PELICAN RESOURCES LIMITED

ACN 063 388 821

NOTICE OF ANNUAL GENERAL MEETING

TIME: 9:30 am (WST)

DATE: 17 November 2017

PLACE: Level 11, BGC Centre
28 The Esplanade
Perth WA 6000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 402 212532.

CONTENTS

IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 9:30 am (WST) on 17 November 2017 at Level 11, BGC Centre, 28 The Esplanade, Perth WA 6000.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00 pm (WST) on 15 November 2017.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

Note: There is no requirement for Shareholders to approve these reports.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **advisory resolution**:

> *"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2017."*

Note: This Resolution will be determined as if it were an ordinary resolution but under section 250R(3) of the Corporations Act the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

  (i) does not specify the way the proxy is to vote on this Resolution; and

  (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ALEC PISMIRIS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purpose of clause 13.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Alec Pismiris, retires by rotation and being eligible, offers himself for re-election, be and is hereby re-elected as a director of the Company."*

4. RESOLUTION 3 – APPROVAL OF SALE OF INTERESTS IN COCKATOO ISLAND ASSETS TO COCKATOO IRON NL

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

> *"That, for the purposes of Listing Rule 11.2 and for all other purposes, Shareholders approve the sale of the Company's interests in the Cockatoo Island Assets on the terms and conditions detailed in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who might obtain a benefit, except a benefit solely in the capacity as a Shareholder if the Resolution is passed, or an associate of that person.

However, the Company will not disregard a vote if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 4 – APPROVAL OF SALE OF INTERESTS IN COCKATOO ISLAND ASSETS WITH NO OFFER TO SHAREHOLDERS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

> *"That, for the purposes of Listing Rule 11.4 and for all other purposes, Shareholders approve the sale of the Company's interests in the Cockatoo Island Assets without making an offer to Shareholders which satisfies Listing Rule 11.4.1(a), on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who is a party to the transactions to acquire the Cockatoo Island Assets and any associates of such a person.

However, the Company will not disregard a vote if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

> *"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Ordinary Securities, if the Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote:

(a) in accordance with the directions on the Proxy Form; or

(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 28 September 2017
By order of the Board

Alec Pismiris
Director & Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2017, together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.pelicanresources.com.au.

At the Meeting, Shareholders will be offered the opportunity to:

(a) discuss the annual financial report of the Company;

(b) ask questions about, or comment on, the management of the Company; and

(c) ask the auditor questions about the conduct of the audit and the reparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

(a) the preparation and content of the auditor's report;

(b) the conduct of the audit;

(c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and

(d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy:

(a) ***You must direct your proxy how to vote*** *on this Resolution*. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member):

(b) You **do not** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, you should note that the Chairman intends to vote all undirected proxies in favour of Resolution 1 despite that Resolution being connected with the remuneration of a member of Key Management Personnel**.**

If you appoint any other person as your proxy:

(c) You ***do not*** need to direct your proxy how to vote on this Resolution, and you ***do not*** need to mark any further acknowledgement on the Proxy Form.

(d) The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

(e) Resolution 1 is an ordinary Resolution.

(f) The Chairman intends to exercise all available proxies in favour of Resolution 1.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ALEC PISMIRIS

Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer.

Clause 13.2 of the Constitution provides that at each annual general meeting:

(a) one third (or if that is not a whole number, the whole number nearest to one third) of the Directors who are not:

(i) appointed by the Board, and otherwise required to retire, under the Constitution;

(ii) the Managing Director (or if there is more than 1, the 1 (if any) nominated; or

(iii) an alternate Director; and

(b) any Director who would, if that Director remained in office until the next annual general meeting, have held that office for more than 3 years,

must retire from office and are eligible for re-election.

The Directors who retire under clause 13.2 are those who have held office the longest since last being elected or appointed. If 2 or more Directors have been in office for the same period, those Directors may agree which of them will retire. If they do not agree, they must draw lots to decide which of them must retire.

In determining the number of Directors to retire, no account is to be taken of:

(c) a Director who only holds office until the next annual general meeting pursuant to the Constitution; and/ or

(d) a Managing Director,

each of whom are exempt from retirement by rotation. However, if more than one Managing Director has been appointed by the Directors, only one of them (nominated by the Directors) is entitled to be excluded from any determination of the number of Directors to retire and/or retirement by rotation.

The Company currently has 3 Directors and accordingly the remaining director must retire.

Mr Alec Pismiris retires by rotation and seeks re-election.

