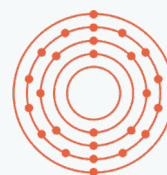


ASX Announcement



PEARL GULL IRON

ASX ANNOUNCEMENT

ASX: PLG

20 December 2022

Underwritten Placement and Rights Issue to Raise \$2 million

HIGHLIGHTS

- Pearl Gull announces fully underwritten placement and entitlement issue to raise approximately \$2.0 million:
 - Two-tranche placement to raise \$1.0 million via the issue of 50 million shares at \$0.02 per share
 - The first tranche of the placement (T1) will be undertaken using the Company's existing placement capacity under ASX Listing Rule 7.1
 - The second tranche of the placement (T2) will be undertaken following shareholder approval at a General Meeting expected to be held in early February 2023
 - Entitlement offer to all shareholders on the basis of 1 new share for every 2 existing shares held on the record date at an offer price of \$0.02 per share
- Supportive new cornerstone investors introduced to the Company's register
- Funds to be applied to progress the Company's existing asset, assess new opportunities and working capital

Pearl Gull Iron Limited (ASX: PLG) (Pearl Gull or the Company) is pleased to announce a fully underwritten placement and entitlement offer to raise \$2.0 million.



Registered Address

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

Level 2, 87 Colin Street,
West Perth, WA 6005
www.pearlgulliron.com.au

Directors

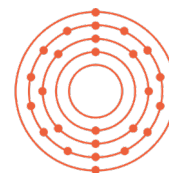
Russell Clark – Non-Executive Chairman
Jonathan Fisher – Non-Executive Director
Alexander Passmore – Non-Executive Director

E: admin@pearlgulliron.com.au
P: +61 8 6383 7988

Projects

Switch Pit
North Bay
Magazine Pit

Shares on Issue	103.0M
Share Price	\$0.025 (14 Dec 22 close)
Market Cap	\$2.6M
ASX Code	PLG



The \$2.0 million equity raising will comprise:

- A two-tranche underwritten placement of 50 million new shares to raise \$1.0 million (before costs) (**Placement**); and
- The issue of approximately 51 million new shares under an underwritten 1 for 2 non-renounceable pro-rata entitlement offer to raise approximately \$1.0 million (before costs) (**Entitlement Offer**), (together, the **Offers**).

All new shares offered under the Offers will be issued at a price of \$0.02 per new share.

All new shares issued under the Offers will rank equally with existing shares on issue. The Company will, upon issue of the new shares under the Offers, seek quotation of the new shares on the ASX.

Placement

The placement will comprise a two-tranche placement via the issue of 50 million shares at \$0.02 per share to sophisticated and professional investors to raise \$1.0 million (before costs).

- The first tranche of the placement (**T1**) will be undertaken using the Company's existing placement capacity under ASX Listing Rule 7.1. Approximately 15.4 million shares will be issued under Listing Rule 7.1.
- The second tranche of the placement (**T2**), being approximately 34.6 million shares, will be subject to shareholder approval.

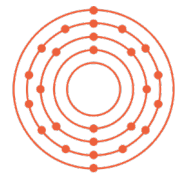
A general meeting to consider whether to approve the issue of the new shares pursuant to the second tranche of the placement is expected to be held in February 2023.

Entitlement Offer

The Company will undertake a non-renounceable entitlement offer to raise approximately \$1.0 million (before costs). New shares will be offered to eligible shareholders on the basis of 1 new fully paid ordinary share in the Company for every 2 existing shares held on the record date at an offer price of \$0.02 per new share.

Shareholders with a registered address in Australia and New Zealand as at 5:00pm (AWST) on Friday, 23 December 2022 will be eligible to participate in the Entitlement Offer (**Eligible Shareholders**). Eligible Shareholders can choose to take up all, part or none of their entitlement. New shares which are not subscribed for by Eligible Shareholders will be allocated by the Company to the underwriter in accordance with the terms of the underwriting agreement.





