



PELICAN RESOURCES LIMITED

(ABN 12 063 388 821)

**INTERIM FINANCIAL STATEMENTS
31 DECEMBER 2017**



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CONTENTS

	Page
* Directors' report	2
* Consolidated statement of profit or loss and other comprehensive income	8
* Consolidated statement of financial position	9
* Consolidated statement of changes in equity	10
* Consolidated statement of cash flows	11
* Condensed notes to the financial statements	12
* Directors' declaration	20
* Independent auditor's review report	21
* Auditor's independence declaration	23



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

The directors of Pelican Resources Limited ("Pelican" or "the Company") present their report together with the consolidated interim financial report for the Company and entities it controlled during the half-year ended 31 December 2017 ("Group").

DIRECTORS

The following persons were directors of Pelican Resources Limited during the half-year and up to the date of this consolidated financial report. Directors were in office for the entire period unless otherwise stated.

Name, qualifications and independence status

Experience, special responsibilities and other directorships

Anthony Torresan
Executive Director

Mr Torresan is a businessman with significant experience in capital markets. Mr Torresan has been actively involved in arranging capital raisings for ASX listed companies as well as unlisted public companies, providing investor relation services and assisting boards with development of strategic plans. Mr Torresan has held numerous executive positions where his responsibilities have included strategy, operational management and business development.

Colin Chenu
Non-Executive Director
B. Juris, LLB

Mr Chenu is a graduate of the University of Western Australia, with a Bachelor of Laws, and is admitted to practice in the Supreme Court of Western Australia and the High Court of Australia. He has practiced law in Western Australia for 30 years, as both a barrister and solicitor, in a wide range of commercial, litigious and non-litigious work. Mr Chenu has gained extensive experience in the law of corporations, trade practices, contracts, equity and trusts and tort. He is a director and principal at Bennett + Co. Mr Chenu is currently a director of the following ASX listed companies: HotCopper Holdings Limited.

Alec Pismiris
B Comm., MAICD, AGIA
Non-Executive Director and
Company Secretary

Mr Pismiris has over 30 years' experience in the securities, finance and mining industries and currently is a director of four ASX listed companies. Since 1990 Mr Pismiris has served as a director and company secretary for various ASX listed companies as well as a number of unlisted public and private companies. Mr Pismiris completed a Bachelor of Commerce degree at the University of Western Australia, is a member of the Australian Institute of Company Directors and an associate of The Governance Institute of Australia. Mr Pismiris has participated numerous times in the processes by which boards have assessed the acquisition and financing of a diverse range of assets and has participated in and become familiar with the range of evaluation criteria used and the due diligence processes commonly adopted in the commercial assessment of corporate opportunities. Mr Pismiris is currently a director of the following ASX listed companies: Agrimin Limited, Aguia Resources Limited and HotCopper Holdings Limited.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

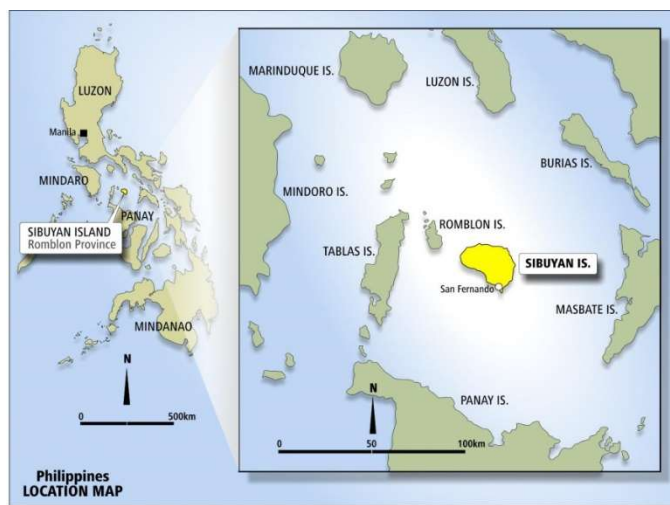
REVIEW OF OPERATIONS

REPUBLIC OF THE PHILIPPINES

ROMBLON PROJECT, SIBUYAN ISLAND, ROMBLON PROVINCE (MPSA No. 3042009-IVB)

