

ASX Announcement



PEARL GULL IRON

ASX ANNOUNCEMENT

ASX: PLG

23 October 2023

Quarterly Activities Report For the period ending 30 September 2023

HIGHLIGHTS

- Engagement of ERM Sustainable Mining (ERM), formerly CSA Global, to assist with strategic planning and next steps on Cockatoo Island following release of maiden Inferred Mineral Resource for Magazine deposit
- Site visit undertaken and consultants engaged to progress care and maintenance activities on Cockatoo Island including completion of a revised Care and Maintenance Plan
- Continued identification and review of new opportunities to strengthen existing asset base
- Cash at bank \$1,598k as at 30 September 2023

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 September 2023 quarter.

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

"During the September quarter the Company continued to assess next steps on the island following the release of maiden inferred Mineral Resource for Magazine deposit earlier this year, engaging ERM to assist with this strategic review. In addition to that, site visits were undertaken during the quarter with an increase in care and maintenance activities on the island while also continuing to assess potential opportunities to strengthen the Company's existing asset base."



Registered Address

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ABN 62 621 103 535

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Directors

Russell Clark – Non-Executive Chairman
Alexander Passmore – Non-Executive Director
Mathew O'Hara - Non-Executive Director

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Projects

Switch Pit
Magazine Pit

Shares on Issue	204.5M
Share Price	\$0.026 (23 Oct 23 close)
Market Cap	\$5.3M
ASX Code	PLG



Cockatoo Island

Following release of a maiden Inferred Mineral Resource for the Magazine deposit (Table 1) and an Exploration Target for the Switch Pit (Table 2) on Cockatoo Island in late March 2023, the Company has continued to review its strategy on the island. As part of this process, the Company has engaged ERM to assist with determination of next steps in regard to the Magazine Deposit and Switch Pit.

Care and maintenance activities on Cockatoo Island were increased during the quarter, with site visits undertaken in August to inspect pit areas, waste dumps and workshop areas on the leases. A revised Care and Maintenance Plan was also developed and submitted to DMIRS for approval as part of the lease commitments. Consultants were engaged during the quarter to progress key care and maintenance items as part of the overall Care and Maintenance Plan.

During the September 2023 quarter, the Company continued identifying and reviewing new opportunities with the objective of strengthening its existing asset base. New project generation will continue to be a focus into the next quarter.

Mineral Resource – Magazine Deposit

During March 2023, ERM, reported a maiden Inferred Mineral Resource estimate (**MRE**) on the Magazine deposit, located on Cockatoo Island. The Magazine deposit is located wholly within Mining Lease M04/235-I, held by Pearl Gull. The MRE has been reported in accordance with the guidelines of the JORC Code (2012). The MRE is presented in Table 1 below.

Table 1: Magazine Mineral Resource by classification reported above a 25% Fe cut-off (1 March 2023)

Deposit	Classification	Tonnes (Mt)	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	Mn %	CaO %	MgO %	Na ₂ O %	LOI %
Magazine	Inferred	24.5	34.3	46.3	2.7	0.01	0.00	0.01	0.01	0.42	0.01	1.04
	Total	24.5	34.3	46.3	2.7	0.01	0.00	0.01	0.01	0.42	0.01	1.04

Notes:

- Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).
- Data is reported to significant figures and differences may occur due to rounding.
- Refer ASX Announcement 28 March 2023 for further information.





Switch Pit – Exploration Target

During March 2023, ERM has estimated an iron Exploration Target for Switch Pit, comprising the Seawall haematite and the High-Wall haematite lens, summarised in Table 2 below. This Exploration Target was based on 2021 Pearl Gull diamond drilling core and field mapping observations.

Table 2: Switch Pit Exploration Target

Deposit	Fe %	Minimum Case (Mt)	Medium Case (Mt)	Maximum Case (Mt)
Seawall Haematite	66	0.38	1.7	6.6
High-Wall Haematite	55 to 65	0.1	0.5	1.9
Total		0.48	2.2	8.5

Notes:

- The grades are average estimates based on visual examination of the drill assays.
- The High-Wall haematite comprises interpreted eight lenses of approximately 1–2 m thicknesses.
- Refer ASX Announcement 28 March 2023 for further information.
- **The potential quantity and grade of the Switch Pit iron mineralisation is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if future exploration will result in an estimation of a Mineral Resource.**

Corporate

2023 Annual General Meeting

The Company's 2023 Annual General Meeting will be held on Tuesday, 28 November 2023 at 11:00am (WST) at Suite 23, 513 Hay Street, Subiaco. The Company's Notice of Annual General Meeting was released on 23 October 2023.