Details of Mr Alec Pismiris' qualifications and experience are in the annual financial report of the Company.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

The Board (excluding Mr Alec Pismiris) recommends that shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – APPROVAL OF SALE OF INTERESTS IN COCKATOO ISLAND ASSETS TO COCKATOO IRON NL

4.1 Background of the Cockatoo Island Assets

Pelican listed on the Australian Stock Exchange on the 25 January 2002. To facilitate its listing, Pelican agreed to acquire all of the mineral assets of Nugold Hill Mines Limited (**Nugold**) pursuant to an acquisition agreement together with $2,500,000 in cash. In return, Pelican agreed to issue 24 million shares to Nugold under a Prospectus. These shares were distributed in specie to Nugold's shareholders on a pro-rata basis (**Nugold Offer**). As part of the transaction Pelican also agreed to subscribe for up to $1,000,000 of shares in Nugold. In addition, to the Nugold Offer contained in the Prospectus, Pelican raised $200,000 for working capital and exploration activities.

The mineral assets acquired from Nugold pursuant to the acquisition agreement included the Sunshine Gold Project in the Republic of the Philippines, various assets located near Paraburdoo and Kalgoorlie and Mining Lease M04/235-1 located on Cockatoo Island.

As a consequence of acquiring M04/235-1, Pelican was entitled to receive revenue from the mining activities associated with the Cockatoo Island Iron Ore Project owned by the Portman Mining Limited (**Portman**) and HWE Cockatoo Joint Venture and operated by Portman. In late 2001 Portman announced the construction of a seawall, enabling ore extraction to take place at the base of the existing worked out iron ore deposits to a depth of 20 metres below sea level. Mining operations behind the seawall commenced in October 2002 yielding an additional 4 million tonnes of high grade premium iron ore and extending the mine life by at least three years.

In March 2004, the Company reported that following an extensive review of operations by the joint venture partners which included resource definition, geotechnical stability, capital and operating expenditure and pit dewatering, Portman approved the continuation of the project and construction of the second stage of the seawall.

In May 2008, Portman advised the review of an updated Phase 3 Feasibility Study by its board concluded the operation was advancing positively. During this period, Pelican consented to Portman conducting exploration within M04/235-1, with a drilling program commencing in May 2008. During the December 2008 quarter mining operations were suspended to allow for construction and development of the Stage 3 seawall which extended the mine life by at approximately two years. Cleveland Cliffs also launched a bid to buy the minority interests in Portman it did not already own. As a consequence of the bid, Cliffs Asia Pacific Iron Ore Pty Ltd (**Cliffs**) replaced Portman as operator of the Cockatoo Island Iron Ore Project. Mining operations recommenced in September 2010.

During the September 2012 quarter, Cliffs notified the Company that it had reached agreement with Pluton Resources Limited (**Pluton**) to acquire the Cockatoo Island Iron Ore Project. Cliffs further advised that it had shipped its final shipment of ore from Cockatoo Island. Under a rights agreement, Pelican had contracted to Cliffs rights to its mining tenure and related assets on Cockatoo Island for the purpose of conducting mining operations (**Rights Agreement**). Cliffs agreed to sell its interests in the Cockatoo Island Iron Ore Project (including the Rights Agreement with Pelican) to Pluton (Pluton Sale Agreement). As part of the transaction, Pelican was paid $500,000 in consideration of the Company waiving rights claimed in respect of certain ore mined from Cockatoo Island, the ownership was in dispute. Pluton also agreed to pay Pelican a signing fee of $25,000.

Under the terms of the Pluton Sale Agreement, Pelican renegotiated royalty arrangements in respect to ore mined from the Cockatoo Island Iron Ore Project with rates up to 1.5% depending on the grade of ore and mining process. Pluton was also required to pay a minimum royalty of $50,000 per month over a period of 14 months. Pluton advised that it intended to operate the Cockatoo Island Iron Ore Project as an unincorporated joint venture with Wise Energy Group (**Wise**). Handover of the project occurred with effect from 1 October 2012 with the first shipment of ore in December 2012.

Throughout the period from the commencement of mining activities in October 2002 to September 2012, Pelican received royalty payments at the rate of $0.50 per dry metric tonne of iron ore shipped from the Cockatoo island Project. These funds were applied to exploration and evaluation of the Company's other mineral assets and administration of the Company.

In January 2013, Pluton's agreement with Wise was terminated with Pluton continuing as operator and manager of the Cockatoo Island Iron Ore Project. The unincorporated joint venture with Wise was subsequently reinstated with Pluton remaining operator.

Within months of commencing shipments of ore, Pluton's payment of royalties under the Sale Agreement fell into arrears. The Company entered into discussions with Pluton to clear the arrears in royalty payments. During the September 2014 quarter, the Company entered into a Subscription and Set-Off Agreement with Pluton, whereby Pelican agreed to subscribe via the conversion of a portion of the arrears in royalty payments for shortfall in a rights offer for up to an amount of $300,000 at an issue price of $0.01 with the remainder of the arrears to be paid in cash from the proceeds of the rights offer.