Interest: MPSA 3042009-IVB

Since November 2004 the Romblon Project located on Sibuyan Island in the Romblon Province in the Philippines has been the main focus of the Company. Pelican through its wholly owned subsidiary, Sunshine Gold Pty Ltd in conjunction with its Philippine affiliate, Sunpacific Resources Phils Inc. and its Philippine venture partner All-Acacia Resources Inc. (AARI) jointly own Sibuyan Nickel Properties Development Corporation (SNPDC). SNPDC holds the rights to the granted Mineral Production Sharing Agreement 3042009-IVB (MPSA) over the project area. SNPDC has undertaken activities to evaluate the Romblon Project as a potential source of direct shipping lateritic nickel ore (DSO). Historically exploration activities undertaken by two Japanese nickel companies in 1972 led to the discovery of nickel mineralization within the project area covered by the MPSA.



The Romblon Project remains in the process of being transferred from Altai Resources Philippines Inc. (Altai), the original applicant of the MPSA, to SNPDC. Since September 2011 the project site has been on care and maintenance as a consequence of a Cease and Desist Order (CDO) issued by the Mines and Geosciences (MGB) of the Department of Environment and Natural Resources (DENR).

On 25 June 2015, Pelican announced that it had entered into a Memorandum of Understanding (MOU) with Dynamo Atlantic Limited (Dynamo), a BVI registered company, whereby Dynamo agreed to purchase 100% equity interest in SNPDC for a total cash purchase price of \$A4.70 million, payable in three instalments. Dynamo further agreed to grant a 2.5% royalty on net income generated by SNPDC from any operations undertaken on Sibuyan Island. To date Pelican has received two instalments totalling \$A1.41 million, with the final instalment of \$A3.29 million due on completion of sale and transfer of 100% ownership of SNPDC.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

REVIEW OF OPERATIONS (CONTINUED)

Throughout the period, Pelican and Dynamo continued negotiations on the terms of the MOU and exchanged comments on draft agreements relating to the sale of SNPDC. Dynamo was provided with a Share Sale and Assignment of Debt Agreement (SSADA) and supporting documentation relating to the transfer of SNPDC shares and assignment of related party loans which Pelican considers to be the final agreement. As part of efforts to conclude the transaction, Pelican offered to consider varying certain terms of the MOU. Any variation to the terms of the MOU will require shareholder approval in accordance with the requirements of Listing Rule 11.2.

During the December quarter, Pelican and its venture partner AARI engaged in negotiations on the proposed settlement arrangements for each group's respective interests in SNPDC, including settling terms on the SSADA and supporting documentation relating to the transfer of SNPDC shares and assignment of related party loans to Dynamo.

If Dynamo does not agree with the terms of the SSADA, then Pelican will seek to enforce the terms of the MOU.

WESTERN AUSTRALIA

KIMBERLEYS

COCKATOO ISLAND PROJECT (M04/235)

Interest: 100%

Operator: Pluton Resources Limited (Receivers and Managers Appointed) (In Liquidation)

The Cockatoo Island project was purchased by Pluton Resources Limited (Pluton) and its joint venture partner Wise Energy from Cliffs Asia Pacific Iron Ore Pty Ltd in September 2012. Since September 2015, Bryan Hughes and Daniel Johannes Bredenkamp of Pitcher Partners have acted continuously as Receivers and Managers of Pluton with all project operations under their control.

Pitcher Partners continued to receive funding from General Nice Recursos Comercial Offshore De Macau, the senior secured creditor of Pluton Resources Limited which allowed Pitcher Partners to carry on care and maintenance activities on Cockatoo Island which included dewatering of the existing pit and site monitoring.

Pelican is an unsecured creditor of Pluton. Whether Pelican receives any dividend in the winding up is likely to depend on the ability of the Receivers and Manager to sell Pluton's interest in the Cockatoo Island project, and whether there is any surplus after secured creditors are paid. It is not possible to determine at this time whether Pelican will or is likely to receive any dividend from the winding up.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

REVIEW OF OPERATIONS (CONTINUED)

There were no shipments of ore completed during the period.

During the period the Company 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 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 that was paid on execution of the Agreement;
- 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 was 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 obtained at the Company's Annual General Meeting held on 17 November 2017; 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 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.

