

7 October 2019

SALE OF SIBUYAN NICKEL PROPERTIES DEVELOPMENT CORPORATION

The directors of Pelican Resources Limited (**ASX: PEL**) ("Pelican" or "the Company") provide the following update on the sale of Sibuyan Nickel Properties Development Corporation ("SNPDC"), the beneficial owner of the Romblon Project located on Sibuyan Island in the Romblon Province in the Philippines. Pelican is the beneficial owner of 75% of the shares in SNPDC.

On or around 16 October 2018 the shareholders of SNPDC ("Vendor Parties"), Dynamo Atlantic Limited ("Dynamo") and Dynamo Atlantic Holdings Philippines, Inc. ("DHAP") executed the revised Share Sale and Assignment of Debt Agreement ("SSADA"). The principal terms of the revised SSADA were:

- 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 Vendor Parties 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 Vendor Parties 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.

Following execution of the SSADA, Pelican on behalf of the Vendor Parties arranged prepayment of all taxes that were applicable to the sale and transfer of SNPDC shares to Dynamo and DHAP. The Vendor Parties appointed an agent to; (i) prepare and submit the relevant documentation required to facilitate the assessment, lodgement and payment of all taxes to the BIR which related to the transaction; and (ii) actively monitor and provide assistance with the evaluation of the documentation by the BIR examiners.

The Vendor Parties' agent has advised the Vendor Parties the BIR has finalised the assessment of the final share transfer and issued the relevant CAR. All shareholders of SNPDC have now been issued a CAR that facilitates the transfer of their shares to proceed.

The Vendor Parties are now in a position to deliver settlement documents to Dynamo and DHAP and proceed with settlement in accordance with the terms of the SSADA.

The Vendor Parties' agent has been instructed to provide formal notice to Dynamo and DHAP to prepare for settlement within the timeframe specified in the SSADA.

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