In the December 2014 quarter Receivers and Managers were appointed to Pluton and following a dispute between the Receivers and Managers, the appointment of KordaMentha was confirmed. The Company issued a default notice to Pluton and entered into negotiations with the Receivers and Managers to ensure collection of royalties for shipments of ore during KordaMentha's appointment and for the recovery of arrears in royalty payments. During the March 2015 quarter, the Company did receive $100,000 for shipments of ore whilst KordaMentha were managing the Cockatoo Island Iron Ore Project. On 23 March 2015 Pluton announced that KordaMentha had agreed to retire as Receivers and Managers and the board had resumed full control of the company.

In August 2015 Pluton advised that it had experienced regulatory delays in completing an issue of senior secured bonds which would have provided funding to continue operations on Cockatoo Island. Pluton's largest shareholder, General Nice Recursos Comercial Offshore De Macau Limitada (**GNR**), reaffirmed its commitment to support Pluton via a proposed bridge financing arrangement to ensure payment of royalty obligations and payment of debts related to the period that KordaMentha was appointment as Receiver and Manager. On 8 September 2015 Pluton announced that Bryan Kevin Hughes and Daniel Johannes Bredenkamp of Pitcher Partners had been appointed as Receivers and Managers by GNR, the first ranking secured creditor of Pluton. The appointment of the Receivers and Managers formed part of a recapitalisation and restructure proposal, which if successful would have resulted in GNR or an associate providing significant financial support to Pluton. As a condition of the recapitalisation and restructure proposal, the Pluton board contemporaneously appointed Vince Smith and Sam Freeman of Ernst & Young as joint and several voluntary administrators of Pluton. Sam Marsden and Derrick Vickers of PricewaterhouseCoopers were appointed as Voluntary Administrators on 5 October 2015 following the resignation of Vincent Smith and Samuel Freeman of Ernst & Young.

On 9 December 2015, creditors voted in favour of a Deed of Company Arrangement (**DOCA**) proposal from World System Capital Investment Limited (BVI) (**WSCI**), a related entity of GNR. On 4 January 2016 Pluton and WSCI executed the DOCA and Sam Marsden and Derrick Vickers retired as Joint and Several Voluntary Administrators of Pluton and were appointed Joint and Several Deed Administrators. WSCI subsequently notified the Deed Administrators that it was unable to comply with the terms of the DOCA by 31 March 2016 (the original end date specified in the DOCA) and requested a meeting of creditors be convened to consider a variation to the terms of the DOCA. At a meeting of creditors held on 9 May 2016 the Deed Administrators confirmed that $3.5 million had been received from WSCI which was subsequently applied to priority creditors and to the KordaMentha receivership creditors. The Company received $252,994 representing full settlement of outstanding royalty payments incurred during the period that KordaMentha was acting as Receiver and Manager of Pluton. A Writ of Summons with Endorsement of Claim issued by Pelican to the individual receivers was withdrawn.

The varied DOCA was subsequently approved and executed on 20 July 2016. Legal proceedings were initiated by a creditor of Pluton to set aside the varied DOCA which resulted in the Supreme Court of Western Australia ordering the DOCA be terminated on 21 July 2016. On 3 August 2016, the Court ordered that Pluton be wound up and that Sam Marsden and Derrick Vickers be appointed Joint and Several Official Liquidators of Pluton. The Receivers and Managers commenced advertising for expressions of interest for Pluton's interests in the Cockatoo Island Project (held via a joint venture in that project). In early 2017 Cockatoo Iron NL (**Cockatoo Iron**) submitted an expression of interest and has since conducted lengthy due diligence investigations.

On 23 March 2017 in an effort to protect its interests in the Cockatoo Island Assets, the Company issued a Default and Demand Notice to Pluton seeking payment of all outstanding royalty payments plus interest in accordance with the terms of the Rights Agreement. Pluton was advised the total amount outstanding in respect of the outstanding royalty payments was $864,530.93 plus interest, bringing the total amount of $945,669.19 outstanding as at 16 March 2017. The Rights Agreement provided for Pluton to remedy the outstanding royalty payments plus interest. Payment has not been received to date therefore Pelican may, pursuant to the Rights Agreement, serve a written notice on Pluton stating its intention to terminate the Rights Agreement and regain full control of the Cockatoo Island Assets.

Pitcher Partners have been receiving funding from GNR, the senior secured creditor of Pluton which has allowed Pitcher Partners to carry on care and maintenance activities on Cockatoo Island which has included dewatering of the existing pit and site monitoring.

4.2 Background to disposal of interests in the Cockatoo Island Assets

Since 2015 the Company has held discussions with several parties which expressed interest in acquiring its mining tenure and related assets on Cockatoo Island.

