

# ASX Announcement



PEARL GULL IRON

ASX ANNOUNCEMENT

ASX: PLG

31 October 2024

## Quarterly Activities Report for 30 September 2024

### HIGHLIGHTS

- With the support of ERM Sustainable Mining, results from the field mapping and structural interpretation review were received during the quarter to develop an understanding of the relationship between the Switch Pit and Magazine areas. These results are being used to progress exploration activities on Cockatoo Island.
- Care and maintenance activities continued on the island with spraying of several areas following completion of the weed survey and weed management plan. Liaising with DMIRS regarding the Company's environmental obligations continued during the quarter.
- Mutual agreement not to proceed with acquisition of Huemul Holdings Pty Ltd due to current market sentiment and headwinds in the market for Rare Earth Elements. The Company continues its assessment of new opportunities with a view to strengthen the Company's existing asset portfolio.
- Upcoming 2024 Annual General Meeting to be held on 21 November 2024.

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 2024 quarter.

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

*"Although disappointing to terminate the acquisition of Huemul Holdings Pty Ltd, considering the time and effort applied to the transaction over a period of time, we felt that as a result of the current market sentiment and recent headwinds experienced in the market price for rare earth elements, it wasn't in the best interests to farm-in to the La Marigen Rare Earths Project in Chile at this point in time. However, we continued to progress activities on Cockatoo Island and now with the results of the structural interpretation, we look forward to continuing exploration activities on the island to unlock value for shareholders."*



#### 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	\$0.018 (30-Oct-24 close)
Market Cap	\$3.7M
ASX Code	PLG



### Cockatoo Island activities

As announced previously, the Company had engaged ERM Sustainable Mining (ERM) to support the Company in undertaking a strategic review, with the aim of developing an exploration plan for Cockatoo Island. This strategic review highlighted a potential ‘high value’ gap in our geological understanding between the Switch Pit and Magazine areas (Figure 1 highlighted yellow ellipse).

