



PELICAN RESOURCES LIMITED

(ABN 12 063 388 821)

INTERIM FINANCIAL STATEMENTS 31 DECEMBER 2014



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

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PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

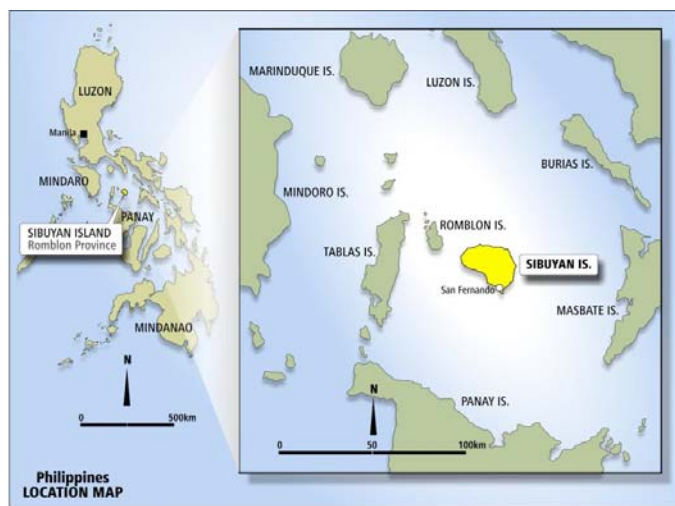
REVIEW OF OPERATIONS

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). The project site is currently on care and maintenance as the Cease and Desist Order issued by the Mines and Geosciences Bureau (MGB) has not been lifted. SNPDC is owned by Pelican Resources Limited in conjunction with its Joint Venture partner All-Acacia Resources Inc.

The Company completed an internal study to evaluate a Direct Reduction Process for laterite nickel ore. The technology to process high iron ore into Sponge Iron (SFE) and high nickel ore into Sponge Nickel (SNI) is being developed in China. The initial Scoping Study included a review of Direct Reduction Iron (DRI) facilities currently operating in China and India and bench scale test work on nickel laterite samples from a project located in Sulawesi, Indonesia. Pilot plant test work on the process is the next step but samples of the nickel ore from the Romblon Nickel Project cannot be obtained until the CDO is lifted.

Discussions are being held with several local companies regarding their interest in a joint venture with SNPDC to advance the Romblon Project. Participation of a local company that is involved in other nickel laterite projects in the Philippines may assist in resolving the permitting and social acceptance issues. One interested Party conducted a site visit to the project in the 2nd quarter and followed-up by meeting with the MGB to discuss permitting issues. Approval of new nickel laterite projects and expansion of current mining operations during the half-year indicates that the Government is supporting the industry.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

REVIEW OF OPERATIONS (*continued*)

SNPDC made representations to the Office of the President of the Philippines (OP) where its own appeal in respect of the Cease a Desist Order is still pending and advising the OP of the Court Resolution declaring the Executive Order banning mining in Romblon Province unconstitutional and asking that any pending appeal be immediately resolved. The OP responded to the request stating that it was too early to make a representation to the OP and the decision was still in the jurisdiction of the DENR. Counsel and local Management of SNPDC are following up on the representation to the DENR.

SNPDC will request meetings with the elected officials in San Fernando Municipality including the Mayor and Barangay Captains to discuss the granting of a Business Permit to SNPDC and acceptance of an exploration program after the CDO has been lifted by the MGB.

The Secretary of the DENR announced in December 2013, that the Mining Industry Coordinating Council (MICC) had submitted a draft bill for a new mining tax to the Presidential Liaison Office. The proposed new tax will assist in resolving the current debate in the Philippines with respect to the contribution of the mining industry to the local community. The new tax is not expected to be applied to independent nickel processing plants. The draft bill is currently being reviewed by the OP.

A draft bill to ban DSO commencing in 2021 was released in December 2014. It is expected to be submitted to Congress and Senate for review during the current quarter. The draft bill includes financial incentives to companies that invest in mineral processing facilities.

Pelican and SNPDC staff have evaluated several resource projects in the Philippines during the half-year. There are opportunities with good potential but progress is very slow due to permitting issues and the proposed mining tax bill.

It is likely that the nickel price and FOB price of DSO will increase in 2015. Indonesia imposed a ban on DSO inclusive of laterite nickel ore effective 12 January 2014. Indonesia supplied approximately 50% of laterite nickel DSO shipped to China during CY2013. The increase is expected to follow the trend in 2014 with higher prices during the 1st half of CY2015 followed by lower prices in the 2nd half. Interest in nickel laterite ore and nickel products from the Philippines is expected to increase due to the Indonesian ban. Several new laterite nickel DSO operations were commissioned in the Philippines during CY2014.