During 2016 the Company was approached by a consortium interested in constructing a multi-user supply base on Cockatoo Island comprising an upgraded airfield for fixed-wing aircraft and helicopters, along with a wharf and accommodation village. In order to comply with prevailing legislation and to allow multi industry use, the facilities required the registration of a General Purpose Lease over a significant part of M04/235-1. Pelican and the party representing the consortium entered into a non-binding Memorandum of Understanding which provided the broad framework for a Heads of Agreement. Negotiations with the consortium progressed over a period of 12 months, culminated in a non-binding term sheet outlining Pelican's participation in the consortium and the proposed financial terms.

During the June 2017 quarter, Cockatoo Iron approached the Company expressing an interest in acquiring Pelican's interest in the Cockatoo Island Assets, subject to completion of its due diligence investigations on the Cockatoo Island Iron Ore Project. During negotiations with Cockatoo Iron, it was apparent that a complicated ownership structure over the Cockatoo Island Assets and the obligations imposed by the Rights Agreement would hinder the recommencement of mining operations, therefore the board of Pelican agreed that it was in the best interests of all stakeholders to dispose of the Cockatoo Island Assets to Cockatoo Iron whilst retaining rights to revenue generated from the potential future operations from a multi-user supply base.

As announced to ASX on 13 September 2017, the Company entered into a binding term sheet to sell its interests in the Cockatoo Island Assets to Cockatoo Iron's wholly owned subsidiary, Pearl Gull. The Cockatoo Island Assets comprise Mining Lease 04/235-1, Miscellaneous licence applications L04/102 and L04/103, all plant and equipment located on the Tenements and certain contractual rights to use the Ship Loader and Jetty located within the Tenements.

The Board has determined the sale of Pelican's interests in Cockatoo Island Assets constitutes a disposal of main undertaking pursuant to the Listing Rules, and therefore the Company is seeking shareholder approval for the disposal at the Annual General Meeting. Shareholder approval for the sale of Pelican's interests in Cockatoo Island Assets will satisfy a condition applicable to Pelican to complete the Proposed Transaction.

4.3 Material terms and conditions of Term Sheet and Formal Agreement

The material terms and conditions of the Term Sheet are as follows:

- Cockatoo Iron NL through its wholly owned subsidiary Pearl Gull will acquire ownership of the Cockatoo Island Assets for the following consideration:
    - an initial cash payment of $150,000 being a deposit payable on execution of the Term Sheet (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 the Cockatoo Island Assets;
    - 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 the lesser of:
        - $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),

      with such share issue to occur on or before 31 March 2018.
- The Term Sheet provides for the transfer and acquisition of the Tenements and certain contractual rights to use the Ship Loader and Jetty located within the Tenements.
- Under the terms of the Term Sheet, Completion is subject to and conditional on:
    - receipt of necessary Ministerial and governmental authority and approvals (if the Minister for Mines does not approve the transfer of M04/235-1, the $150,000 deposit paid to the Company is refundable);

- receipt of all other necessary third party approvals and consents;

- the receipt of unconditional releases from Pluton and Wise of all their rights over the Tenements and the Use Rights the release by Pluton and Wise of all their rights over the Tenements and an assignment of all their rights over the Use Rights to Pearl Gull;

- 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 Term Sheet or such later date as the parties may agree.

- At Completion, the parties have also agreed to execute a Revenue Sharing Agreement, 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 must obtain a clearance certificate from the Australia Taxation Office in relation to the disposal of assets under the Term Sheet before Completion and provide that tax clearance certificate to Pearl Gull, failing which Pearl Gull will deduct from the Cash Consideration the amount which is payable to the Australian Taxation Office in relation to the disposal and pay that amount to the Australian Taxation Office.

- The Term Sheet is intended to be legally binding upon the parties. The parties may negotiate in good faith to agree upon and execute a formal sale and purchase agreement to replace the Term Sheet within 60 days of the date of the parties entering into the Term Sheet.

4.4 Rationale for Proposed Transaction

The Board undertook a strategic review following its decision to issue a Default and Demand Notice to Pluton with a view to:

(a) recoupment of outstanding royalty payments was plus interest from Pluton;

(b) reducing potential care and maintenance costs associated with the Cockatoo Island Assets;

(c) reducing regulatory and compliance costs associated with the Cockatoo Island Assets;

(d) eliminating potential capital expenditure associated with the Cockatoo Island Assets;

(e) reducing rehabilitation liabilities associated with the Cockatoo Island Assets; and

(f) determining the future of the Cockatoo Island Iron Ore Project.

