



ASX ANNOUNCEMENT

ASX: PLG

21 April 2022

## Quarterly Activities Report For the period ending 31 March 2022

### HIGHLIGHTS

- Further high-grade results from Cockatoo Island Switch Pit exploration drilling
- Resource modelling underway
- WHIMS testwork being undertaken on material with beneficiation potential
- MOU signed with Transshipment Australia Pty Ltd regarding ore loading solutions for Cockatoo Island Project
- Evan Spencer appointed Interim Chief Executive Officer

Pearl Gull Iron Limited (ASX: PLG) ("Pearl Gull" or "the Company") is pleased to report on activities at its high-grade iron ore exploration project on Cockatoo Island during the March 2022 Quarter.

**Pearl Gull's Non-Executive Chairman, Russell Clark, commented:** "The March quarter was another busy quarter for the Company as we advanced the Cockatoo Island project with the signing of a memorandum of understanding with leading transshipment specialist TSA and the strengthening of the management team with the appointment of Mr Evan Spencer as Interim CEO.

Subsequent to the end of the quarter further high-grade results were received from the Company's exploration program at Switch Pit. As the assays were the final batch of results for the Switch Pit campaign the Company has engaged consultants to commence geological modelling targeting a mineral resource estimate that can then be used for our future planning work."



#### Registered Address

Pearl Gull Iron  
ACN 621 103 535  
ABN 62 621 103 535

Level 2, 87 Colin Street,  
West Perth, WA 6005  
[www.pearlgulliron.com.au](http://www.pearlgulliron.com.au)

#### Directors

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

E: [admin@pearlgulliron.com.au](mailto:admin@pearlgulliron.com.au)  
P: +61 8 6383 7988

#### Projects

Switch Pit  
North Bay  
Magazine Pit

Shares on Issue 100.0M  
Share Price \$0.083c (20 Apr 22)  
Market Cap \$8.3M  
ASX Code PLG



## Cockatoo Island Mining Lease

Subsequent to the quarter end the Company received the following high-grade results from Switch Pit:

### 21SWDD09

- 12.6m @ 36.7% Fe from 13.9m down hole
- 50.5m @ 49.7% Fe from 30.7m down hole
- 56.9m @ 68.9% Fe from 81.2m down hole

### 21SWDD011

- 22.7m @ 35.3% Fe from 0.0m down hole
- 23.0m @ 33.9% Fe from 29.4m down hole
- 34.1m @ 45.2% Fe from 58.6m down hole
- 83.2m @ 50.4% Fe from 98.4m down hole
- 83.2m @ 50.4% Fe from 98.4m down hole
- 7.5m @ 63.7% Fe from 181.6m down hole

### 21SWDD08

- 5.6m @ 38.0% Fe from 0.0m down hole
- 5.6m @ 48.5% Fe from 18.1m down hole
- 1.1m @ 44.6% Fe from 27.3m down hole
- 5.2m @ 34.4% Fe from 32.6m down hole

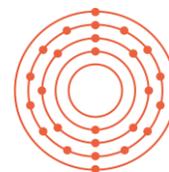
### 21SWDD07

- 3.2m @ 36.1% Fe from 45.1m down hole
- 2.4m @ 33.9% Fe from 75.0m down hole
- 2.5m @ 57.9% Fe from 84.0m down hole
- 5.1m @ 35.6% Fe from 92.7m down hole

