

ASX Announcement



PEARL GULL IRON

ASX ANNOUNCEMENT

ASX: PLG

31 January 2023

Quarterly Activities Report For the period ending 31 December 2022

HIGHLIGHTS

- Operational workstreams for Cockatoo Island progressed during the quarter
- Fully underwritten placement and entitlement issue to raise approximately \$2.0 million launched
- Annual General Meeting held with all resolutions passed
- Cash at bank \$733k

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 December 2022 Quarter.

Pearl Gull’s Non-Executive Chairman, Russell Clark, commented:

“*Pearl Gull has continued to advance resource and transshipping studies during the quarter, when access to the island is limited due to the wet season. Our primary focus this quarter has been on securing additional funds with which to advance work on the island and look at other potential opportunities. It’s been very pleasing to secure \$2m of underwritten funds (subject to shareholder approval for Tranche 2 of the Placement) and we look forward to working with our new cornerstone investors as well as those who have supported the company to date.*”



Registered Address

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

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www.pearlgulliron.com.au

Directors

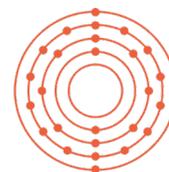
Russell Clark – Non-Executive Chairman
Jonathan Fisher – Non-Executive Director
Alexander Passmore – Non-Executive Director

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Projects

Switch Pit
North Bay
Magazine Pit

Shares on Issue 135.1M
Share Price 3.4c (30 Jan 23 close)
Market Cap \$4.6M
ASX Code PLG



Cockatoo Island

The Company progressed key operational workstreams for Cockatoo Island during the quarter including resource modelling at Magazine Pit and Switch Pit and capital and operating costs for transshipping. Due to the focus of the Company for the quarter on the fully underwritten placement and entitlement issue (outlined further below) further updates on these activities are expected in the March 2023 quarter.

Corporate

Capital Raising

A fully underwritten placement and entitlement issue to raise approximately \$2.0 million was launched in December.

The capital raising was structured as a two-tranche placement to raise \$1.0 million via the issue of 50 million shares at \$0.02 per share with the first tranche of the placement (T1) to be undertaken using the Company's existing placement capacity under ASX Listing Rule 7.1. The second tranche of the placement (T2) will be completed following shareholder approval at a General Meeting to be held on Friday, 3 February 2023.

The entitlement offer to all shareholders is on the basis of 1 new share for every 2 existing shares held on the record date (23 December 2022) at an offer price of \$0.02 per share. Subsequent to quarter end the entitlement offer closed with 16.6 million new shares applied for and accepted. The placement of the shortfall of 34.9 million shares is expected to be completed by no later than 9 February 2023.

The capital raising has introduced new supportive cornerstone investors to the Company's register with funds to be applied to progress the Company's existing asset, assess new opportunities and working capital.

Annual General Meeting

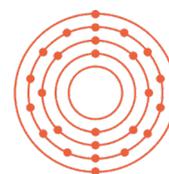
The Company held its Annual General Meeting on 29 November 2022 with all resolutions passed by a poll.

Financials

As at 31 December 2022, the Company's cash balance increased by \$92k to \$733k. The primary movements in cash at bank for the quarter were as follows:

- Funds received from Tranche 1 of the Placement \$309k (before costs);
- Exploration and evaluation: \$87k; and
- Administration and employee/consultant costs: \$130k.





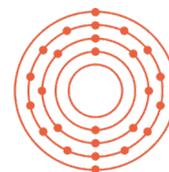
A comparison of the use of funds as per the Company's IPO Prospectus dated 16 September 2021 and actual use of funds since listing is provided below:

Use of Funds	Prospectus Estimate (2 years after ASX admission) (\$'000)	Actual Use From Listing until 31/12/22 (\$'000)	Variance Under/(Over) (\$'000)
Exploration expenditure	3,122	3,646	(524)
Rehabilitation provision	150	20	130
Convertible note interest payments	317	349	(32)
General working capital	469	-	469
Corporate & technical office	1,117	952	165
Estimated expenses of the Offer	776	786	(10)
Total	5,951	5,753	198

The variances are as a result of the Company listing during the September 2021 quarter and at the end of December 2022 quarter, being 15 months into the 24-month budget.

Payments to related parties of the entity and their associates for the Quarter totalled \$74k and consisted of fees for both Executive and Non-executive Directors, and shared Finance and Company Secretarial services and rent for office use from Rox Resources Limited. Such shared resources have been utilised in order to conserve Company cash resources.



**Tenement Summary**

Tenement Reference	Location	Nature of Interest	Interest at beginning of quarter	Interest at end of quarter
M04/235-I	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%
L04/122	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

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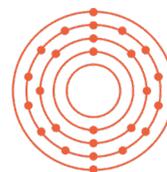
E: admin@pearlgulliron.com.au**Chris Hunt**

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.

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.