As part of its efforts to obtain the required third party approvals and consents under the Agreement, Pelican in consultation with Cockatoo Iron agreed to terms for a Heritage Protection Agreement in relation to miscellaneous licence applications 04/102 and 04/103 with Wanjina-Wunggurr Aboriginal Corporation and Dambimangari Aboriginal Corporation which represent the Traditional Owners of the Dambimangari Lands.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

REVIEW OF OPERATIONS (CONTINUED)

SUBSEQUENT EVENTS

On 16 January 2018 Completion occurred in accordance with the terms of the Agreement with Cockatoo Iron and its wholly owned subsidiary Pearl Gull and the Company received the second cash payment of \$1,350,000.

On 22 February 2018, the Company executed a Revenue Sharing Agreement ("RSA") with Cockatoo Iron NL and its wholly owned subsidiary Pearl Gull Pty Ltd. Under the terms of the RSA, the Company is entitled to receive up to a maximum of \$500,000 per annum gross revenue from certain non-mining activities carried out on the Company's Cockatoo Island tenements. The Company further agreed to a 30 day extension for the third cash payment of \$750,000 and share consideration of \$1,500,000 which was due to be paid on or before 31 March 2018 to 30 April 2018.

CORPORATE

The Company continued to investigate new business development opportunities with a focus on low entry cost projects.

RESULTS OF OPERATIONS

The net loss after income tax for the period was \$250,712 (2016: \$234,087).

FINANCIAL POSITION

The net assets of the Company are \$747,253 as at 31 December 2017 (at 30 June 2017: \$994,988).

SCHEDULE OF TENEMENT INTERESTS AS AT 31 DECEMBER 2017

Tenement Reference	Project	Holder	Status	Interest
M04/235 ¹	Cockatoo Island	Pelican Resources Limited	Granted	100%
L04/102	Cockatoo Island	Pelican Resources Limited	Application	100%
L04/103	Cockatoo Island	Pelican Resources Limited	Application	100%
MPSA 3042009-IVB ²	Romblon Project	Altai Resources Philippines Inc.	Granted	75%

Notes: 1. Operator Pluton Resources Limited (Receivers and Managers Appointed) (In Liquidation)
2. In the process of being transferred from Altai Resources Philippines Inc. (Altai) to SNPDC.

Competent Person's Statement

The information in this report which relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Brian Varndell, who is a Fellow of the Australasian Institute of Mining and Metallurgy and independent consultant to the Company. Mr Varndell is an associate of Varndell & Associates and Al Maynard & Associate Pty Ltd and has over 40 years of exploration and mining experience in a variety of mineral deposit styles including iron ore and nickel mineralisation. Mr Varndell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Mr Varndell consents to inclusion in the report of matters based on this information in the form and context in which it appears.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is included within this financial report.

This consolidated financial report is signed in accordance with a resolution of the board of directors.

Alec Pismiris
Director

Dated at Perth this 14th day of March 2018



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Note	31 December 2017 \$	31 December 2016 \$
Other income	3	8,118	9,554
Corporate	3	(250,448)	(209,883)
Exploration expenditure written-off		(1,562)	(11,688)
Doubtful debts expense		-	(5,764)
Share-based payments		(6,540)	(15,697)
Other expenses		(280)	(609)
Loss before income tax		(250,712)	(234,087)
Income tax		-	-
Loss for the period		(250,712)	(234,087)
Other comprehensive income			
Currency translation differences		(3,563)	(22,676)
Other comprehensive (loss)/income for the period		(3,563)	(22,676)
Total comprehensive loss for the period		(254,275)	(256,763)
Loss attributable to:			
Members of the parent entity		(248,965)	(231,317)
Non-controlling interest		(1,747)	(2,770)
		(250,712)	(234,087)
Total comprehensive loss attributable to:			
Members of the parent entity		(251,125)	(248,324)
Non-controlling interest		(3,150)	(8,439)
		(254,275)	(256,763)
		Cents	Cents
Basic and diluted loss per share (cents per share)	4	(0.07)	(0.06)



