a gap in mining tenure over which a miscellaneous licence which the Company is the registered holder of.

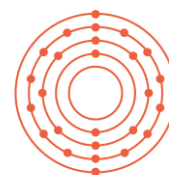
Miscellaneous licence applications L04/120, L04/121, L04/122 and L04/123 cover roadways or proposed roadways near M04/235 and are ancillary to the Company's operations. Should these miscellaneous licence applications not be granted to the Company, they will not hamper the conduct of the exploration programs that are referred to in the Prospectus. These miscellaneous licences were applied for on 7 July 2021 and objected to by Cockatoo Island Mining Pty Ltd (the registered holder of M04/448) on 6 August 2021. The relevant Warden's Court mention hearing is scheduled for 26 November 2021.

#### 6. Updated Statement of Commitments

Based on the Maximum Subscription the Company proposes to use the funds raised under the Offer as set out below. See section 2.6 of the Prospectus for notes accompanying the use of funds table as set out below.

Source of funds	Maximum Subscription	% of funds
Existing cash reserves of the Company <sup>1</sup>	1,256,446	23.90%
Proceeds from the Offer (before costs)	4,000,000	76.10%
<b>TOTAL</b>	<b>5,256,446</b>	<b>100%</b>
Use of funds	Maximum Subscription	% of funds
Exploration and Drilling (Yr1) <sup>2, 7, 8</sup>	2,255,268	42.90%
Exploration and Drilling (Yr2) <sup>2, 7, 8</sup>	171,175	3.26%
Working capital	469,451	8.93%
Corporate & technical office <sup>3, 7</sup>	1,117,305	21.26%
Pre-IPO/IPO Costs <sup>4</sup>	776,034	14.76%





Source of funds	Maximum Subscription	% of funds
Rehabilitation provision <sup>5, 7</sup>	150,000	2.85%
Convertible Note interest payments <sup>6</sup>	317,213	6.03%
<b>TOTAL</b>	<b>5,256,446</b>	<b>100%</b>

**Table 2: Use of funds**

## 7. Escrowed Securities

The following securities (which are included in Table 1 above) are subject to escrow restrictions imposed by ASX for a period of 24 months commencing on the date on which official ASX quotation of the Company's Shares. The Company confirms restriction deeds have been entered into with the entities holding these securities.

Class of securities	Number of securities	End of escrow period
Shares	45,125,550	24 months from quotation
Convertible Note Options	4,425,550	24 months from quotation
Incentive Options	9,470,000	24 months from quotation
Offer Options	Nil	N/A

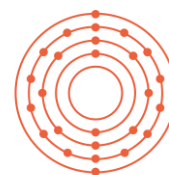
**Table 3: Restricted securities – 24 months escrow**

In addition to those Securities set out in Table 3 above, the following securities are subject to escrow restrictions imposed by ASX for a period of 12 months from their respective date of issue. The Company confirms provision of Restriction Notices to the relevant holders of those securities.

All of the Convertible Note Options will be subject to 12 months' escrow from the date of their issue to the extent they are not already subject to 24 months' escrow as set out in Table 3 above. This escrow period reflects the terms of the Convertible Note Options as set out in Attachment B of the Prospectus, being that they are not transferable and subject to a vesting period of 12 months.

Class of securities	Number of securities	End of escrow period
Shares	1,016,379	15 January 2022
Convertible Note Options	32,352,307	13 September 2022
Incentive Options	Nil	N/A
Offer Options	Nil	N/A

**Table 4: Restricted securities – 12 months escrow from date**



## 8. Securities subject to Voluntary Escrow

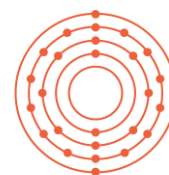
A total of 9,470,000 Incentive Options as set out in the Table 1 above are subject a period of 3 years voluntary escrow.

## 9. Pro-Forma Statement of Financial Position

The Company's pro-forma statement of financial position based on the actual amount of funds raised by the Company under the Prospectus (being \$4 million (before costs)), is set out below:

Historical and Pro Forma Historical Statement of Financial Position	Notes	Reviewed Pearl Gull 31-Dec-20 \$	Pro forma Pre-IPO financing \$	Pro forma Impacts of the Offer Max \$	Pro forma after Offer Max \$
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	1	1,457,001	1,915,655	2,906,753	6,279,409
<b>TOTAL CURRENT ASSETS</b>		1,457,001	1,915,655	2,906,753	6,279,409
<b>NON-CURRENT ASSETS</b>					
Exploration and evaluation asset		10,545,116	-	-	10,545,116
<b>TOTAL NON-CURRENT ASSETS</b>		10,545,116	-	-	10,545,116
<b>TOTAL ASSETS</b>		12,002,117	1,915,655	2,906,753	16,824,525
<b>CURRENT LIABILITIES</b>					
Provisions		698,280	-	-	698,280
Convertible Notes to be issued	2	1,457,000	(1,457,000)	-	-
Borrowings	3	4,412,604	(4,412,604)	-	-
<b>TOTAL CURRENT LIABILITIES</b>		6,567,884	(5,869,604)	-	698,280
<b>NON-CURRENT LIABILITIES</b>					
Deferred tax liability		673,750	-	-	673,750
Provisions		7,496,355	-	-	7,496,355
<b>TOTAL NON-CURRENT LIABILITIES</b>		8,170,105	-	-	8,170,105
<b>TOTAL LIABILITIES</b>		14,737,989	(5,869,604)	-	8,868,385
<b>NET ASSETS</b>		<b>(2,735,872)</b>	<b>7,785,259</b>	<b>2,906,753</b>	<b>7,956,140</b>
<b>EQUITY</b>					
Issued capital	4	1	2,098,352	9,277,285	11,375,638
Other contributed equity		(1,142,942)	-	-	(1,142,942)





Historical and Pro Forma Historical Statement of Financial Position	Notes	Reviewed Pearl Gull 31-Dec-20 \$	Pro forma Pre-IPO financing \$	Pro forma Impacts of the Offer Max \$	Pro forma after Offer Max \$
Convertible note reserve	5	-	5,686,907	(5,686,907)	-
Accumulated loss	6	(1,592,931)	-	(683,625)	(2,276,556)
<b>TOTAL EQUITY</b>		<b>(2,735,872)</b>	<b>7,785,259</b>	<b>2,906,753</b>	<b>7,956,140</b>

## 10. ASX Waiver Granted

Based solely on the information provided, ASX Limited has granted the Company a waiver from listing rule 1.1 condition 12 to the extent necessary to permit the Company to have on issue 9,470,000 incentive options to be issued to Directors and Consultants ("Performance Securities") with a nil exercise price on the condition that the material terms and conditions of the Performance Securities are clearly disclosed in the Company's initial public offering prospectus.

This announcement is authorised for release by the Board of Directors of Pearl Gull Iron Limited.

