

DECEMBER 2014 QUARTERLY REPORT

30 January 2015

PELICAN RESOURCES LIMITED

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Capital:

Ordinary shares: 241,282,360

HIGHLIGHTS

- The Cockatoo Island project was purchased by Pluton Resources Limited and its joint venture partner Wise Energy from Cliffs Asia Pacific Iron Ore Pty Ltd in September 2012. Pluton is the operator and maintains management control of the project. Shipments of ore continued with four shipments made during the Quarter ended 31 December 2014.
- The Romblon Project site was on care and maintenance during the Quarter pending the result of the representation made on the lifting of the Cease and Desist Order (CDO) issued by the Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources (DENR) in September 2011. Counsel for SNPDC is actively pursuing all legal avenues with respect to the appeal to the MGB and DENR to lift the CDO. SNPDC is actively seeking local companies as joint venture participants in the project.
- The option agreement on the San Marcos Gold Project located in Arizona, USA was signed in the Quarter ending 31 March 2013. The Project is currently on care and maintenance.

REPUBLIC OF THE PHILIPPINES

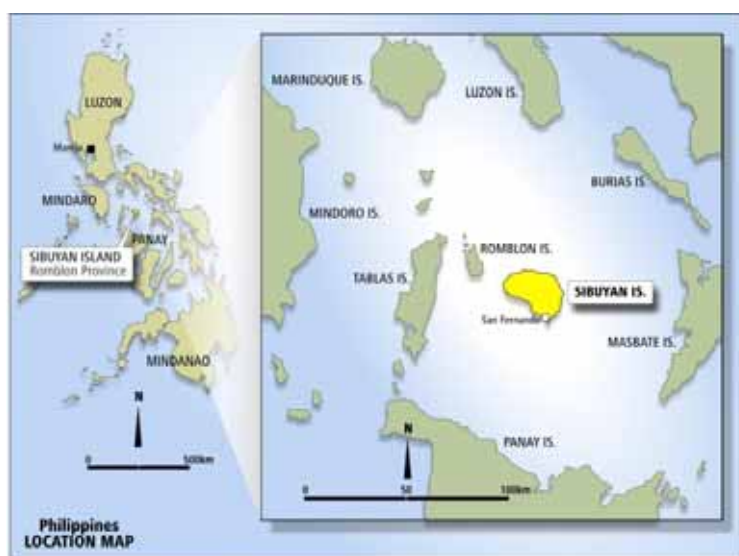
ROMBLON PROJECT, SIBUYAN ISLAND, ROMBLON PROVINCE (MPSA No. 3042009-IVB)

Interest: MPSA 3042009-IVB

The Romblon Project on Sibuyan Island in the Romblon Province in the Philippines is being evaluated as a source of direct shipping lateritic nickel ore (DSO). The nickel resource explored by two Japanese nickel companies in 1972 is covered by a Mineral Production Sharing Agreement (MPSA). 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 Sibuyan Nickel Properties Development Corporation (SNPDC). SNPDC is owned by Pelican Resources Limited in conjunction with its Joint Venture partner All-Acacia Resources Inc.

Further exploration is required to fully evaluate the laterite nickel resource. 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 is actively pursuing all legal avenues with respect to the appeal to the MGB and DENR to lift the CDO.





The MGB and DENR are currently focused on reviewing a map issued during the current Quarter by the Mineral Industry Coordinating Council (MICC) that specifies Go and No-Go Zones for mining throughout the Philippines. The map is a draft proposal that does not take into consideration approved Exploration Permits, MPSA's and existing mining operations. Approvals for new mining projects are expected to be deferred until the Go and No-Go Zones are finalized along with implementation rules and regulations. Counsel for SNPDC has advised that approved MPSAs should be included in Go Zones.

Additional issues such as revised mining tax regulations, Minahang Bayan Zones (Small Scale Mining) and domestic processing of DSO are currently being reviewed by various Government departments. New mining exploration projects are expected to be delayed until all issues are resolved by the current Administration. Projects with an approved MPSA or Foreign Technical Assistance Agreement (FTAA) can proceed with approvals to develop mining and plant operations. A new laterite nickel project in the Province of Agusan del Norte was commissioned in 2014 and existing mining operations have been allowed to apply for expansions.

During the December Quarter, SNPDC discussed joint venture proposals for the Romblon Project with several local companies currently involved in nickel laterite mining. Involvement of an active local mining company in the project may assist in the permitting process and Local Government Unit (LGU) support for the project. One of the interested parties conducted a site visit to the Romblon Project during the Quarter.

Interest in laterite nickel resources in the Philippines has increased since Indonesia banned the export of DSO on 12 January 2014. The FOB price of laterite nickel DSO rose to a 6-year high during the first half of 2014. Prices declined during the current Quarter as the volume of DSO from the Philippines increased to a record level and demand for nickel products in China decreased. It is expected that DSO prices will increase significantly in the next two quarters as exports from the Philippines will decrease due to adverse weather conditions in the mining areas of Mindanao and Dinagat Islands.

An internal study into nickel laterite processing through the use of direct reduction technology is ongoing along with discussions with local companies with processing experience. A new bill has been submitted to the Senate that proposes a ban on DSO similar to the Indonesian legislation. It is expected that there will be an implementation period of about 5 years if the bill is approved.