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	31 December 2017 \$	30 June 2017 \$
CURRENT ASSETS			
Cash and cash equivalents	5	183,058	445,755
Restricted cash		1,090,000	940,000
Security deposits		114,000	114,000
Trade and other receivables	6	25,820	20,916
Other current assets		10,128	20,256
Assets held for sale	7	2,189,861	2,202,654
Total Current Assets		3,612,867	3,743,581
TOTAL ASSETS		3,612,867	3,743,581
CURRENT LIABILITIES			
Trade and other payables		197,785	219,130
Deferred revenue	7	1,560,000	1,410,000
Liabilities associated with assets held for sale	7	1,107,829	1,119,463
Total Current Liabilities		2,865,614	2,748,593
TOTAL LIABILITIES		2,865,614	2,748,593
NET ASSETS		747,253	994,988
EQUITY			
Issued capital	8	13,630,120	13,630,120
Reserves	9	2,012,417	2,008,037
Accumulated losses		(14,054,629)	(13,805,664)
Total parent entity interest		1,587,908	1,832,493
Non-controlling interest		(840,655)	(837,505)
TOTAL EQUITY		747,253	994,988



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Issued Capital	Options Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non- Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 01/07/2016	13,630,120	1,899,148	122,432	(13,357,078)	(816,545)	1,478,077
Total comprehensive (loss)/income for the period						
(Loss) for the period	-	-	-	(231,317)	(2,770)	(234,087)
<i>Other comprehensive income</i>						
Foreign currency translation differences	-	-	(17,007)	-	(5,669)	(22,676)
Total comprehensive loss for the period	-	-	(17,007)	(231,317)	(8,439)	(256,763)
Transactions with owners recorded directly into equity						
Share based payments	-	15,697	-	-	-	15,697
Balance at 31/12/2016	13,630,120	1,914,845	105,425	(13,588,395)	(824,984)	1,237,011
Balance at 01/07/2017	13,630,120	1,930,542	77,495	(13,805,664)	(837,505)	994,988
Total comprehensive (loss)/income for the period						
(Loss) for the period	-	-	-	(248,965)	(1,747)	(250,712)
<i>Other comprehensive income</i>						
Foreign currency translation differences	-	-	(2,160)	-	(1,403)	(3,563)
Total comprehensive loss for the period	-	-	(2,160)	(248,965)	(3,150)	(254,275)
Transactions with owners recorded directly into equity						
Share based payments	-	6,540	-	-	-	6,540
Balance at 31/12/2017	13,630,120	1,937,082	75,335	(14,054,629)	(840,655)	747,253



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Note	31 December 2017 \$	31 December 2016 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(269,253)	(313,438)
Interest received		8,118	9,410
Net Cash Used In Operating Activities		<u>(261,135)</u>	<u>(304,028)</u>
Cash Flows from Investing Activities			
Payments for exploration expenditure		(1,562)	(11,688)
Proceeds from sale of property, plant and equipment		-	144
Release of environmental bond		-	17,000
Proceeds from deposit for sale of project		150,000	-
Reclassification of deposit for sale of project to restricted cash		(150,000)	-
Net Cash From/(Used In) Investing Activities		<u>(1,562)</u>	<u>5,456</u>
Net decrease in cash and cash equivalents held		(262,697)	(298,572)
Cash and cash equivalents at beginning of the financial period		445,755	910,584
Effect of exchange rate changes on cash holdings		-	-
Cash and cash equivalents at the end of the half-year	5	<u>183,058</u>	<u>612,012</u>



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 1: BASIS OF PREPARATION

The interim consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures that the financial report and notes also comply with International Financial Reporting Standards IAS 34: Interim Financial Reporting.

It is recommended that this consolidated interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by Pelican Resources Limited and its controlled entities during the half-year in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* and ASX Listing Rules.

The interim consolidated financial report does not include full disclosures of the type normally included in annual financial reports.

The interim consolidated financial report has been prepared on an accruals basis and is based on historical costs, cost is based on the fair value of the consideration given in exchange for assets.

Statement of compliance

The interim financial statements were authorised for issue on 14 March 2018.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Significant accounting estimates and judgements

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2017.

Going Concern

The interim consolidated financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 *(continued)*

The directors believe that there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable and is a going concern because of the following factors:

- the receipt of \$1.35 million on 16 January 2018 as the second tranche payment from the sale of the Consolidated Entity's interest in the Cockatoo Island Project;
- the receipt of a further \$750,000 on or before 30 April 2018 as the final tranche payment from the sale of the Consolidated Entity's interest in the Cockatoo Island Project;
- the ability to issue additional shares under the Corporations Act 2001; and/or
- the ability to complete the sale of SNPDC.