### 21SWDD05

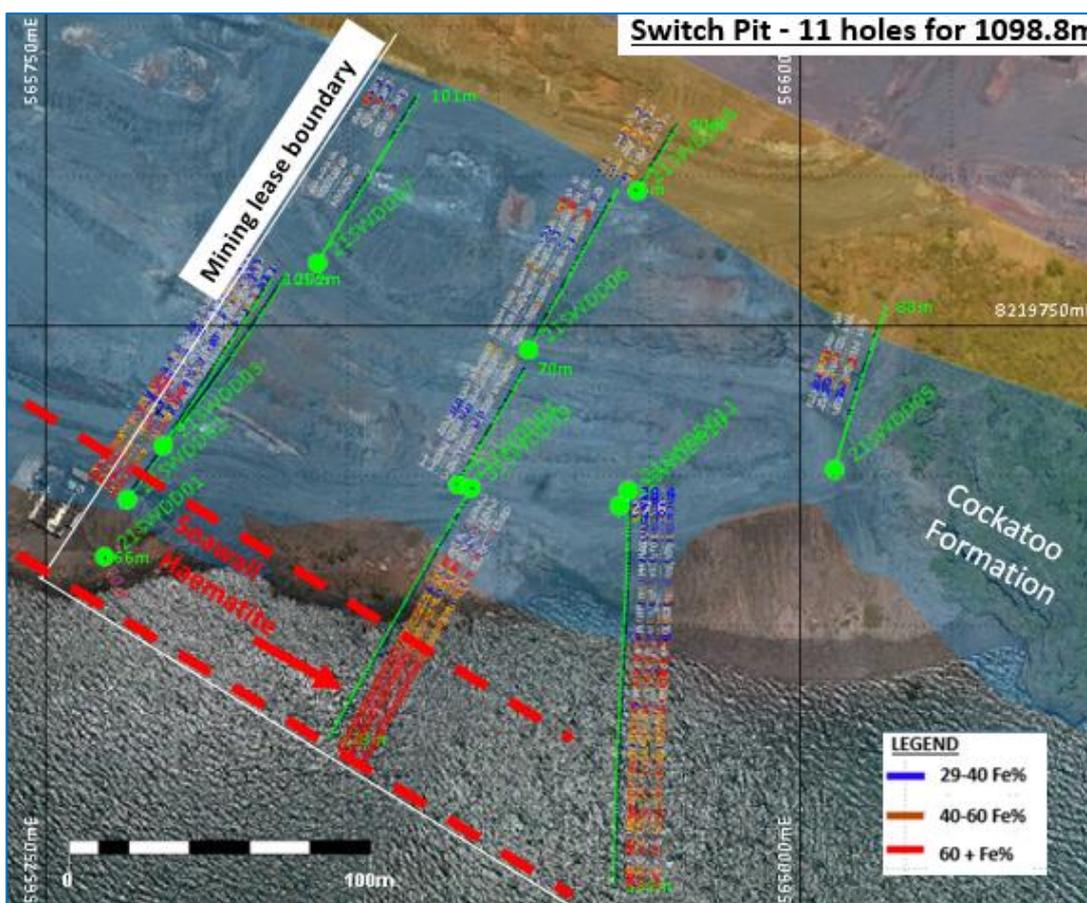
- 15.2m @ 31.1% Fe from 29.5m down hole
- 5.0m @ 50.0% Fe from 51.3m down hole





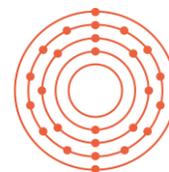
The Switch Pit diamond drilling program comprised a total of 11 holes for 1,098.8m. The latest assay results received post quarter end continued to display high-grade iron material from the main Seawall haematite unit and the adjacent footwall iron mineralisation. The footwall iron mineralisation ore types are currently being tested for beneficiation via Wet High Intensity Magnetic Separation (WHIMS) with results expected in the coming weeks. This type of material was previously processed on Cockatoo Island using similar beneficiation processes to produce a high grade (>66% Fe) finished product.

A plan view image of the Switch Pit drill hole traces is shown below, along with the interpreted trend of the high-grade Seawall Haematite intersected in holes 21SWDD01, 21SWDD02, 21SWDD09 and 21SWDD011 (Figure 1). The three holes 21SWDD09, 21SWDD010 (abandoned at 5.4m) and 21SWDD011 were drilled down dip to the mineralisation due to practical access reasons with the aim of confirming the continuation of the Seawall Haematite unit and the associated high iron grades. The 'Cockatoo Formation' is a key target for iron mineralisation and its surface expression has been draped over the image in transparent blue.



**Figure 1: Plan view of the Switch Pit holes with iron assays, the interpreted Seawall Haematite and Cockatoo Formation.**





Geological modelling and grade estimation has commenced post quarter end as all outstanding assay results have been received. This work is expected to be completed in the 2<sup>nd</sup> quarter calendar year 2022.

Metallurgical test work is continuing at Bureau Veritas in Perth. Work continued on a mining proposal for the Switch Pit prospect as required by the Department of Mines, Industry Regulation and Safety (DMRS), and is expected to be submitted once the mineral resource model and metallurgy work has been assessed.

### **MOU with Transshipment Australia Pty Ltd**

As outlined in the 31 December 2021 Quarterly Activities Report the Company announced on 12 January 2022 that it had entered into a binding MOU with leading ore transshipment specialist Transshipment Australia Pty Ltd (TSA), which will see TSA bring its industry expertise to deliver ore loading solutions for the Cockatoo Island Project. Initial design concepts have been developed, delivering significant potential benefits through utilisation of otherwise non payable waste material.

TSA has extensive experience around Australia with construction and operation of similar bulk commodity facilities, especially in operating within the large tidal variations experienced in Northern Australia and will bring that wealth of knowledge to the project. As part of the project the Company has identified a suitable bay on the southern side of the island within 400m of the Company's planned operations. Initial planning by the partners has identified the potential for waste from the operations to be utilised to form a stockpile area above the high tide mark from which TSA may install a loading hopper, a conveyor and Barge Loading Facility to service the Ocean-Going Vessels intended to transport the ore to potential markets in Asia and beyond. Both companies will, under the agreement, develop these plans jointly through concept, approval and implementation in order to ensure a successful project outcome. The close proximity to both the planned operations and suitable barging areas will negate the need for the Company to construct expensive ship loading facilities.

### **Corporate**

During the quarter Mr Evan Spencer was appointed as the interim Chief Executive Officer (CEO) of the Company. Mr Spencer is a seasoned mining executive, with extensive experience internationally and domestically operating large scale multi-site operations as well as small scale operations in both gold and base metals. With qualifications in both mining engineering and geology he has a strong background in mining, project funding, mine construction and development, permitting, evaluation, feasibility studies, JV management and corporate strategy.