Entitlements to subscribe for new shares under the Entitlement Offer are non-renounceable and cannot be traded on the ASX.

Further details about the Entitlement Offer will be provided in an offer document (**Offer Document**) announced to ASX and which the Company expects to dispatch on 30 December 2022. The Offer Document will also be available on the Company's website (www.pearlgulliron.com.au).

Shareholders should consider the Offer Document when deciding whether to acquire new shares under the Entitlement Offer and will need to complete the personalised entitlement and acceptance form that will accompany the Offer Document if they wish to subscribe for new shares.

Lead Manager and Underwriting

Golden Triangle Corporate Pty Limited has been appointed as lead manager to the Offers (**Lead Manager**).

The Company has entered into an underwriting agreement with Malekula Projects Pty Ltd (**Underwriter**) for the Offers.

The Company will pay a management fee of 1.0% under the Offers to the Lead Manager and a capital raising fee of 5.0% of the Offers to the Underwriter. Subject to shareholder approval, the Company will issue 2 million unlisted options (exercisable at \$0.05 on or before 3 years from issue) to the Lead Manager and 18 million unlisted options (exercisable at \$0.05 on or before 3 years from issue) to the Underwriter (and/or its nominee(s)). A general meeting to consider whether to approve the issue of the options is expected to be held in February 2023.

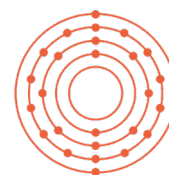
Malekula is an entity owned by Mr James Timothy Bahen. Mr Bahen is sole director and company secretary of Malekula. Mr Bahen is a corporate adviser, director and company secretary of several ASX listed entities and a member of the Governance Institute of Australia. The Company and its representatives undertook the following activities to establish Malekula's ability to perform its obligations under the underwriting agreement:

- direct enquiries with Mr Bahen to obtain an understanding of his capacity to deliver under the proposed arrangements;
- searches of ASIC databases; and
- general google search with no adverse findings.

Use of Funds

The funds raised under the Offers will be used for progressing the Company's existing assets, assessing new opportunities and working capital.





Indicative Timetable

The indicative key dates for the Placement and Entitlement Offer are as follows:

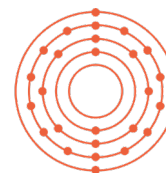
Event	Date
Announce Placement and Entitlement Offer	Tuesday, 20 December 2022
Lodge Appendix 3B with ASX	Tuesday, 20 December 2022
Shares quoted on an "Ex" basis	Thursday, 22 December 2022
Record Date for determining Entitlements (5:00pm AWST)	Friday, 23 December 2022
Offer Document and Application Forms dispatched to Eligible Shareholders	Friday, 30 December 2022
Opening Date of Entitlement Offer	Friday, 30 December 2022
Settlement Date for tranche 1 of the Placement	Thursday, 5 January 2023
Dispatch notice of meeting	Early January 2023
Last day to extend the Closing Date	Friday, 13 January 2023
Closing Date of Entitlement Offer (5:00pm AWST)	Wednesday, 18 January 2023
Announce results of Entitlement Offer	Monday, 23 January 2023
Anticipated date for issue of the New Shares	Wednesday, 25 January 2023
Anticipated date for dispatch of holding statements	Friday, 27 January 2023
Shareholder meeting	Early February 2023
Settlement Date for tranche 2 of the Placement	Early February 2023

Pearl Gull's Non-Executive Chairman, Russell Clark, commented on the capital raise:

"Since we listed, we have concentrated on delivering the exploration plan on Cockatoo Island that was presented in the IPO prospectus. We have reached a point where additional funds are required to continue the exploration work, assess new opportunities and for working capital. We are very pleased that this raise is fully underwritten providing confidence to new and existing shareholders."

This announcement was authorised for release to the ASX by the Board of Pearl Gull Iron Limited.





For more information:

Russell Clark

Non-Executive Chairman

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Company Secretary

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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.



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



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



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

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.