New and Revised Accounting Standards and Interpretations

The accounting policies have been consistently applied by the consolidated entity and are consistent with those in the June 2017 annual financial report.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current half-year. The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half-years.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the period ended 31 December 2017. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Group accounting policies.

NOTE 2: DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

NOTE 3: LOSS BEFORE INCOME TAX

Loss before income tax includes the following revenues, expenses and gains whose disclosure is relevant in explaining the financial performance for the interim period:

	Consolidated	
	31 December 2017	31 December 2016
	\$	\$
(a) Other income		
Interest earned	8,118	9,410
Gain on sale of plant and equipment	-	144
	<u>8,118</u>	<u>9,554</u>



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 *(continued)*

NOTE 3: LOSS BEFORE INCOME TAX

(b) Significant items

Included in corporate expenses

Accounting and administration fees	43,001	43,173
Consulting and directors fees	111,541	120,347

NOTE 4: LOSS PER SHARE

The following reflects the income and data used in the calculations of basic and diluted loss per share:

	Consolidated	
	31 December 2017	31 December 2016
	\$	\$
Loss before income tax - Group	(250,712)	(234,087)
Adjustments:		
Loss attributable to non-controlling interest	1,747	2,770
Loss used in calculating basic and diluted loss per share	<u>(248,965)</u>	<u>(231,317)</u>
	Number of Shares	Number of Shares
Weighted average number of ordinary shares used in calculating basic loss per share:	<u>361,923,540</u>	<u>361,923,540</u>

Diluted loss per share is the same as basic loss per share as the conversion to ordinary shares does not lead to an inferior view of the earnings performance of the entity.

NOTE 5: CASH AND CASH EQUIVALENTS

For the purpose of the half-year statement of cash flows, cash and cash equivalents are comprised of the following:

	Consolidated	
	31 December 2017	30 June 2017
	\$	\$
Cash at bank	183,058	445,755
	<u>183,058</u>	<u>445,755</u>



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 *(continued)*

NOTE 6: TRADE AND OTHER RECEIVABLES

	Consolidated	
	31 December 2017	30 June 2017
	\$	\$
Current		
Accrued royalties	923,838	923,838
Allowance for doubtful debts ⁽ⁱ⁾	(923,838)	(923,838)
Goods and services tax	25,820	20,916
	25,820	20,916

(i) On 8 September 2015, Pluton announced that it has appointed voluntary administrators and receivers and managers in order to execute a recapitalization and restructure proposal. As a result, the Company has raised an allowance for doubtful debts against the full amount owing by Pluton which is past the due date.

NOTE 7: ASSETS AND LIABILITIES HELD FOR SALE

In June 2015, the Company entered into a Memorandum of Understanding (“MOU”) with Dynamo Atlantic Limited to sell 100% ownership of Sibuyan Nickel Properties Development Corporation (“SNPDC”) for a purchase price of \$4.7 million (refer Directors’ Report for further detail).

Assets and liabilities held for sale

The major classes of assets and liabilities comprising the operations classified as held for sale at balance date are as follows:

	Consolidated	
	31 December 2017	30 June 2017
	\$	\$
Cash	4,276	2,470
Trade and other receivables	4,593	4,442
Mineral exploration and evaluation expenditure	2,180,992	2,195,742
Assets held for sale	2,189,861	2,202,654
Trade payables	419	424
Other payables	1,107,410	1,119,039
Liabilities associated with assets held for sale	1,107,829	1,119,463

The Company has received \$1.41 million as deposits for the sale of SNPDC and \$0.94 million has been classified as restricted cash under the terms of the MOU. The Company has also received \$0.15 million as a deposit for the sale of the Company’s interest in the Cockatoo Island Project which has been classified as restricted cash.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 *(continued)*