As outlined in the Pearl Gull IPO prospectus, Directors, Mr Jonathan Fisher and Mr Alex Passmore, acted in an executive capacity and oversaw the initial drilling program on Cockatoo Island as well as the listing process itself. With a number of workstreams now underway (permitting, resource modelling, transshipment and metallurgical testwork), Mr Spencer will manage all the Company's project activities as the Company continues its journey to be a producer of high quality iron ore. As a result of Mr Spencer's appointment, Mr Passmore and Mr Fisher stepped down from their Executive Director roles.





Also during the quarter Mr Chris Hunt replaced Mr Matt Worner as Company Secretary for Pearl Gull. Mr Hunt is an experienced finance executive with over 25 years' experience predominately in the resources and construction industries. He has held senior finance roles for close to 15 years and has strong experience in feasibility studies, corporate financing, and mining operations.

### Forward Work Plan

The Company is currently focused on the following activities in the June 2022 quarter:

- Delivery of metallurgical test work;
- Delivery of resource model; and
- Planning and engineering in relation to the Transshipment solution

Delivery of the resource model will assist the Company with planning the next stages of work as the Company considers the potential layout and flow sheet for a small scale mining operation.

### Financials

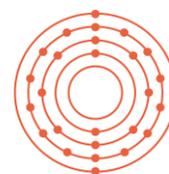
As at 31 March 2022, the Company's cash balance was \$1.1 million. Cash expenditure for the quarter was as follows:

- Exploration and evaluation: \$0.1 million; and
- Administration and employee/consultant costs: \$0.3 million.

A comparison of the use of funds as per the Company's IPO Prospectus dated 16 September 2021 and actual use of funds since listing is provided below:

Use of Funds	Prospectus Estimate (2 years after ASX admission) (\$'000)	Actual Use 2022 YTD (\$'000)	Variance Under/(Over) (\$'000)
Exploration expenditure	3,122	3,244	(122)
Rehabilitation provision	150	20	130
Convertible note interest payments	317	349	(32)
General working capital	469	-	469
Corporate & technical office	1,117	674	443
Estimated expenses of the Offer	776	786	(10)
<b>Total</b>	<b>5,951</b>	<b>5,073</b>	<b>878</b>





The material variances are as a result of the Company listing during the September 2021 quarter and, at the end of March 2022 quarter, being 6 months into the 24-month budget.

Payments to related parties of the entity and their associates for the Quarter totalled \$61k and consisted of fees for both Executive and Non-executive Directors, and rent for office use from Rox Resources Limited.

### Tenement Summary

Tenement Reference	Location	Nature of Interest	Interest at beginning of quarter	Interest at end of quarter
M04/235-l	WA	Granted	100%	100%
L04/102	WA	Granted	100%	100%
L04/103	WA	Granted	100%	100%
P04/299	WA	Application	0%	0%
L04/120	WA	Application	0%	0%
L04/121	WA	Application	0%	0%
L04/122	WA	Application	0%	0%
L04/123	WA	Application	0%	0%

Authorised for release to the ASX by the Board of Pearl Gull Iron Limited.

\*\*\* ENDS \*\*\*

### For more information:

**Russell Clark**

Non-Executive Chairman

Pearl Gull Iron Limited

Tel: +61 8 6383 7988

E: [admin@pearlgulliron.com.au](mailto:admin@pearlgulliron.com.au)**Chris Hunt**

Company Secretary

Pearl Gull Iron Limited

Tel: +61 8 6383 7988

E: [admin@pearlgulliron.com.au](mailto:admin@pearlgulliron.com.au)



## About Pearl Gull

Pearl Gull Iron Limited is an iron ore exploration and development company with mining title over a significant portion of Cockatoo Island. Cockatoo Island is situated off the northwest coast of Western Australia and has a rich history of high-grade iron ore mining since the 1950's. Pearl Gull holds a significant tenure position as well critical infrastructure on Cockatoo Island. Pearl Gull's experienced Board and Management has the skills and track record to progress the various commercialisation opportunities that exist at this world class iron ore project location.

## Competent Person Statements

### Exploration Results

The information in this report that relates to Data and Exploration Results is based on information compiled and reviewed by Mr Alastair Watts a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and General Manager Geology at Pearl Gull Iron Limited. Mr Watts has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Watts consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Unless otherwise stated, where reference is made to previous releases of exploration results in this announcement, the Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning the exploration results included in those announcements continue to apply and have not materially changed.

The information in this report that relates to previous Exploration Results was prepared and first disclosed under the JORC Code 2012 and has been properly and extensively cross-referenced in the text to the date of the original announcement to the ASX.

### Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Pearl Gull Iron Limited planned exploration program(s) and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward looking statements.



Website <https://www.pearlgulliron.com.au/>



Twitter <https://twitter.com/PearlGull>



LinkedIn <https://www.linkedin.com/company/76158277/admin/>