Release of Shares from Escrow

On 20 September 2023, the Company released 48,125,552 shares which had been held in escrow since the Company's initial public offering in September 2021. Following release of these shares from escrow, the Company's current capital structure is as follows:

Security Type	Number
Fully paid ordinary shares (freely tradeable)	204,541,790
Unlisted options exercisable at \$0.30 each, expiring 13-Sept-2024	36,777,857
Unlisted options exercisable at \$0.30 each, expiring 13-Sept-2024	20,000,000
Unlisted options exercisable at \$0.05 each, expiring 6-Feb-2026	20,000,000
Unlisted options with nil exercise price, subject to vesting conditions, expiring 1-Jun-2026	6,469,998





Financials

As at 30 September 2023, the Company's cash balance decreased by \$229k to \$1,598k. The movements in cash at bank from operating activities for the September 2023 quarter were as follows:

- Exploration and evaluation expenditure: \$71k;
- Administration and corporate costs: \$75k; and
- Employee/staff costs: \$63k.

During the quarter ended 30 September 2023, the Company spent approximately \$71k on exploration activities relating to activities on Cockatoo Island. This expenditure predominantly related to care and maintenance activities undertaken on the island as well as costs incurred by consultants assisting with assessment of next steps on the island. The expenditure represents direct costs associated with these activities as well as capitalised wages which can be directly attributable to the exploration activities.

In accordance with its obligations under ASX Listing Rule 5.3.5, payments to related parties of the Company and their associates for the quarter ended 30 September 2023 totalled \$50k and consisted of fees for Non-Executive Directors and the Company Secretary.

In accordance with its obligations under ASX Listing Rule 5.3.4, 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 30/09/23 (\$'000)	Variance Under/(Over) (\$'000)
Exploration expenditure	3,122	3,835	(713)
Rehabilitation provision	150	20	130
Convertible note interest payments	317	349	(32)
General working capital	469	-	469
Corporate & technical office	1,117	1,409	(292)
Estimated expenses of the Offer	776	812	(36)
Total	5,951	6,425	(474)

On a total use of funds analysis, the actual use funds (\$6,425k) are materially in line with what was disclosed in the estimate that was included in the Company's IPO Prospectus dated 16 September 2021 (\$5,951), being over budget by approximately 8%.





Individual variances are as a result of the allocation between specific use of funds categories noting that the Company also completed a placement and entitlement issue in late 2022/early 2023 with funds raised to be applied towards the Company's existing assets and the assessment of new opportunities with some of those expenses being included in the actual use of funds amounts.

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

For more information:

Russell Clark

Non-Executive Chairman
Pearl Gull Iron Limited
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Mathew O'Hara

Director & Company Secretary
Pearl Gull Iron Limited
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Tenement Summary

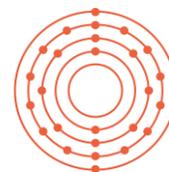
In accordance with its obligations under ASX Listing Rule 5.3.3, the Company has provided a list of tenements held at 30 September 2023.

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%

About Pearl Gull

Pearl Gull Iron Limited (ASX: PLG) 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 Statement

Exploration Results

The information in this report that relates to Exploration Results is based on information compiled by Mr Mark Pudovskis. Mr Pudovskis is a full-time employee of CSA Global Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Pudovskis has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code).

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.

Mineral Resource Statement

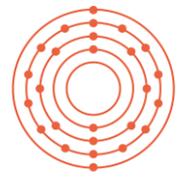
The information in this report that relates to the Magazine Mineral Resources is based on information compiled by Mr Mark Pudovskis and Mr Matt Clark. Mr Mark Pudovskis is a full-time employee of CSA Global and is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Matt Clark is a full-time employee of CSA Global and is a Member of the AusIMM. Mr Mark Pudovskis and Mr Matt Clark have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Mark Pudovskis and Mr Matt Clark consent to the disclosure of the information in this report in the form and context in which it appears. Mr Mark Pudovskis assumes responsibility for matters related to Sections 1 and 2 of JORC Table 1, while Mr Matt Clark assumes responsibility for matters related to Section 3 of JORC Table 1.

The Statement of Estimates of Mineral Resources for the Magazine Deposit was reported by the Company in accordance with ASX Listing Rule 5.8 in the announcement released to the ASX on 28th March 2023. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcements and that all material assumptions and technical parameters underpinning the estimates in the previous announcements continue to apply and have not materially changed.

Exploration Target

The Exploration Target for Switch Pit was reported by the Company in accordance with ASX Listing Rule 5.7 in the announcement released to the ASX on 28th March 2023. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcements and that all material assumptions and technical parameters underpinning the estimates in the previous announcements continue to apply and have not materially changed. The potential quantity and grade reported are conceptual only in nature. Insufficient exploration has been conducted to estimate a Mineral Resource and it is uncertain whether future exploration will lead to the estimation of a Mineral Resource in the defined areas.





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.



Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Pearl Gull Iron Limited

ABN

62 621 103 535

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(71)	(71)
(b) development	-	-
(c) production	-	-
(d) staff costs	(63)	(63)
(e) administration and corporate costs	(75)	(75)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(203)	(203)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment		
	(d) investments	-	-
	(e) other non-current assets		
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(26)	(26)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(26)	(26)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,827	1,827
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(203)	(203)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(26)	(26)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,598	1,598

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,598	1,827
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,598	1,827

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(50)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end	-	
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(203)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(203)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,598
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,598
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	7.9
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **23 October 2023**

Authorised by: **The Board of Pearl Gull iron Limited**

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.