		Consolidated	
		31 December 2017	30 June 2017
		\$	\$
NOTE 8: ISSUED CAPITAL			
(a) Issued Capital			
361,923,540 Ordinary shares fully paid (30/06/2017: 361,923,540)		13,630,120	13,630,120
(b) Movements in ordinary share capital			
Date	Details	No. of Shares	\$
01/07/2017	Opening balance	361,923,540	13,630,120
31/12/2017	Closing balance	<u>361,923,540</u>	<u>13,630,120</u>
NOTE 9: RESERVES			
		Consolidated	
		31 December 2017	30 June 2017
		\$	\$
Share based payments reserve		1,937,082	1,930,542
Foreign currency translation reserve		75,335	77,495
		<u>2,012,417</u>	<u>2,008,037</u>



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 *(continued)*

NOTE 9: RESERVES *(continued)*

b) Movements in options reserve

Date	Details	No. of Listed Options	No. of Unlisted Options	Fair Value of Options Issued	Exercise Price	Expiry Date
01/07/17	Opening balance	-	85,000,000	\$1,899,148		
31/12/17	Closing balance	-	85,000,000	\$1,899,148		

NOTE 10: CONTINGENT LIABILITIES

Under an agreement with a supplier, the Company is liable to pay a success fee of 6% of the transaction value upon completion of the sale of Sibuyan Nickel Properties Development Corporation.

Other than as disclosed above, Pelican Resources Limited and its controlled entities have no known material contingent liabilities as at 31 December 2017.

NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

On 16 January 2018 Completion occurred in accordance with the terms of the Agreement with Cockatoo Iron NL and its wholly owned subsidiary Pearl Gull Pty Ltd and the Company received the second cash payment of \$1,350,000.

On 22 February 2018, the Company executed a Revenue Sharing Agreement (“RSA”) with Cockatoo Iron NL and its wholly owned subsidiary Pearl Gull Pty Ltd. Under the terms of the RSA, the Company is entitled to receive up to a maximum of \$500,000 per annum gross revenue from certain non-mining activities carried out on the Company’s Cockatoo Island tenements. The Company further agreed to a 30 day extension for the third cash payment of \$750,000 and share consideration of \$1,500,000 which was due to be paid on or before 31 March 2018 to 30 April 2018.

NOTE 12: SEGMENT INFORMATION

Business Segments

The directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separate identifiable business segments.

The operations and assets of Pelican Resources Limited and its controlled entities are employed in exploration activities relating to minerals in Australia and Philippines.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 *(continued)*

NOTE 12: SEGMENT INFORMATION *(continued)*

	Australia		Philippines		Eliminations		Consolidated	
	31 Dec 2017 \$	31 Dec 2016 \$	31 Dec 2017 \$	31 Dec 2016 \$	31 Dec 2017 \$	31 Dec 2016 \$	31 Dec 2017 \$	31 Dec 2016 \$
Geographical Segments								
Revenue								
Sales to customers outside the Consolidated Entity	-	-	-	-	-	-	-	-
Other revenues from customers outside the Consolidated Entity	8,112	9,403	6	151	-	-	8,118	9,554
Total segment revenue	8,112	9,403	6	151	-	-	8,118	9,554
Results								
Segment result	(252,894)	(249,952)	(5,562)	(8,939)	9,491	24,804	(250,712)	(234,087)
Assets								
Segment assets	2,373,562	2,618,935	2,190,306	2,341,721	(951,001)	(951,001)	3,612,867	4,009,655
Liabilities								
Segment liabilities	3,188,797	3,005,592	8,468,013	8,555,951	(8,791,196)	(8,788,899)	2,865,614	2,772,644



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 *(continued)***

NOTE 13: FINANCIAL INSTRUMENTS

The methods and valuation techniques used for the purposes of measuring fair value are unchanged compared to the previous reporting period.

The carrying amounts of the current receivables, current payables and other liabilities are considered to be a reasonable approximation of their fair value.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

1. In the opinion of the directors:
 - a. the accompanying interim financial statements and notes are in accordance with the *Corporations Act 2001* including:
 - i. giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half- year then ended; and
 - ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 303(5) of the *Corporations Act 2001* for the half-year ended 31 December 2017.

Signed in accordance with a resolution of the board of directors.

Dated this 14th day of March 2018

Alec Pismiris
Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pelican Resources Limited

Report on the Condensed Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Pelican Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2017, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Pelican Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants



N G Neill
Partner

Perth, Western Australia
14 March 2018

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Pelican Resources Limited for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



**Perth, Western Australia
14 March 2018**

**N G Neill
Partner**

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