The Board has considered various options available to it and has determined that the Proposed Transaction is in the best interests of the Company for the following reasons:

(a) provide working capital: the consideration to be raised by the Company from the Proposed Transaction will enable the Company to raise a significant amount of capital;

(b) current economic and regulatory climate:

(i) there is no guarantee that Cockatoo Iron will be successful in recommencing mining operations at the Cockatoo Island Iron Ore Project; and

(ii) there is no guarantee the consortium will be successful in obtaining approvals and financing the costs of constructing a multi-user supply base on Cockatoo Island; and

(iii) the Company's ability to raise capital required to fund its potential share of capital expenditure associated with the recommencement of mining operations and or constructing a multi-user supply base; and

(c) dilutionary impact of future equity capital raisings: if the Company undertakes an equity capital raising for the purposes of raising funds to undertake activities in respect of future operations on Cockatoo Island, it is highly likely that this will subject existing Shareholders to significant dilution.

4.5 General

As detailed in Section 4.2, the Company has entered into an agreement pursuant to which the Company has agreed to sell to Pearl Gull its interests in the Cockatoo Island Assets, which constitute the Company's main undertaking for the purposes of Listing Rule 11.2 (refer to Section 4.6 below).

Resolution 3 seeks Shareholder approval for the Company's disposal of its interests in the Cockatoo Island Assets to Silver Gull for the purposes of Listing Rule 11.2.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise his discretion to vote all available undirected proxies in favour of Resolution 3.

The Board recommends that shareholders vote in favour of Resolution 3.

4.6 Listing Rule 11.2

Listing Rule 11.2 provides that a company that is proposing to make a significant change either directly or indirectly, disposing its main undertaking, must get the approval from its shareholders and comply with any requirements of ASX in relation to the notice of meeting.

In accordance with Listing Rule 11.2, the Company provides full disclosure and details of and the impact on the Company by the transactions contemplated by the Term Sheet and seeks Shareholder approval of the disposal of its interests in the Cockatoo Island Assets to Cockatoo Iron.

4.7 Effect of the disposal of interests in the Cockatoo Island Assets

Refer to Schedule 1 for the pro-forma statement of financial position of the Company following the disposal of its interests in the Cockatoo Island Assets to Cockatoo Iron.

The proposed disposal of its interests in the Cockatoo Island Assets to Cockatoo Iron will:

(a) not impact the capital structure of the Company; and

(b) not result in any changes to the Board of the Company.

The Company will continue to investigate new business development opportunities with a focus on low entry cost projects. As and when acquisitions are completed, the Company will make announcements to the market at appropriate times.

The Board envisages that the proposed disposal will change the Company's business model.

4.8 Advantages of the disposal of interests in the Cockatoo Island Assets

The Proposed Transaction, once completed, will provide the Company with up to $2,250,000 (before costs of the transaction) in cash consideration and $1,500,000 worth of fully paid ordinary shares in Cockatoo Iron which will:

(a) enable the Company to consider potential asset acquisition opportunities which the Board considers are consistent with the Company's existing activities and have the potential to generate return to Shareholders; and

(b) supplement the Company's working capital.

Having regard to the above, the Directors anticipate that if the Proposed Transaction is completed the Company will not be required to borrow funds or undertake any further capital raising in the short term. The Directors are of the view that the above non-exhaustive list of advantages may be relevant to a Shareholder's determination on how to vote on Resolution 3.

4.9 Disadvantages of the disposal of interests in the Cockatoo Island Assets

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's determination on how to vote on Resolution 3:

(a) the Company's exposure to the upside of the Cockatoo Island Iron Ore Project will be extinguished in its entirety;

(b) the Company's exposure to the economic benefits derived from the construction of a multi-user supply base on Cockatoo Island will be limited to a maximum of $500,000 per annum;

(c) the transaction contemplated by the Term Sheet contemplates the disposal of the Company's main undertaking for the purposes of the Listing Rule 11.2, which may not be consistent with the investment objectives of all Shareholders; and

(d) there is a risk the Company may not be successful in identifying and completing other suitable asset acquisitions.

The Board considers that the advantages of the Proposed Transaction outweigh the disadvantages.

4.10 Intentions following disposal of interests in the Cockatoo Island Assets

Following completion of the disposal of interests in the Cockatoo Island Assets, the Company will, amongst other things:

(a) use the cash consideration to:

(i) provide funding to complete the previously announced sale of it Interests in Sibuyan Nickel Properties Development Corporation to Dynamo Atlantic Limited; and

(ii) supplement the Company's working capital; and

(b) investigate, and as required, undertake due diligence on, new opportunities which the Board considers are consistent with the Company's existing activities and have the potential to generate return to Shareholders.

4.11 Implications if the disposal of interests in the Cockatoo Island Assets does not proceed

In the event that Resolution 3 is not passed and the Company does not dispose of its interests in the Cockatoo Island Assets, it will, amongst other things:

(a) continue to maintain its interests in the Cockatoo Island Assets and continue to investigate opportunities to dispose of all or part of the Cockatoo Island Assets or enter into joint ventures with third parties in respect of the Cockatoo Island Assets;

(b) continue maintaining the Cockatoo Island Assets and ensuring compliance with all licence and regulatory requirements whilst minimising expenditure where appropriate; and

(c) raise equity capital to enable the Company to fund on-going care and maintenance costs associated with the Cockatoo Island Assets; and

(d) raise equity capital to fund its share of potential capital expenditure associated with the recommencement of mining operations and or constructing a multi-user supply base.

