



# **PELICAN RESOURCES LIMITED**

(ABN 12 063 388 821)

## **INTERIM FINANCIAL STATEMENTS 31 DECEMBER 2018**



## PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

### CONTENTS

	<b>Page</b>
* Directors' report	2
* Consolidated statement of profit or loss and other comprehensive income	7
* Consolidated statement of financial position	8
* Consolidated statement of changes in equity	9
* Consolidated statement of cash flows	10
* Condensed notes to the financial statements	11
* Directors' declaration	19
* Independent auditor's review report	20
* Auditor's independence declaration	22



## 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 2018 ("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.

<b>Name, qualifications and independence status</b>	<b>Experience, special responsibilities and other directorships</b>
---	---

<b>Anthony Torresan</b> 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.
---	---

<b>Colin Chenu</b> 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 more than 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. Other current directorships: HotCopper Holdings Limited.
---	--

<b>Alec Pismiris</b> B Comm., MAICD, AGIA Non-Executive Director and Company Secretary	Mr Pismiris is currently a director and company secretary for several ASX listed companies as well as a number of unlisted public and private companies. Mr Pismiris is a director of Pacton Gold Inc., a company listed on the TSX Venture Exchange, where he is engaged as Interim President and Chief Executive Officer. 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 a Fellow of The Governance Institute of Australia. Mr Pismiris has over 30 years' experience in the securities, finance and mining industries and 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. Other current directorships: Agrimin Limited, Aguia Resources Limited, HotCopper Holdings Limited, Victory Mines Limited and Pacton Gold Inc.
---	---



## PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

### DIRECTORS' REPORT

### REVIEW OF OPERATIONS

### REPUBLIC OF THE PHILIPPINES

### SALE OF SIBUYAN NICKEL PROPERTIES DEVELOPMENT CORPORATION

In June 2015 Pelican entered into a Memorandum of Understanding ("MOU") with Dynamo Atlantic Limited, a BVI registered company ("Dynamo") for the sale of 100% ownership of Sibuyan Nickel Properties Development Corporation ("SNPDC") which is owned by Pelican in conjunction with its 25% venture partner All-Acacia Resources Inc. ("All Acacia"). SNPDC is the beneficial owner of the Romblon Project located on Sibuyan Island in the Romblon Province in the Philippines.

During the half-year ended 31 December 2018, the board of Pelican travelled to Manila and met with both All-Acacia and representatives of Dynamo where the parties reached agreement on revised terms for a Share Sale and Assignment of Debt Agreement ("SSADA"). On or around 16 October 2018 the vendor parties, Dynamo and Dynamo Atlantic Holdings Philippines, Inc. ("DHAP") executed the revised SSADA. The principal terms of the revised SSADA were as follows:

- Dynamo and DAHP will be assigned all rights, title and interest together with all interest which has accrued or which may accrue in the future on related party loan liabilities in respect of funds advanced to SNPDC for its working capital requirements for consideration of AUD\$3.33 million (of which Pelican has received and is holding in escrow the sum of AUD\$1.41 million).
- The total consideration for the sale of all shares in SNPDC is AUD\$270,000.
- There is no royalty payable to the vendors on any future revenue from operations on Romblon Island.
- The SSADA was conditional on Pelican obtaining the approval of its shareholders to the revised terms to the original terms, which occurred at the Company's AGM held on 28 November 2018.
- The vendors are responsible for all taxes payable on the transaction.
- Settlement is to occur on 5 April 2019, or 15 business days after the Philippines Bureau of Internal Revenue ("BIR") issues a Certificate Authorising Registration of the transfer of shares (whichever is later).

The vendor parties appointed an agent to coordinate the preparation of documentation required to facilitate the assessment, lodgment and payment of all taxes to the BIR payable on the transaction.