WESTERN AUSTRALIA

KIMBERLEYS

COCKATOO ISLAND PROJECT (M04/235)

Interest: 100%
Operator: Pluton Resources Limited



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

REVIEW OF OPERATIONS (*continued*)

Cockatoo Island project, as previously advised, had been purchased from Cliffs Asia Pacific Iron Ore Pty Ltd by Pluton Resources Limited and its joint venture partner Wise Energy. In January 2013, the asset sale agreement between Pluton and the Wise Energy group was terminated with Pluton continuing as operator and manager of the project. The joint venture was reinstated with Pluton as the operator.

During the half-year ended 31 December 2014, Receivers and Managers were appointed to Pluton. A dispute between Receivers and Managers was resolved with KordaMentha being confirmed as Receiver and Manager to Pluton.

The Company issued a Notice of Default to Pluton and negotiations ensued for the Receiver 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 Company continues to closely monitor the Pluton situation and the Receiver and Manager activities with a view to having all its royalty arrears cleared this quarter.

There were 13 shipments of ore during the reporting period.

UNITED STATES OF AMERICA

SAN MARCOS GOLD PROJECT, ARIZONA USA



Interest: Option to earn up to 100% (currently 30%)

Operator: Pelican wholly owned USA subsidiary Dore 5 Resources

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 Resources to move the project forward particularly in light of gold resurgence.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

REVIEW OF OPERATIONS (*continued*)

CORPORATE

Since the end of the reporting period, the Company received a Notice under Section 249D of the Corporations Act to remove all current directors and appoint a new board. The Company is currently reviewing the Notice and will advise shareholders in due course.

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.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

The directors present their financial report on the consolidated entity consisting of Pelican Resources Limited and its controlled entities for the half-year ended 31 December 2014.

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.

John Palermo
John Henry Hills
Mike Bue

REVIEW OF OPERATIONS

Refer to the summary of Review of Operations for a review of operational matters.

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.

John Palermo
Director

Dated at Perth this 24th day of February 2015



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Note	31 December 2014 \$	31 December 2013 \$
Revenue		578,045	561,719
Net foreign exchange gains		266	4,100
Administration expense		(95,111)	(78,576)
Auditor's remuneration		(11,102)	(7,477)
Company secretarial expenses		(16,425)	(16,387)
Consulting fees		(84,000)	(96,500)
Depreciation		(7,635)	(4,433)
Diminution in value of investments		(327,250)	--
Directors' benefits expenses		(109,500)	(95,594)
Doubtful debt provision		(476,485)	--
Exploration expenditure impairment		(123,427)	--
Exploration expenditure written off		(39,947)	(181,336)
Insurance		(11,496)	(11,335)
Legal expenses		(15,908)	(16,370)
Public relations and marketing		(21,150)	(6,800)
Rent and outgoings		(11,864)	(11,669)
Share register maintenance		(18,880)	(16,122)
Travel and accommodation		(6,991)	(5,338)
Other expenses		(50,725)	(50,715)
Loss before income tax	3	(849,585)	(32,833)
Income tax		--	--
Loss for the period		(849,585)	(32,833)
Other comprehensive income			
Currency translation differences		84,532	38,343
Income tax on other comprehensive income		--	--
Other comprehensive income for the period		84,532	38,343
Total comprehensive (loss)/income for the period		(765,053)	5,510
Loss attributable to:			
Members of the parent entity		(846,665)	(29,468)
Non-controlling interest		(2,920)	(3,365)
		(849,585)	(32,833)
Total comprehensive (loss)/gain attributable to:			
Members of the parent entity		(769,127)	(456)
Non-controlling interest		4,074	5,966
		(765,053)	5,510
		Cents	Cents
Basic and diluted loss per share (cents per share)	4	(0.35)	(0.01)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Note	31 December 2014 \$	30 June 2014 \$
CURRENT ASSETS			
Cash and cash equivalents	5	519,046	762,231
Trade and other receivables	6	149,195	673,170
Other current assets		159,638	166,419
Total Current Assets		827,879	1,601,820
NON CURRENT ASSETS			
Other financial assets		465	27,715
Plant and equipment		42,103	51,418
Mineral exploration and evaluation expenditure	7	2,206,315	2,100,000
Total Non Current Assets		2,248,883	2,179,133
TOTAL ASSETS		3,076,762	3,780,953
CURRENT LIABILITIES			
Trade and other payables		170,866	225,132
Non interest bearing liabilities		4,225	3,773
Total Current Liabilities		175,091	228,905
NON CURRENT LIABILITIES			
Non interest bearing liabilities		1,122,046	991,240
Total Non Current Liabilities		1,122,046	991,240
TOTAL LIABILITIES		1,297,137	1,220,145
NET ASSETS		1,779,625	2,560,808
EQUITY			
Issued capital	8	13,286,793	13,286,471
Reserves	9	1,658,702	1,597,616
Accumulated losses		(12,354,744)	(11,508,079)
Total parent entity interest		2,590,751	3,376,008
Non-controlling interest		(811,126)	(815,200)
TOTAL EQUITY		1,779,625	2,560,808