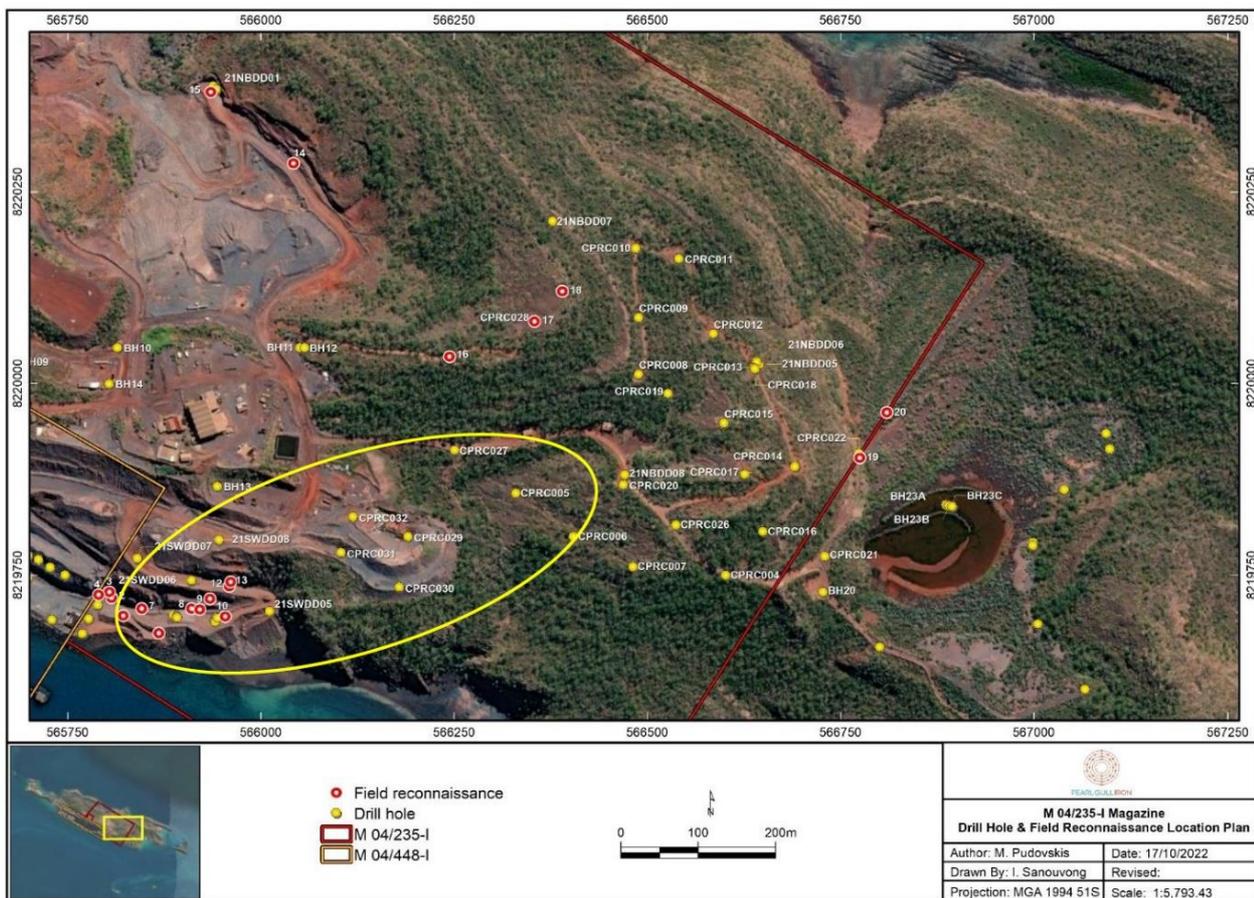
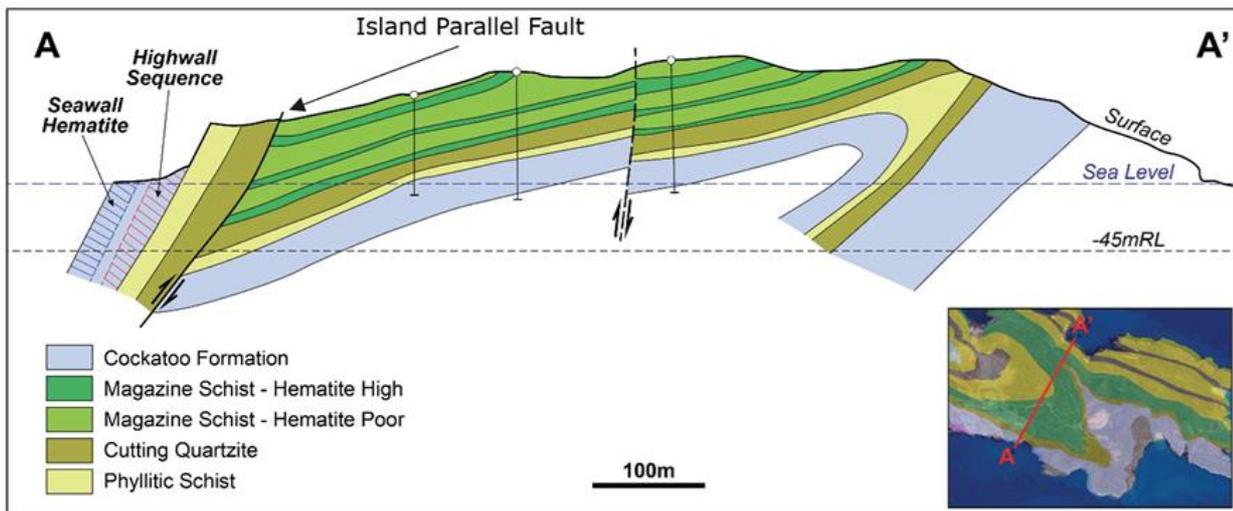


Figure 1: Potential high-value gap between Switch Pit and Magazine Deposit.