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

Interest: MPSA 3042009-IVB

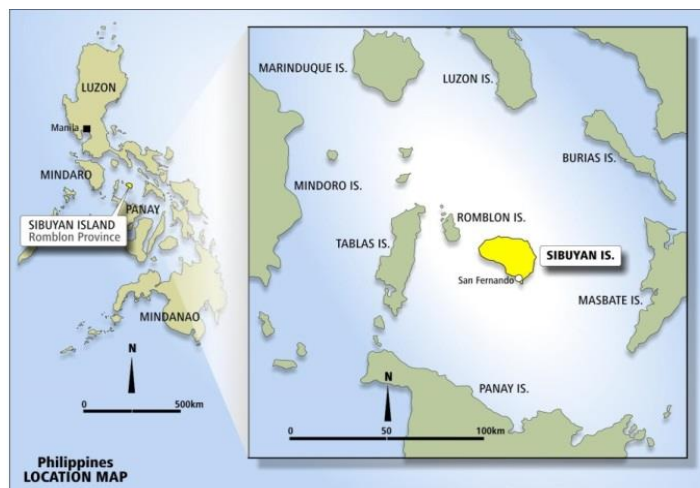
The Romblon Project, on Sibuyan Island in the Romblon Province in the Philippines, is considered a potential source of direct shipping lateritic nickel ore (DSO). The nickel resource explored by two Japanese nickel companies in 1972 is covered by a MPSA No. 3042009-IVB. The project is still in the process of being transferred from Altai Resources Philippines Inc. (Altai), the original applicant of the MPSA, to SNPDC.



## PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

### DIRECTORS' REPORT

#### REVIEW OF OPERATIONS (CONTINUED)



Further exploration is required to fully evaluate the laterite nickel resource, however the project is currently on care and maintenance due to a Cease and Desist Order (CDO) issued in September 2011 by the Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources (DENR). Counsel for SNPDC has pursued all legal avenues with respect to the appeal to the MGB and DENR to lift the CDO.

During the half year ended 31 December 2018, no project development field work was undertaken to minimize expenses in the Philippines.

### WESTERN AUSTRALIA

#### KIMBERLEYS

##### COCKATOO ISLAND PROJECT, KIMBERLEYS

Pelican has received \$2.25 million and holds 5,000,000 fully paid ordinary shares in Cockatoo Iron NL ("Cockatoo Iron") as a consequence of the sale of its interests in the Cockatoo Island Project comprising 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.

Pelican and Cockatoo Iron have further executed 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 tenements. Cockatoo Iron will have the right of pre-emption in respect of a sale by Pelican of its rights under the RSA.



## PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

### DIRECTORS' REPORT

### REVIEW OF OPERATIONS (CONTINUED)

#### CORPORATE

Following completion of the sale of its interests in the Cockatoo Island Project, ASX advised Pelican, the sale constituted the disposal of the Company's main undertaking, in accordance with Guidance Note 12. The Company lodged a submission with ASX, arguing unsuccessfully the Cockatoo Island Project was not the Company's main undertaking. The Company was given six months from 30 April 2018 to demonstrate to ASX that it complied with the requirements of Listing Rule 12.1. The Company's securities were suspended from official quotation on 30 October 2018.

#### BUSINESS DEVELOPMENT

The Company continued to search for new opportunities in the resources sector which could demonstrate capacity to add long term shareholder value. The directors believe that existing cash reserves combined with funds received from the sale of its interests in SNPDC leave the Company well positioned to fund new opportunities in the resources sector.

#### SUBSEQUENT EVENTS

As at the date of this report, no other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent years.

#### RESULTS OF OPERATIONS

The net loss after income tax for the period was \$1,614,623 (2017: \$250,712).

#### FINANCIAL POSITION

The net assets of the Company are \$2,622,026 as at 31 December 2018 (at 30 June 2018: \$4,215,797).

#### SCHEDULE OF TENEMENT INTERESTS AS AT 31 DECEMBER 2018

Tenement Reference	Project	Holder	Status	Interest
MPSA 3042009-IVB <sup>1</sup>	Romblon Project	Altai Resources Philippines Inc.	Granted	75%

Notes: 1. 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 15<sup>th</sup> day of March 2019



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	Note	31 December 2018 \$	31 December 2017 \$
Other income	3	26,733	8,118
Corporate		(235,600)	(250,448)
Exploration expenditure written-off		-	(1,562)
Fair value loss of investments		(1,300,000)	-
Share-based payments		-	(6,540)
Other expenses		(105,756)	(280)
<b>Loss before income tax</b>		<b>(1,614,623)</b>	<b>(250,712)</b>
Income tax		-	-
<b>Loss for the period</b>		<b>(1,614,623)</b>	<b>(250,712)</b>
<b>Other comprehensive income</b>			
Currency translation differences		20,852	(3,563)
<b>Other comprehensive (loss)/income for the period</b>		<b>20,852</b>	<b>(3,563)</b>
<b>Total comprehensive loss for the period</b>		<b>(1,593,771)</b>	<b>(254,275)</b>
<b>Loss attributable to:</b>			
Members of the parent entity		(1,612,305)	(248,965)
Non-controlling interest		(2,318)	(1,747)
		<b>(1,614,623)</b>	<b>(250,712)</b>
<b>Total comprehensive loss attributable to:</b>			
Members of the parent entity		(1,596,538)	(251,125)
Non-controlling interest		2,767	(3,150)
		<b>(1,593,771)</b>	<b>(254,275)</b>
		<b>Cents</b>	<b>Cents</b>
Basic and diluted loss per share (cents per share)	4	(0.44)	(0.07)





**PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

	<b>Note</b>	<b>31 December 2018 \$</b>	<b>30 June 2018 \$</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,775,457	2,127,459
Restricted cash		940,000	940,000
Security deposits		114,000	114,000
Trade and other receivables		9,683	18,794
Other current assets		10,970	21,941
Assets held for sale	6	2,272,276	2,175,081
<b>Total Current Assets</b>		<b>5,122,386</b>	<b>5,397,275</b>
<b>Non-Current Assets</b>			
Other financial assets		200,000	1,500,000
<b>Total Non-Current Assets</b>		<b>200,000</b>	<b>1,500,000</b>
<b>TOTAL ASSETS</b>		<b>5,322,386</b>	<b>6,897,275</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		31,825	87,217
Deferred revenue	6	1,410,000	1,410,000
Liabilities associated with assets held for sale	6	1,173,012	1,098,737
Tax payable		85,523	85,523
<b>Total Current Liabilities</b>		<b>2,700,360</b>	<b>2,681,477</b>
<b>TOTAL LIABILITIES</b>		<b>2,700,360</b>	<b>2,681,477</b>
<b>NET ASSETS</b>		<b>2,622,026</b>	<b>4,215,797</b>
<b>EQUITY</b>			
Issued capital	7	13,630,120	13,630,120
Reserves	8	2,018,892	2,003,125
Accumulated losses		(12,192,460)	(10,580,155)
Total parent entity interest		3,456,552	5,053,090
Non-controlling interest		(834,526)	(837,293)
<b>TOTAL EQUITY</b>		<b>2,622,026</b>	<b>4,215,797</b>



# PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Issued Capital	Options Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non- Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$
<b>Balance at 01/07/2017</b>	13,630,120	1,930,542	77,495	(13,805,664)	(837,505)	994,988
<b>Total comprehensive (loss)/income for the period</b>						
(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)
<b>Total comprehensive loss for the period</b>	-	-	(2,160)	(248,965)	(3,150)	(254,275)
<b>Transactions with owners recorded directly into equity</b>						
Share based payments	-	6,540	-	-	-	6,540
<b>Balance at 31/12/2017</b>	13,630,120	1,937,082	75,335	(14,054,629)	(840,655)	747,253
<b>Balance at 01/07/2018</b>	13,630,120	1,937,082	66,043	(10,580,155)	(837,293)	4,215,797
<b>Total comprehensive (loss)/income for the period</b>						
(Loss) for the period	-	-	-	(1,612,305)	(2,318)	(1,614,623)
<i>Other comprehensive income</i>						
Foreign currency translation differences	-	-	15,767	-	5,085	20,852
<b>Total comprehensive loss for the period</b>	-	-	15,767	(1,612,305)	2,767	(1,593,771)
<b>Balance at 31/12/2018</b>	13,630,120	1,937,082	81,810	(12,192,460)	(834,526)	2,622,026



**PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	<b>Note</b>	<b>31 December 2018 \$</b>	<b>31 December 2017 \$</b>
<b>Cash Flows from Operating Activities</b>			
Payments to suppliers and employees		(378,735)	(269,253)
Interest received		26,733	8,118
<b>Net Cash Used In Operating Activities</b>		<u>(352,002)</u>	<u>(261,135)</u>
<b>Cash Flows from Investing Activities</b>			
Payments for exploration expenditure		-	(1,562)
Proceeds from deposit for sale of project		-	150,000
Reclassification of deposit for sale of project to restricted cash		-	(150,000)
<b>Net Cash From/(Used In) Investing Activities</b>		<u>-</u>	<u>(1,562)</u>
Net decrease in cash and cash equivalents held		(352,002)	(262,697)
Cash and cash equivalents at beginning of the financial period		2,127,459	445,755
Effect of exchange rate changes on cash holdings		-	-
<b>Cash and cash equivalents at the end of the half-year</b>	<b>5</b>	<u><u>1,775,457</u></u>	<u><u>183,058</u></u>



## PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

### CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

#### 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 2018 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 15 March 2019.

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 2018.



## PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

### CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 (*continued*)

#### **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 2018 annual financial report except for the impact (if any) of new and revised standards and interpretations outlined below.

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.