The above consolidated statement of financial position
should be read in conjunction with the accompanying notes.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Issued Capital	Options Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non- Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 01/07/2013	13,283,621	1,528,725	88,795	(10,082,536)	(427,811)	4,390,794
Total comprehensive (loss)/income for the period						
(Loss) for the period	--	--	--	(29,468)	(3,365)	(32,833)
<i>Other comprehensive income</i>						
Foreign currency translation differences	--	--	29,012	--	9,331	38,343
Net changes in fair value of securities	--	--	--	--	--	--
Total other comprehensive income for the period	--	--	29,012	--	9,331	38,343
Total comprehensive income/(loss) for the period	--	--	29,012	(29,468)	5,966	5,510
Transactions with owners recorded directly into equity						
<i>Contributions by and distributions to owners</i>						
Shares issued during the period	--	--	--	--	--	--
Options issued during the period	--	--	--	--	--	--
Transactions costs	--	--	--	--	--	--
Total contributions by / distributions to owners	--	--	--	--	--	--
Balance at 31/12/2013	13,283,621	1,528,725	117,807	(10,112,004)	(421,845)	4,396,304
Balance at 01/07/2014	13,286,471	1,528,725	68,891	(11,508,079)	(815,200)	2,560,808
Total comprehensive (loss)/income for the period						
(Loss) for the period	--	--	--	(846,665)	(2,920)	(849,585)
<i>Other comprehensive income</i>						
Foreign currency translation differences	--	--	77,538	--	6,994	84,532
Net changes in fair value of securities	--	--	--	--	--	--
Total other comprehensive income for the period	--	--	77,538	--	6,994	84,532
Total comprehensive income/(loss) for the period	--	--	77,538	(846,665)	4,074	(765,053)
Transactions with owners recorded directly into equity						
<i>Contributions by and distributions to owners</i>						
Shares issued during the period	322	--	--	--	--	322
Options issued during the period	--	5,973	--	--	--	5,973
Transactions costs	--	(22,425)	--	--	--	(22,425)
Total contributions by / distributions to owners	322	(16,452)	--	--	--	(16,130)
Balance at 31/12/2014	13,286,793	1,512,273	146,429	(12,354,744)	(811,126)	1,799,625

The above consolidated statement of changes in equity
should be read in conjunction with the accompanying notes.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Note	31 December 2014 \$	31 December 2013 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(501,644)	(393,001)
Interest received		31,333	22,660
Royalties received		322,693	365,814
Net Cash Used In Operating Activities		(147,618)	(4,527)
Cash Flows from Investing Activities			
Payments for exploration expenditure		(76,598)	(244,492)
Payments for plant and equipment		(1,886)	(731)
Net Cash Used In Investing Activities		(78,484)	(245,223)
Cash Flows from Financing Activities			
Proceeds from issue of shares and options		6,295	--
Costs associated with share and option issues		(22,425)	--
Net Cash Used In Financing Activities		(16,130)	--
Net decrease in cash and cash equivalents held		(242,232)	(249,750)
Cash and cash equivalents at beginning of the financial period		762,231	1,265,184
Effect of exchange rate changes on cash holdings		(953)	(10,392)
Cash and cash equivalents at the end of the half-year	5	519,046	1,005,042

The above consolidated statement of cash flows
should be read in conjunction with the accompanying notes.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 1: BASIS OF PREPARATION

The half-year 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 financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 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*.

The half-year consolidated financial report does not include full disclosures of the type normally included in annual financial reports.

The half-year consolidated financial report has been prepared on an accruals basis and is based on historical costs, except for certain financial assets which are carried at fair value.

The half-year consolidated financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The directors confirm that there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable and is a going concern because of the following factors:

- The ability to issue additional shares under the *Corporations Act 2001*; and/or
- The Consolidated Entity receives royalties of \$1.00 per metric tonnes of ore shipped. Payment of the royalty may also be deferred in the event if mining operations on Cockatoo Island are suspended due to force majeure events.