4.12 Other Material Information

There is no other information material to the making of a decision by a Shareholder whether or not to approve Resolution 3 (being information that is known to any of the Directors and which has not been previously disclosed to Shareholders) other than as disclosed in this Explanatory Statement.

4.13 Forward Looking Statements

The forward looking statements in this Explanatory Statement are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Explanatory Statement. Forward looking statements include those containing words such as 'anticipate', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions.

5. RESOLUTION 4 – APPROVAL OF SALE OF INTERESTS IN COCKATOO ISLAND ASSETS WITH NO OFFER TO SHAREHOLDERS

5.1 Disposal of the Cockatoo Island Assets

As detailed in Section 4.2, the Company has entered into an agreement pursuant to which the Company has agreed to sell to Pearl Gull its interests in the Cockatoo Island Assets. Pearl Gull is a wholly owned of Cockatoo Iron. The Company has been advised by Cockatoo Iron that it may seek to be admitted to the official list ofASX within the next 12 months.

5.2 Listing Rule 14.1

Listing Rule 11.4 provides that, subject to Listing Rule 11.4.1, a listed entity must not dispose of a major asset if, at the time of the disposal, it is aware that the buyer intends to issue or offer securities with a view to becoming listed (e.g. where the buyer intends to undertake an initial public offering and list on the ASX).

Listing Rule 11.4.1 provides that Listing Rule 11.4 does not apply where:

(a) the securities to be issued or offered by the buyer, except those to be retained by the seller, are offered pro rata to the seller's shareholders, or in another way that, in ASX's opinion, is fair in all the circumstances; or

(b) the seller's shareholders approve of the disposal without the offer referred to in (a) above being made, and the notice of meeting includes a voting exclusion statement.

Accordingly, the Company is seeking Shareholder approval under Listing Rules 11.4.1(b) to enable the Company to sell its interests in the Cockatoo Island Assets without Cockatoo Iron making an offer of shares to Shareholders which satisfies Listing Rules 11.4.1(a).

5.3 Value of the Cockatoo Island Assets

The Cockatoo Island Assets comprise of Mining Lease 04/235-1, Miscellaneous licence applications L04/102 and L04/103, all plant and equipment located on the Tenements and certain contractual rights to use the Ship Loader and Jetty located within the Tenements.

Pursuant to ASX Guidance Note 13, ASX treats an asset as a major asset if:

- the value of, or the value of the consideration for, the asset represents 20% or more of consolidated equity interests;
- the value of, or the value of the consideration for, the asset represents 15% or more of consolidated assets;
- the revenue attributable to the asset represents 15% or more of consolidated operating revenue;
- the market capitalisation of the acquiring entity is 20% or more of the market capitalisation of the selling entity.

The Company will receive up to $2,250,000 (before costs of the transaction) in cash consideration and $1,500,000 worth of fully paid ordinary shares in Cockatoo Iron at a deemed issue price of the lesser of $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.

The consideration amount represents approximately:

- 376.9% of the Company's equity interests as at 30 June 2017 (i.e. $994,988); and
- 100.2% of the Company's total assets as at 30 June 2017 (i.e. $3,743,581),

Therefore, the Company's interests in the Cockatoo Island Assets are considered to be a major asset for the purposes of Listing Rule 11.4

The Company notes, however, there was no carrying value attributable to the Cockatoo Island Assets at 30 June 2017, being the date of the Company's most recent audited consolidated financial statements. Accordingly, the percentage to which the Cockatoo Island Assets bears to the Company's total equity and total assets is naturally inflated.

During the period from the date the Company acquired the majority of the Cockatoo Island Assets from Nugold to 30 June 2016, royalty revenue generated from mining operations conducted by the operators of the Cockatoo Island Iron Ore Project and attributable to Pelican totalled $7,281,023. The Company actually received $5,905,856 in cash and an additional $300,000 pursuant to the Subscription and Set-Off Agreement with Pluton, (refer to Section 4.1). The shortfall represents the arrears in royalty payments which are not likely to be recovered. During the financial year ended 30 June 2017, the Company did not receive any revenue from its interests in the Cockatoo Island Assets.

The Board considers that the consideration which will be received by the Company for its interests in Cockatoo Island Assets represents fair market value.

