

## MARCH 2019 QUARTERLY REPORT

17 April 2019

### PELICAN RESOURCES LIMITED

**ASX:** PEL

**Office address:**

Level 11, BGC Centre  
28 The Esplanade  
Perth WA 6000

**Telephone:** +61 8 6424 9299

**Email:** [info@pelicanresources.com.au](mailto:info@pelicanresources.com.au)

**Web:** [www.pelicanresources.com.au](http://www.pelicanresources.com.au)

**Capital:**

Ordinary shares: 361,923,540

Unlisted options: 85,000,000

### HIGHLIGHTS

- Documentation required to facilitate the assessment, lodgement and payment of all taxes relating to the sale of Sibuyan Nickel Properties Development Corporation lodged with the Philippines Bureau of Internal Revenue.
- The Romblon Project continued on care and maintenance due to a Cease and Desist Order issued by the Mines and Geosciences Bureau of the Department of Environment and Natural Resources in September 2011, which restricts access to site.

### 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.

On or around 16 October 2018 the vendor parties, Dynamo and Dynamo Atlantic Holdings Philippines, Inc. (“DHAP”) executed the revised SSADA. The principle terms of the revised SSADA were as follows:

- The total consideration for the sale of all shares in SNPDC is AUD\$270,000.
- 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).
- 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).

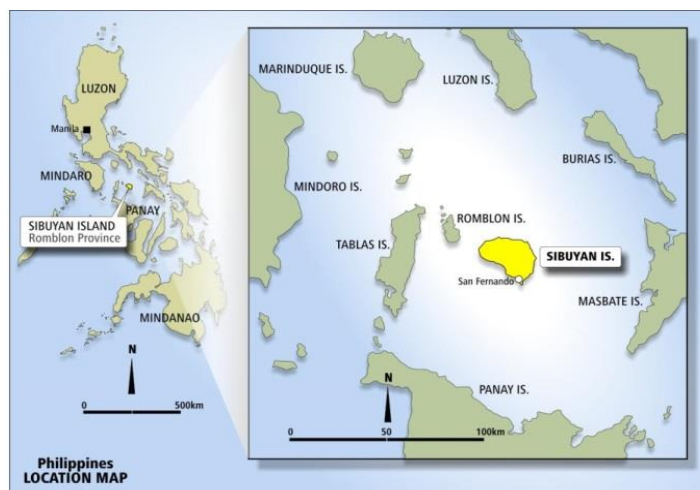
During the quarter the vendor’s agent prepared and submitted documentation required to facilitate the assessment, lodgement and payment of all taxes to the BIR payable on the transaction. The vendor’s agent has advised the BIR examiners continue their evaluation of the documentation.



## **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 evaluated and also transferred from Altai Resources Philippines Inc. (Altai), the original applicant of the MPSA, to SNPDC.



Further exploration is required to fully evaluate the laterite nickel resource but 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 March 2019 quarter, no project development field work was undertaken to minimise expenses in the Philippines.

## **WESTERN AUSTRALIA**

### **KIMBERLEYS**

#### **COCKATOO ISLAND PROJECT, KIMBERLEYS**

In addition to receiving \$2.25 million in cash, Pelican 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.

## **RELINQUISHMENTS**

Nil

## **NEW ACQUISITIONS**

Nil



## **CORPORATE**

The Company's securities remain suspended from official quotation until it can demonstrate to ASX that the requirements of Listing Rule 12.1 are satisfied.

## **SHAREHOLDER INFORMATION**

As at 31 March 2019 the Company had 333 shareholders and 361,923,540 ordinary fully paid shares on issue with the top 20 shareholders holding 71.11% of the total issued capital.

## **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.

For further information:

Mr Anthony Torresan  
Director  
Telephone: +61 411 152 185  
E-mail: [atorresan@pelicanresources.com.au](mailto:atorresan@pelicanresources.com.au)

Mr Alec Pismiris  
Director & Company Secretary  
Telephone: +61 402 212 532  
E-mail: [alec@lexconservices.com.au](mailto:alec@lexconservices.com.au)

### **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 has over 45 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.*