A field mapping program was undertaken with ERM to assist in developing a robust 3D structural understanding of the relationship between the Switch Pit and Magazine areas. This piece of work was undertaken to assist in determining next steps on the island. This field mapping exercise was completed last quarter with the mapping and structural interpretation work finalised during the September 2024 quarter.

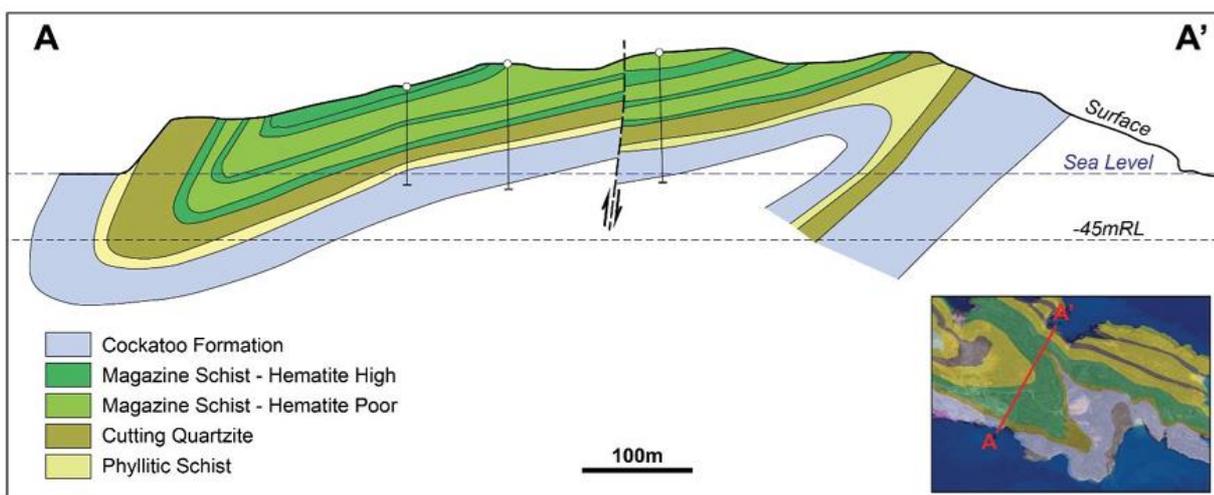
This work noted that the Cockatoo Island geology is part of a fold and thrust belt where strata have been folded into isoclinal folds. The mapped fault in the No 1 North Bay is interpreted to represent a thrust which moved the Highwall sandstone iron band sequence of the Switch Pit on to the shallowly dipping iron band lenses and Magazine Schist package of the Magazine Deposit (Figure 2).





**Figure 2:** Schematic cross-section showing Seawall Hematite, Highwall Sequence and cutting quartzite thrust on top of the Magazine Deposit Sequence.

This new interpretation contrasts with the original interpretation of a continuously folded sequence but does likely exclude the possibility that the Seawall Hematite is folded at depth to the northeast part of the island. It is likely that Seawall Hematite and highwall sequence are thrust into the current position from an unknown source and do not fold towards the northeast of the island. The previous interpretation is shown schematically as Figure 3.



**Figure 3:** Schematic cross-section showing original interpretation of continually folded sequence Note: The new interpretation based on the current mapping campaign is shown in Figure 2.





The mapping and structural interpretation work identified a fault, colloquially named the Island-Parallel Fault (**IPF**), which was identified proximal to the village in the North No 1 Bay. The IPF was interpreted to extend southeast from the North No 1 Bay, and parallel to the strike of the island, demarcating the termination of Domain 1 against Domain 2.

The demarcation of the Switch Pit and the Magazine deposits by the IPF is evident by the interpreted thrusting the Cockatoo Formation Seawall Hematite, highwall sequences and the cutting quartzite on to Magazine Schist lithologies of the Magazine deposit.