#### *AASB 9 Financial Instruments*

AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement* and makes changes to a number of areas including classification of financial instruments, measurement, impairment of financial assets and hedge accounting model.

Financial instruments are classified as either held at amortised cost or fair value.

Financial instruments are carried at amortised cost if the business model concept can be satisfied.

All equity instruments are carried at fair value and the cost exemption under AASB 139 which was used where it was not possible to reliably measure the fair value of an unlisted entity has been removed. Equity instruments which are non-derivative and not held for trading may be designated as fair value through other comprehensive income (FVOCI). Previously classified available-for-sale investments, now carried at fair value are exempt from impairment testing and gains or loss on sale are no longer recognised in profit or loss.

The AASB 9 impairment model is based on expected loss at day 1 rather than needing evidence of an incurred loss, this is likely to cause earlier recognition of bad debt expenses. Most financial instruments held at fair value are exempt from impairment testing.

The Group has applied AASB 9 retrospectively with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018 and has elected not to restate comparative information. Accordingly, the information presented for 31 December 2017 and 30 June 2018 has not been restated.

There is no material impact to profit or loss or net assets on the adoption of this new standard in the current or comparative years.

#### *AASB 15 Revenue from contracts with Customers*

AASB 15 replaces AASB 118 *Revenue* and AASB 111 *Construction Contracts* and related interpretations. This Standard has been applied as at 1 July 2018, however there is no impact to the Group's historical financial results given the Group is currently not in production.

#### *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 2018. As a result of this review the Directors have determined that AASB 16 Leases may have a material effect on the application in future periods.



## PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

AASB 16 replaces AASB 117 Leases and related interpretations and is effective from annual reporting periods beginning on or after 1 January 2019.

AASB 16 removes the classification of leases as either operating leases or finance leases – for the lessee – effectively treating all leases as finance leases. Most leases will be capitalised on the statement of financial position by recognising a lease liability for the present value obligation and a ‘right of use’ asset. The right of use asset is calculated based on the lease liability plus initial direct costs, prepaid lease payments and estimated restoration costs less lease incentives received. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in the expense recognition with interest and depreciation replacing operating lease expense. There are exemptions for short-term leases and leases of low-value items.

The Group has commenced the process of evaluating the impact of the new Standard and notes that it currently does not have any operating lease commitments aside from an office rental lease. This will not have a material impact as at 30 June 2019 due to the current terms of the lease. Should circumstances change which see the Group enter into a leasing arrangement for any activity, it will be reflected according to the requirements of AASB 16. Additionally, lease costs in relation to tenements fall outside the scope of AASB 16 and therefore are not required to be assessed for a right of use asset.

### 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:

	<b>Consolidated</b>	
	<b>6 months to 31 December 2018 \$</b>	<b>6 months to 31 December 2017 \$</b>
<b>(a) Other income</b>		
Interest earned	26,733	8,118
<b>(b) Significant items</b>		
<i>Included in corporate expenses</i>		
Accounting and administration fees	44,736	43,001
Consulting and directors fees	111,141	111,541
<i>Included in other expenses</i>		
Foreign taxes	105,695	-



## PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

### CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 *(continued)*

#### NOTE 4: LOSS PER SHARE

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

	<b>Consolidated</b>	
	<b>6 months to 31 December 2018</b>	<b>6 months to 31 December 2017</b>
	<b>\$</b>	<b>\$</b>
Loss per share (cents)	(0.44)	(0.07)
Loss before income tax - Group	(1,614,623)	(250,712)
Adjustments:		
Loss attributable to non-controlling interest	2,318	1,747
Loss used in calculating basic and diluted loss per share	(1,612,305)	(248,965)
	<b>Number of Shares</b>	<b>Number of Shares</b>
Weighted average number of ordinary shares used in calculating basic loss per share:	361,923,540	361,923,540

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:

	<b>Consolidated</b>	
	<b>31 December 2018</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	1,775,457	2,127,459
	<u>1,775,457</u>	<u>2,127,459</u>



## PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

### CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 *(continued)*

#### NOTE 6: 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. In October 2018, the parties executed a revised Share Sale and Assignment of Debt Agreement for a total purchase price of \$3.6 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:

	<b>Consolidated</b>	
	<b>31 December 2018</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>
Cash	3,827	2,261
Trade and other receivables	5,875	4,976
Mineral exploration and evaluation expenditure	2,262,574	2,167,844
<b>Assets held for sale</b>	<b>2,272,276</b>	<b>2,175,081</b>
Trade payables	-	415
Other payables	1,173,012	1,098,322
<b>Liabilities associated with assets held for sale</b>	<b>1,173,012</b>	<b>1,098,737</b>

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.