During the September Quarter, the MICC approved a Minahang Bayan Zone in Eastern Leyte and Samar for Black (Iron) Sand Mining but the product must be processed domestically. It is anticipated that all new Minahang Bayan Zones will be subject to the same regulations. The MGB and DENR are preparing implementation rules and regulations for Minahang Bayan. Currently gold, silver and chromite are allowed to be mined in Minahang Bayan



Zones but the Government intends to include iron sand in the revised regulations.

SNPDC and Pelican Staff reviewed several new projects in the Philippines including nickel laterites, iron ore, iron sands, Cu-Au and PGMs. There are opportunities to participate in promising small to medium-sized mining and processing projects subject to the National and Local Government Units finalizing the Go and No-Go Zones along with the Minahang Bayan regulations. Early stage discussions have been held with a LGU in Northern Leyte for participation in an iron sand mining and processing joint venture. Processing options including direct reduction to produce Sponge Iron and smelting to produce Pig Iron are being evaluated internally.

PGM and Cu-Au-Ag anomalies have been identified in grassroots exploration in Northern Leyte. Discussions are ongoing with the local company holding the Exploration Permits.

WESTERN AUSTRALIA

KIMBERLEYS

COCKATOO ISLAND PROJECT (M04/235)

Interest: 100%
Operator: Pluton Resources Limited

During the Quarter ended 31 December 2014 Receivers and Managers were appointed to Pluton. A dispute between Receivers and Managers was resolved with Korda Mentha being confirmed as Receiver and Manager to Pluton.

The Company issued a Notice of Default to Pluton and negotiations ensued for the Receivers and Manager to pay royalties since their appointment. The payment of arrears in royalties after deducting the debt conversion component is under negotiation and is expected to be resolved during the current quarter.

The Receiver and Manager continues to produce and ship iron ore with four shipment totalling 172,200 tonnes shipped during the quarter.

The Company continues to closely monitor the Pluton situation and the Receiver and Manager activities with a view to having all its royalty arrears cleared by next quarter.

SAN MARCOS GOLD PROJECT, ARIZONA USA



Interest: Option to earn up to 100% - Currently 30%
Operator: Pelican wholly owned USA subsidiary Dore 5

Additional expenditure of \$18,000 before end of March 2015 will increase interest to 51%.



The Company is reviewing various options for funding Dore 5 to move the project forward particularly in light of gold resurgence.

RELINQUISHMENTS

Nil

NEW ACQUISITIONS

Nil

Signed on behalf of the Board of Pelican Resources Limited

J H Hills BSc, BSc Hons, MSc, PhD, M.Aus.I.M.M.

For further information:

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Dr John Hills

Director

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Competent Person's Statement

The information in this Report that relates to Mineral Resources is based on, and accurately reflects, the information compiled by Dr John Hills a consultant to Pelican Resources Limited. Dr Hills is a member of the Australasian Institute of Mining and Metallurgy, respectively. Dr Hills has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities which they are undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Hills consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.



Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

PELICAN RESOURCES LIMITED

ABN

12 063 388 821

Quarter ended ("current quarter")

31 DECEMBER 2014

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	--	--
1.2	Payments for (a) exploration & evaluation	(74)	(156)
	(b) development	--	--
	(c) production	--	--
	(d) administration	(211)	(425)
1.3	Dividends received	--	--
1.4	Interest and other items of a similar nature received	--	31
1.5	Interest and other costs of finance paid	--	--
1.6	Income taxes paid	--	--
1.7	Other (Royalties)	114	319
	Other (GST)	(12)	(5)
Net Operating Cash Flows		(183)	(236)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	--	--
	(b) equity investments	--	--
	(c) other fixed assets	(1)	(3)
1.9	Proceeds from sale of: (a) prospects	--	--
	(b) equity investments	--	--
	(c) other fixed assets	--	--
1.10	Loans to other entities	--	--
1.11	Loans repaid by other entities	--	--
1.12	Other (provide details if material)	8	11
Net investing cash flows		7	8
1.13	Total operating and investing cash flows (carried forward)	(176)	(228)

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(176)	(228)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	--	6
1.15	Proceeds from sale of forfeited shares	--	--
1.16	Proceeds from borrowings	--	--
1.17	Repayment of borrowings	--	--
1.18	Dividends paid	--	--
1.19	Other (capital raising costs)	(18)	(33)
	Other (provide details if material)	(1)	--
	Net financing cash flows	(19)	(27)
	Net increase (decrease) in cash held	(195)	(255)
1.20	Cash at beginning of quarter/year to date	706	766
1.21	Exchange rate adjustments to item 1.20	--	--
1.22	Cash at end of quarter	511	511

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	92
1.24 Aggregate amount of loans to the parties included in item 1.10	--

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Effective 21 October 2014, the Company undertook to convert \$300,000 of the accrued royalties owing by Pluton Resources Ltd into 30,000,000 Pluton Resources Ltd shares at 1 cent per share.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	--
4.3 Production	--
4.4 Administration	50
Total	100

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	51	99
5.2 Deposits at call	460	600
5.3 Bank overdraft	--	--
5.4 Other (share application account)	--	7
Total: cash at end of quarter (item 1.22)	511	706

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	(refer attached notes)		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	(refer attached notes)		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference			
	+securities			
7.2	(description)			
	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	241,282,360	241,282,360	
7.4	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities			
	(description)			

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
		59,725,571	59,725,571	\$0.02	30/06/2017
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
(Director)

Date: 30 January 2015

Print name: JOHN PALERMO

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.