5.4 Additional information

Comprehensive disclosure regarding Proposed Transaction is summarised in Section 4 above, including the following:

(a) the material terms and conditions of the Proposed Transaction are summarised in Section 4.4;

(b) the potential advantages of the Proposed Transaction are summarised in Section 4.8;

(c) the potential disadvantages of the Proposed Transaction are summarised in Section 4.9; and

(d) the Board's intentions for the Company following Completion of the Proposed Transaction are summarised in Section 4.10 above;

5.5 Directors' recommendation

Resolution 4 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 4.

The Board recommends that shareholders vote in favour of Resolution 4.

6. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

6.1 General

Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 5, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out in Section 5.2 below).

The effect of Resolution 5 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid Ordinary Securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 5 for it to be passed.

6.2 Listing Rule 7.1A

Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

(a) is not included in the S&P/ASX 300 Index; and

(b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of $300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than $300,000,000.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has 2 classes of quoted Equity Securities on issue, being:

(a) the Shares (**ASX Code: PEL**).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

(i) plus the number of Shares issued in the previous 12 months under an exception in Listing Rule 7.2;

(ii) plus the number of partly paid shares that became fully paid in the previous 12 months;

(iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and

(iv) less the number of Shares cancelled in the previous 12 months.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under Listing Rule 7.1 or 7.4.

6.3 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 5:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

(i) the date on which the price at which the Equity Securities are to be issued is agreed; or

(ii) if the Equity Securities are not issued within 5 ASX trading days of the date in Section 5.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

(i) 12 months after the date of this Meeting; and

(ii) the date of approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(**10% Placement Capacity Period**).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	$0.007 50% decrease in Issue Price	$0.014 Issue Price	$0.028 100% increase in Issue Price
361,923,540 (Current Variable A)	Shares issued - 10% voting dilution	36,192,354 Shares	36,192,354 Shares	36,192,354 Shares
	Funds raised	$253,346	$506,693	$1,013,386
542,885,310 (50% increase in Variable A)	Shares issued - 10% voting dilution	54,288,531 Shares	54,288,531 Shares	54,288,531 Shares
	Funds raised	$380,020	$760,039	$1,520,079
723,847,080 (100% increase in Variable A)	Shares issued - 10% voting dilution	72,384,708 Shares	72,384,708 Shares	72,384,708 Shares
	Funds raised	$506,693	$1,013,386	$2,026,772

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 361,923,540 existing Shares on issue as at the date of this Notice.
2. The issue price set out above is the closing price of the Shares on the ASX on 28 September 2017 being $0.014.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

(i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and

(ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

(i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such acquisition), continued exploration expenditure on the Company's Mackay Project and/or the Company's other projects (funds would be used for project, feasibility studies and ongoing project administration) and general working capital; or

(ii) as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

(i) the purpose of the issue;

(ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;

(iii) the effect of the issue of the Equity Securities on the control of the Company;

(iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;

(v) prevailing market conditions; and

(vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its Annual General Meeting held on 11 November 2016.

In accordance with Listing Rule 7.3A.6, the Company is required to provide the following information to Shareholders on any additional capacity to issue Equity Securities under rule 7.1A previously obtained:

(i) there were no Equity Securities issued by the Company in the 12 months preceding the date of Meeting.

(g) **Compliance with Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

(i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and

(ii) the information required by Listing Rule 3.10.5A for release to the market.

6.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 5.

Resolution 5 is a special resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 5.

The Board recommends that shareholders vote in favour of Resolution 5.

GLOSSARY

$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 5.3 of the Explanatory Statement.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

(a) a spouse or child of the member;

(b) a child of the member's spouse;

(c) a dependent of the member or the member's spouse;

(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;

(e) a company the member controls; or

(f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Cockatoo Iron means Cockatoo Iron NL (ACN 615 257 040).

Cockatoo Island Assets means the Tenements, all plant and equipment located on the Tenements and certain contractual rights to use the Ship Loader and Jetty located within the Tenements.

Company means Pelican Resources Limited (ACN 063 388 821).

Completion means completion of the Proposed Transaction.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

(a) is not included in the S&P/ASX 300 Index; and

(b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of $300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the listing rules of ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire one Share.

Ordinary Securities has the meaning set out in the Listing Rules.

Pearl Gull means Pearl Gull Pty Ltd (ACN 621 103 535).

Proposed Transaction means the proposed sale of the Company's interests in the Cockatoo Island Assets to Pearl Gull, a wholly owned subsidiary of Cockatoo Iron, in accordance with the key terms summarised in Section 4.3.

Proxy Form means the proxy form accompanying the Notice.

Related Entity means a related body corporate within the meaning of section 50 of the Corporations Act.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2017.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Schedule means a schedule to this Notice;

Section means a section of this Explanatory Statement;

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Tenements means Mining Lease 04/235-1 and miscellaneous licence applications L04/102 and L04/103.