The accounting policies have been consistently applied by the consolidated entity and are consistent with those in the June 2014 annual financial report, except in relation to the matters disclosed below:

New and Revised Accounting Standards and Interpretations

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. The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half-years.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014 *(continued)***

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:

	Consolidated	
	31 December 2014	31 December 2013
	\$	\$
Revenues		
Interest income	13,223	23,152
Royalties	564,822	538,567
Gains		
Net foreign exchange gains	266	4,100
Expenses		
Administration fees	95,111	78,576
Auditor's remuneration	11,102	7,477
Company secretarial expenses	16,425	16,387
Consultancy fees	84,000	96,500
Depreciation	7,635	4,433
Diminution in value of investments	327,250	--
Directors' benefits expenses	109,500	95,594
Doubtful debt provision	476,485	--
Exploration expenditure impairment	123,427	--
Exploration expenditure written off	39,947	181,336
Insurance	11,496	11,335
Legal expenses	15,908	16,370
Public relations and marketing	21,150	6,800
Rent and outgoings	11,864	11,669
Share register maintenance	18,880	16,122
Travel and accommodation	6,991	5,338
Other expenses	50,725	50,715



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014 *(continued)***

NOTE 4: LOSS PER SHARE

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

	Consolidated 31 December 2014 \$	31 December 2013 \$
Loss before income tax - Group	(849,585)	(32,833)
Adjustments:		
Loss attributable to non-controlling interest	(2,920)	(3,365)
Loss used in calculating basic and diluted loss per share	<u>(846,665)</u>	<u>(29,468)</u>
	Number of Shares	Number of Shares
Weighted average number of ordinary shares used in calculating basic loss per share:	<u>241,282,273</u>	<u>241,203,068</u>

Diluted loss per share has not been disclosed 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:

	Consolidated 31 December 2014 \$	30 June 2014 \$
Cash at bank	59,046	112,231
Term deposits	460,000	650,000
	<u>519,046</u>	<u>762,231</u>



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014 *(continued)***

NOTE 6: TRADE AND OTHER RECEIVABLES

	Consolidated	
	31 December 2014	30 June 2014
	\$	\$
Current		
Accrued royalties	734,139	792,010
Doubtful debt provision	(634,139)	(157,654)
Goods and services tax	35,912	27,211
Advances/loans – other parties	13,283	11,603
	<hr/> 149,195	<hr/> 673,170

The Company issued a Notice of Default to Pluton Resources Ltd and negotiations ensued for the Receiver and Manager to pay royalties since their appointment. As at 31 December 2014, the directors have booked a provision for doubtful debts of \$634,139 and 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.

**NOTE 7: MINERAL EXPLORATION AND
EVALUATION EXPENDITURE**

	Consolidated	
	31 December 2014	30 June 2014
	\$	\$
Exploration expenditure carried forward in respect of areas of interest in the exploration and evaluation phase	<hr/> 2,206,315	<hr/> 2,100,000

The value of the exploration tenements carried forward is dependent upon:

- (a) The continuance of the Consolidated Entity's rights to tenure of the area of interest;
- (b) The results of future exploration; and
- (c) The recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.

The carrying value of the exploration expenditure as at 31 December 2014 relates to the Romblon project which is subject to a cease and desist order. The Board is currently considering offers for the Romblon project (not formal) from third parties and believes that any amount received will exceed the carrying value currently shown in the financial report (please refer to the Review of Operations for further details).



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014 (continued)**

NOTE 8: ISSUED CAPITAL		Consolidated	
		31 December 2014 \$	30 June 2014 \$
(a) Issued Capital			
241,282,360 Ordinary shares fully paid (30/06/2014: 241,274,320)		13,286,793	13,286,471
(b) Movements in ordinary share capital			
Date	Details	No. of Shares	Issue Price \$
01/07/2014	Opening balance	241,274,320	--
02/07/2014	Conversion of listed options	8,040	\$0.04
	Less: transaction costs		--
31/12/2014	Closing balance	241,282,360	13,286,793

