

13 September 2017

## Agreement for Sale of Cockatoo Island Project

The directors of Pelican Resources Limited ("Pelican" or "Company") are pleased to announce the Company has entered into a conditional legally binding term sheet and formal agreement ("Agreement") with Cockatoo Iron NL ("Cockatoo Iron") and its wholly owned subsidiary Pearl Gull Pty Ltd ("Pearl Gull"), to sell its interests in the Cockatoo Island Project. The Agreement encompasses mining lease 04/235-I, miscellaneous licence applications 04/102 and 04/103 ("Mining Lease") and certain contractual rights to use the Ship Loader and Jetty ("Use Rights") located within the Mining Lease.

Under the terms of the Agreement, Pelican has agreed to sell its interests in the Cockatoo Island Project for a purchase price of \$3.75 million ("Consideration") payable in cash and equity in Cockatoo Iron as follows:

- an initial cash payment of \$150,000 non-refundable deposit payable on execution of the Agreement which has been received by the Company;
- a second cash payment of \$1,350,000 on completion of the sale and/or transfer of the Mining Lease and Use Rights ("Completion");
- a third cash payment of \$750,000 on or before 31 March 2018; and
- the issuance of \$1,500,000 worth of fully paid ordinary shares in Cockatoo Iron, at a deemed issue price of either \$0.30 per share or if Cockatoo Iron completes a capital raising by the issue of fully paid ordinary shares before Completion as part of a public listing on ASX, the issue price for those shares (subject to such escrow restrictions as may be imposed by ASX).

Under the terms of the Agreement, Completion is subject to and conditional on:

- receipt of necessary Ministerial and governmental authority and approvals;
- receipt of all other necessary third party approvals and consents;
- receipt of regulatory approvals by Pelican, including shareholder approval; and
- the conditions must be satisfied or, waived on or before 90 days after the date of the Agreement or such later date as the parties may agree.

At Completion the parties have also agreed to execute a Revenue Sharing Agreement ("RSA"), whereby Pelican will be entitled to receive up to a maximum of \$500,000 per annum of gross revenue received by Cockatoo Iron and Pearl Gull from certain non-mining activities that may be conducted by third parties within the Mining Lease. Cockatoo Iron will have the right of pre-emption in respect of a sale by Pelican of its rights under the RSA.

Pelican will seek shareholder approval for the sale of the Cockatoo Island Project at the Company's Annual General Meeting to be held in November 2017.

For further details please contact:

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