	<b>Consolidated</b>	
	<b>31 December 2018</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 7: ISSUED CAPITAL</b>		
<b>(a) Issued Capital</b>		
361,923,540 Ordinary shares fully paid (30/06/2018: 361,923,540)	13,630,120	13,630,120

##### **(b) Movements in ordinary share capital**

<b>Date</b>	<b>Details</b>	<b>No. of Shares</b>	<b>\$</b>
01/07/2018	Opening balance	361,923,540	13,630,120
31/12/2018	Closing balance	<u>361,923,540</u>	<u>13,630,120</u>





## PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

### CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 *(continued)*

#### NOTE 8: RESERVES

	Consolidated	
	31 December 2018 \$	30 June 2018 \$
(a) Composition		
Share based payments reserve	1,937,082	1,937,083
Foreign currency translation reserve	81,810	66,042
	<u>2,018,892</u>	<u>2,003,125</u>

#### (b) Movements in options reserve

Date	Details	No. of Listed Options	No. of Unlisted Options	Fair Value of Options Issued	Exercise Price	Expiry Date
01/07/18	Opening balance	-	85,000,000	\$1,899,148		
31/12/18	Closing balance	-	85,000,000	\$1,899,148		

#### NOTE 9: CONTINGENT LIABILITIES

As part of its acquisition of Nugold Hill Mines in 2002, the Company has an obligation to rehabilitate the Xanadu tenements area. The Company has a security bond in place with the Department of Mines, Industry, Regulation and Safety which is expected to cover the majority of the cost. The Department of Mines, Industry, Regulation and Safety has not currently insisted on rehabilitating the site as there is the potential for future operations.

Other than as disclosed above, Pelican Resources Limited and its controlled entities have no known material contingent liabilities as at 31 December 2018.

#### NOTE 10: 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 2018 *(continued)***

**NOTE 10: SEGMENT INFORMATION *(continued)***

	<b>Australia</b>		<b>Philippines</b>		<b>Eliminations</b>		<b>Consolidated</b>	
	<b>31 Dec</b>	<b>31 Dec</b>	<b>31 Dec</b>	<b>31 Dec</b>	<b>31 Dec</b>	<b>31 Dec</b>	<b>31 Dec</b>	<b>31 Dec</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Geographical Segments</b>								
<b>Revenue</b>								
Sales to customers outside the Consolidated Entity	-	-	-	-	-	-	-	-
Other revenues from customers outside the Consolidated Entity	26,727	8,112	6	6	-	-	26,733	9,554
Total segment revenue	26,727	8,112	6	6	-	-	26,733	9,554
<b>Results</b>								
Segment result	(1,616,847)	(252,894)	(116,615)	(5,562)	118,839	9,491	(1,614,623)	(250,712)
<b>Assets</b>								
Segment assets	4,000,111	2,373,562	2,272,276	2,190,306	(950,001)	(951,001)	5,322,386	3,612,867
<b>Liabilities</b>								
Segment liabilities	2,960,049	3,188,797	7,364,986	8,468,013	(7,624,675)	(8,791,196)	2,700,360	2,865,614



## PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

### CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 (*continued*)

#### NOTE 11: FINANCIAL INSTRUMENTS

The methods and valuation techniques used for the purposes of measuring fair value are unchanged compared to the previous reporting period. Refer to Note 1 for the Directors' consideration of the impact of AASB 9 on the Group's financial instruments.

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

#### NOTE 12: EVENTS SUBSEQUENT TO REPORTING DATE

As at the date of this report, no other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent years.



## 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 2018 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 2018.

Signed in accordance with a resolution of the board of directors

Dated this 15<sup>th</sup> day of March 2019

---

Alec Pismiris  
Director

**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Pelican Resources Ltd

**Report on the Condensed Half-Year Financial Report***Conclusion*

We have reviewed the accompanying half-year financial report of Pelican Resources Ltd ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2018, 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 half-year financial report of Pelican Resources Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 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 half-year financial report*

The directors of the company are responsible for the preparation of the half-year 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 half-year 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 half-year 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 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.

A review of a half-year 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.

**hlb.com.au**

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

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

**T:** +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

*Independence*

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



**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**15 March 2019**



**N G Neill**  
**Partner**

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Pelican Resources Ltd for the half-year ended 31 December 2018, 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  
15 March 2019



**N G Neill**  
Partner

**hlb.com.au**

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

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

**T:** +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.