The Cockatoo Formation Switch Pit highwall sequences correlate well with the highwall iron bands identified previously. The structural mapping recently completed provided evidence that these iron-rich bands extend further to the southeast than previously recognised in the field. The structural mapping was unable to provide any credible evidence that the Seawall Hematite could be present elsewhere on the island at depth however, in ERM's opinion based on the recent work, the presence of the IPF diminishes this potential.

Following completion of the mapping and structural interpretation work, the Company is assessing the best path forward to developing a future drill program, which may include:

- Acquisition high-resolution drone photography and magnetics over the Highwall Sequence in the Switch Pit to assist mapping iron bands mapping in inaccessible areas of the pit;
- Survey highwall sequence iron bands with differential global positioning system equipment; and
- Metallurgical test work.

The inferred Mineral Resource for the Magazine deposit and an Exploration Target for the Switch Pit are shown at Appendix 2.

### Care and Maintenance activities

During the September quarter, on-going care and maintenance activities continued on Cockatoo Island to assess compliance with the environmental commitments.

Following completion of the weed survey and weed management plan during the previous quarter, spraying of several areas of the lease has been implemented to control the invasive weeds. The areas around the core yard, metal dump and LV dead-line have been sprayed on several occasions to eliminate the existing weeds and control any further spread.

Further checks and repairs on the mesh/ladders in the sediment ponds were also completed during the quarter which resulted in the replacement of the mesh as per guidelines to allow for wildlife egress.

Pearl Gull continues its care and maintenance activities with ongoing routine inspections and liaising with DMIRS regarding its environmental obligations.





## Other Opportunities

As announced on 14 June 2024, the Company entered into a binding term sheet to acquire 100% of the fully paid ordinary shares in Huemul Holdings Pty Ltd, which had signed an agreement to have the right to earn up to an 80% interest in NeoRe SpA and the underlying La Marigen Rare Earths Project in Chile. However, in August 2024, by mutual agreement between the Company and the shareholders of Huemul Holdings Pty Ltd, the binding term sheet was terminated. Due to current market sentiment and headwinds in the market price for Rare Earth Elements, the Company considered that it was no longer in its best interests to farm in to the La Marigen Rare Earths Project in Chile, in these prevailing conditions.

During the quarter, new project generation remained a key focus and the Company will continue to identify and review new opportunities with the objective of strengthening its existing asset base.

## Corporate activities

### Upcoming Annual General Meeting

The Company will hold its Annual General Meeting on Thursday, 21 November 2024 at 10:00am (AWST) at Suite 23, 513 Hay Street, Subiaco. The Company's Notice of Annual General Meeting was released on the ASX on 22 October 2024.

### Share Capital

During the quarter, a total of 56,777,857 unquoted options expired without exercise. The Company's current capital structure is as follows:

Security Type	Number
Fully paid ordinary shares	204,541,790
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 2024, the Company's cash balance decreased by \$367k to \$532k. The movements in cash at bank from operating activities for the June 2024 quarter were as follows:

- Exploration and evaluation expenditure: \$80k;
- Administration and corporate costs: \$215k, which has increased from the prior quarter due to additional legal and transaction related costs associated with the terminated acquisition of Huemul Holdings Pty Ltd; and
- Employee/staff costs: \$74k.





During the quarter ended 30 September 2024, the Company spent approximately \$80k on exploration activities relating to activities on Cockatoo Island. This expenditure predominantly related to environmental and geological consultants costs incurred in relation to the field mapping exercise undertaken as well as on going care and maintenance activities undertaken 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 2024 totalled \$59k and consisted of fees for the Interim Chief Executive Officer, Non-Executive Directors and the Company Secretary.

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

**For more information:**

**Russell Clark**

Chairman

Pearl Gull Iron Limited

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**Mathew O'Hara**

Non-Executive Director & Company Secretary

Pearl Gull Iron Limited

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**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.