Variable A means "A" as set out in the calculation in Section 5.3 of the Explanatory Statement.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1
PRO-FORMA STATEMENT OF FINANCIAL POSITION OF THE COMPANY
DISPOSAL OF COCKATOO ISLAND ASSETS

Pro-Forma Statement of Financial Position

	Audited 30 June 2017	Subsequent event adjustments	Pro-forma adjustments	Pro-forma Statement of Financial Position
	$	$	$	$
Assets				
Current assets				
Cash and cash equivalents	445,755		2,150,000	2,595,755
Restricted cash	940,000		-	940,000
Security deposits	114,000		-	114,000
Trade and other receivables	20,916		-	20,916
Other current assets	20,256		-	20,256
Assets held for sale	2,202,654		1,500,000	2,202,654
Total current assets	**3,743,581**			**5,893,581**
Non-current assets				
Other financial assets	-		1,500,000	1,500,000
Plant and equipment	-		-	-
Mineral exploration and evaluation expenditure	-		-	-
Total non-current assets	**-**			**1,500,000**
Total assets	**3,743,581**			**7,393,581**
Liabilities				
Current liabilities				
Trade and other payables	219,130		-	219,130
Deferred revenue	1,410,000		-	1,410,000
Liabilities associated with assets held for sale	1,119,463		-	1,119,463
Total current liabilities	**2,748,593**			**2,748,593**
Total liabilities	**2,748,593**			**2,748,593**
Net assets	**994,988**			**4,644,988**
Equity				
Issued capital	13,630,120		-	13,630,120
Reserves	2,008,037		-	2,008,037
Accumulated losses	(13,805,664)		3,650,000	(10,155,664)
Total parent entity interest	1,832,493			5,482,493
Non-controlling interest	(837,505)		-	(837,505)
Total equity	**994,988**			**4,644,988**

Assumptions adopted in compiling the Pro-Forma Statement of Financial Position

The above Pro-Forma Statement of Financial Position has been prepared by adjusting the audited financial position as at 30 June 2017 for the Company adjustments as detailed below.

1. Subsequent Events

There have been no significant events which have occurred subsequent to the year ended 30 June 2017.

2. Pro-forma adjustments

The above Pro-Forma Statement of Financial Position reflects the subsequent events detailed in section 1 above and the following transactions and events:

(a) the disposal of the Company's interests in the Cockatoo Island Assets for a total consideration of up to $2,250,000 in cash consideration and $1,500,000 worth of fully paid ordinary shares in Cockatoo Iron; and

(b) the payment of transaction costs associated with the disposal of the Cockatoo Island Assets estimated to be $100,000;

(c) the write-off of accrued royalties receivable of $923,838 and associated reversal of the provision for doubtful debts provision for the same amount; and

(d) the tax effect of the disposal of the Cockatoo Island Assets has not been included.

PROXY FORM
ANNUAL GENERAL MEETING

THE COMPANY SECRETARY
PELICAN RESOURCES LIMITED
2C LOCH STREET
NEDLANDS WA 6009

I/We _____

of: _____

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name: _____

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 9:30 am (WST), on 17 November 2017 at Level 11, BGC Centre, 28 The Esplanade, Perth WA 6000, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERTION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote. In exceptional circumstances, the Chair may change his/her voting intention on any resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		**FOR**	**AGAINST**	**ABSTAIN**
Resolution 1	Adoption of Remuneration Report	☐	☐	☐
Resolution 2	Re-election of director – Alec Pismiris	☐	☐	☐
Resolution 3	Approval of sale of interests in Cockatoo Island Assets to Pearl Gull Pty Ltd	☐	☐	☐
Resolution 4	Approval of sale of interests in Cockatoo Island Assets with no offer to Shareholders	☐	☐	☐
Resolution 5	Approval of 10% placement capacity	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1	**Shareholder 2**	**Shareholder 3**

Date: _____

Contact name: _____ **Contact ph (daytime):** _____

E-mail address: _____ **Consent for contact by e-mail:** **YES** ☐ **NO** ☐

Instructions for Completing 'Appointment of Proxy' Form

1. (**Appointing a proxy**): A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.

2. (**Direction to vote**): A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.

3. (**Signing instructions**):

   - (**Individual**): Where the holding is in one name, the Shareholder must sign.
   - (**Joint holding**): Where the holding is in more than one name, all of the Shareholders should sign.
   - (**Power of attorney**): If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
   - (**Companies**): Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.

4. (**Attending the Meeting**): Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

5. (**Return of Proxy Form**): To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

   (a) delivery to Pelican Resources Limited, 2C Loch Street, Nedlands WA 6009;

   (b) post to Pelican Resources Limited, 2C Loch Street, Nedlands WA 6009; or

   (b) email to the Company at alec@lexconservices.com.au.

   so that it is received not less than 48 hours prior to commencement of the Meeting.

   Proxy Forms received later than this time will be invalid.