

JUNE 2019 QUARTERLY REPORT

15 July 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

Web: www.pelicanresources.com.au

Capital:

Ordinary shares: 408,591,140

Unlisted options: 35,000,000

HIGHLIGHTS

- The Philippines Bureau of Internal Revenue progressed with assessment of tax obligations relating to the sale of Sibuyan Nickel Properties Development Corporation and issued All-Acacia Resources Inc. with the first Certificate Authorizing Registration.
- 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 Share Sale and Assignment of Debt Agreement (“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 will occur 15 business days after the Philippines Bureau of Internal Revenue (“BIR”) issues all shareholders of SNPDC with Certificates Authorizing Registration (“CAR”) relating to the transfer of their shares.

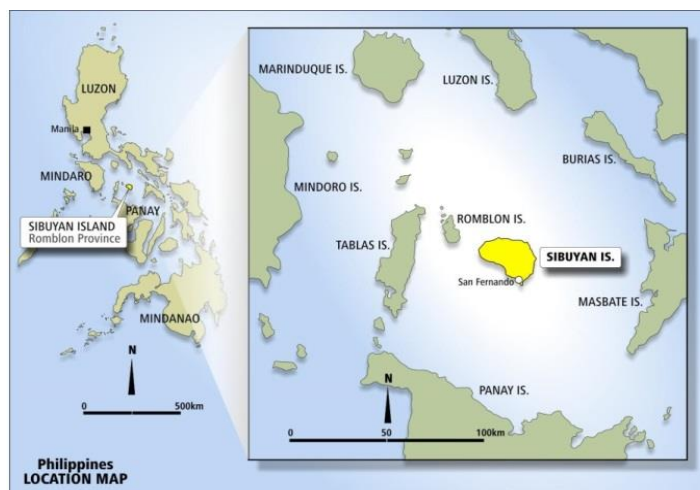


During the quarter the BIR's assessment of taxes payable on the sale of SNPDC progressed. All Acacia was the first SNPDC shareholder to be issued a CAR. The vendor's agent continues to monitor progress with BIR examiners of their evaluation of the transaction documentation.

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 June 2019 quarter, no project development field work was undertaken to minimise expenses in the Philippines.

WESTERN AUSTRALIA

COCKATOO IRON NL

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.

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 mining lease 04/235-I and miscellaneous licence applications 04/102 and 04/103. Cockatoo Iron 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.

During the quarter the Company commenced due diligence investigations on a potential investment opportunity. The Company will update shareholders on progress of its due diligence activities and any further developments.

SHAREHOLDER INFORMATION

During the quarter Pelican received notification of the exercise of 46,667,600 unlisted one cent options which expired on 30 June 2019. The Company received funds totaling \$466,670.60 from option holders who elected to exercise their options. The new shares issued on the exercise of the unlisted options were allotted subsequent to the end of the quarter with the remaining 3,332,400 unlisted options lapsing on expiry.

As at 11 July 2019 the Company had 341 shareholders and 408,591,140 ordinary fully paid shares on issue with the top 20 shareholders holding 67.09% 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

Mr Alec Pismiris
Director & Company Secretary
Telephone: +61 402 212 532
E-mail: 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.