NOTE 9: RESERVES					Consolidated		
					31 December 2014	30 June 2014	
(a) Composition					\$	\$	
Options reserve					1,512,273	1,528,725	
Foreign currency translation reserve					146,429	68,891	
					1,658,702	1,597,616	
(b) Movements in options reserve							
Date	Details	Performance Rights	No. of Listed Options	No. of Unlisted Options	Fair Value of Options Issued	Exercise Price	Expiry Date
01/07/14	Opening balance	500,000 ⁽ⁱ⁾	88,104,515	--	\$1,528,725	--	--
02/07/14	Conversion of listed options	--	(8,040)	--	--	\$0.04	30/06/14
03/07/14	Listed options expired	--	(88,096,475)	--	--	\$0.04	30/06/14
09/09/14	Pursuant to prospectus dated 26 August 2014	--	59,475,571	--	\$5,948	\$0.02	30/06/17
25/09/14	Private placement to investors	--	250,000	--	\$25	\$0.02	30/06/17
	Less: transaction costs arising on issues				(\$22,425)		
31/12/14	Closing balance	500,000	59,725,571	--	\$1,512,273		

- (i) Performance Rights will convert to shares upon completion of the first shipment of ore from Sibuyan Island under the Company's Romblon Nickel Project.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014 *(continued)***

NOTE 10: CONTINGENT LIABILITIES

Pelican Resources Limited and its controlled entities have no known material contingent liabilities as at 31 December 2014.

NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the half-year ended 31 December 2014 there has not been any material event subsequent to the end of the reporting date and the date of this half-year financial report that has not been recognised in this consolidated financial report.

NOTE 12: 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, Philippines and the USA.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014 *(continued)***

NOTE 12: SEGMENT INFORMATION *(continued)*

	Australia		Philippines		USA		Eliminations		Consolidated	
	31 Dec.	31 Dec.	31 Dec.	31 Dec.	31 Dec.	31 Dec.	31 Dec.	31 Dec.	31 Dec.	31 Dec.
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Geographical Segments										
Revenue										
Sales to customers outside the Consolidated Entity	564,822	538,567	--	--	--	--	--	--	564,822	538,567
Other revenues from customers outside the Consolidated Entity	13,211	23,078	12	74	--	--	--	--	13,223	23,152
Total segment revenue	578,033	561,645	12	74	--	--	--	--	578,045	561,719
Results										
Segment result	(853,796)	(185,622)	(94,449)	(246,065)	(123,940)	(29)	222,600	398,883	(849,585)	(32,833)
Assets										
Segment assets	6,926,003	7,708,474	2,042,232	3,490,472	155	120,672	(5,891,628)	(5,746,520)	3,076,762	5,573,098
Liabilities										
Segment liabilities	9,086,719	8,813,466	6,449,940	6,204,168	211,055	120,607	(14,450,577)	(13,961,447)	1,297,137	1,176,794



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

In the opinion of the directors:

- a) The financial statements and notes are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
 - ii) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting;
- 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.

Signed in accordance with a resolution of the board of directors

Dated this 24th day of February 2015

John Palermo
Director

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
PELICAN RESOURCES LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Pelican Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Pelican Resources Limited (the consolidated entity). The consolidated entity comprises both Pelican Resources Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Pelican Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) 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 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 2014 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 Pelican Resources Limited, 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.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Pelican Resources Limited on 24 February 2015.

Conclusion

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 Limited 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 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

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Emphasis of Matter Regarding Going Concern and Carrying Values of Current and Non-Current Assets

Without qualification to the opinion expressed above, attention is drawn to the following matters:

As referred to in Note 1 to the financial statements, the financial statements have been prepared on the going concern basis. At 31 December 2014, the consolidated entity had working capital of \$652,788, cash and cash equivalents of \$519,046 and had incurred a loss for the half year amounting to \$849,585. The consolidated entity has capitalised mineral exploration and evaluation expenditure of \$2,206,315. The ability of the consolidated entity to continue as a going concern is subject to the continued receipt of sufficient royalty funding or successful recapitalisation of the Company. The carrying value of the mineral exploration and evaluation expenditure as referred in Note 7 to the financial statements is dependent upon commercial exploitation of these assets and/or sale of these assets to generate sufficient funds at least equivalent to their carrying values. In the event that Pelican Resources Limited is not successful in commercial exploitation and/or sale of these assets, does not continue to receive sufficient royalty funding or is not successful in recapitalising the Company and in raising further funds, the Company and its subsidiaries may not be able to meet their liabilities as they fall due and the realisable value of the consolidated entity's current and non-current assets may be significantly less than their book values.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Samir Tirodkar
Director

West Perth, Western Australia
24 February 2015

24 February 2015

Board of Directors
Pelican Resources Limited
Level 1, 284 Oxford Street
Leederville WA 6007

Dear Sirs

RE: PELICAN RESOURCES LIMITED


In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Pelican Resources Limited.

As Audit Director for the review of the financial statements of Pelican Resources Limited for the period ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

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Samir Tirodkar
Director