## Appendix 1 - 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 2024. There were no changes in tenements held for the quarter ended 30 September 2024.

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%





## Appendix 2 - Mineral Resource and Exploration Target at Cockatoo Island

### Mineral Resource – Magazine Deposit

ERM reported a maiden Inferred Mineral Resource estimate (**MRE**) on the Magazine deposit, located on Cockatoo Island in 2023. 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 <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	S %	Mn %	CaO %	MgO %	Na <sub>2</sub> 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
	<b>Total</b>	<b>24.5</b>	<b>34.3</b>	<b>46.3</b>	<b>2.7</b>	<b>0.01</b>	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>	<b>0.42</b>	<b>0.01</b>	<b>1.04</b>

**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

ERM estimated an iron Exploration Target for Switch Pit, comprising the Seawall haematite and the High-Wall haematite lens, summarised in Table 2 below, in 2023. This Exploration Target was based on 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
<b>Total</b>		<b>0.48</b>	<b>2.2</b>	<b>8.5</b>

**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.**





## Competent Persons Statement

### *Mineral Resource*

The information in the release that relates to the Magazine Deposit Mineral Resource was reported by the Company in accordance with ASX Listing Rule 5.8 in the announcement released to the ASX on 28 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 and Exploration Results*

The information in this report that relates to the Switch Pit Exploration Target and Exploration Results is based on information compiled by Mr Mark Pudovskis. Mr Pudovskis is a full-time employee of ERM 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). Mr Pudovskis consents to the disclosure of the information in this report in the form and context in which it appears. The Exploration Target was first reported by the Company in the announcement released to the ASX on 28 March 2023. 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 announcement may include forward-looking statements and opinions. Forward-looking statements, opinions and estimates are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Pearl Gull.

Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements, opinions or estimates. Actual values, results or events may be materially different to those expressed or implied in this announcement.

Given these uncertainties, readers are cautioned not to place reliance on forward-looking statements, opinions or estimates. Any forward-looking statements, opinions or estimates in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Pearl Gull does not undertake any obligation to update or revise any information or any of the forward-looking statements opinions or estimates in this announcement or any changes in events, conditions or circumstances on which any such disclosures are based.



## Appendix 5B

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

Name of entity

<b>Pearl Gull Iron Limited</b>
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ABN

<b>62 621 103 535</b>
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Quarter ended ("current quarter")

<b>30 September 2024</b>
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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(80)	(80)
(b) development	-	-
(c) production	-	-
(d) staff costs	(74)	(74)
(e) administration and corporate costs	(215)	(215)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
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)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(367)</b>	<b>(367)</b>

<b>2. Cash flows from investing activities</b>		
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	-	-
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	899	899
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(367)	(367)
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)	-	-

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>532</b>	<b>532</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	532	899
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>532</b>	<b>899</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(59)
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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.	N/A	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(367)
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)	(367)
8.4 Cash and cash equivalents at quarter end (item 4.6)	532
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	532
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>1.4</b>
<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?	
<b>Answer:</b> Yes, the Company expects to have the current net operating cash flows for the time being however notes that during the current and previous quarter it did incur higher than normal administration and corporate costs as a result of transaction related costs in relation to the terminated acquisition of Huemul Holdings Pty Ltd.	

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

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:** *The Company will continue to monitor its available cash going forward. The Company has alternatives to raise further cash to fund its operations and will take those steps as and when appropriate. These include the potential for equity raisings to fund additional exploration as required. Given the Company's supportive shareholder base and historical ability to raise capital, the Company is confident of successfully raising further funds if and when required. The Company also retains full placement capacity under ASX Listing Rules 7.1 and 7.1A.*

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:** *Yes, the Company expects to be able to continue its operations and meet its business objectives on the basis that it expects to be able to secure funding if required as described in the answer to Question 8.8.2 above.*

*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.*

## 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: **31 October 2024**

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.