



ASX ANNOUNCEMENT

ASX: PLG

28 October 2022

Quarterly Activities Report For the period ending 30 September 2022

HIGHLIGHTS

- Transshipment basic design finalised, detailed engineering drawings being completed
- CSA Global Pty Ltd engaged to expedite the geological interpretation supporting the progress to resource modelling
- Further updates regarding the progress of Resource modelling and Transshipping to be provided in the December 2022 quarter

Pearl Gull Iron Limited (ASX: PLG) (“Pearl Gull” or “the Company”) is pleased to report on activities at its high-grade iron ore exploration project on Cockatoo Island during the September 2022 Quarter.

Pearl Gull’s Non-Executive Chairman, Russell Clark, commented:

“Pearl Gull has continued to work towards producing an initial JORC resource on its tenements at Cockatoo Island, made more challenging by the historical nature of drilling and multiple geological data sets. Access to experienced consultants has also been constrained following the Covid pandemic. We have also continued to progress the design of transshipment arrangements, so that we have a workable solution to tranship iron ore from the island.”



Registered Address

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Directors

Russell Clark – Non-Executive Chairman
Jonathan Fisher – Non-Executive Director
Alexander Passmore – Non-Executive Director

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Projects

Switch Pit
North Bay
Magazine Pit

Shares on Issue 103.0M
Share Price 2.3c (28 Oct 22 close)
Market Cap \$2.4M
ASX Code PLG



Cockatoo Island

In August 2022, Pearl Gull engaged CSA Global Pty Ltd (“CSA”) to undertake a 3rd party review on the progress of the resource with the aim of improving the geological understanding of the Magazine and Switch Pit iron mineralisation on M04/235-I. The compilation of geological databases, both current and historical, together with historical geological mapping and structural interpretation has been an extensive process.

The review highlighted inconsistencies in the previous Magazine geological interpretation, requiring a site visit to validate the geological data and source additional geological records and reports hosted in the site archives located on the island. The first step is to ensure future reporting in accordance with the JORC Code 2012. CSA completed the site visit subsequent to the quarter end and details are provided below in relation to Magazine Pit and Switch Pit.

Magazine Pit

The CSA site visit accessed reports and data from the Cockatoo Island site archives. In addition, key structural data was obtained following inspection of historical mining activities and outcrop exposures. Key work is progressing, including the updating and validation of the geological interpretation of the multiple iron bands hosted in the Magazine Pit area. Reference photos (Figure 1) for the Magazine area are presented below.



Magazine basal contact with haematite, highlighting geological banding exposed in historical mining exposures.



Crest of Hill overlooking Magazine area.

Figure 1: Magazine Pit





Switch Pit (Seawall Haematite)

The CSA site inspection also focussed on the Switch Pit area, the continuation of the historically mined Seawall haematite which extends onto Pearl Gull tenements. Inspection of the high wall haematite bands was undertaken to further validate continuity.

An aerial image of the sea wall pit is shown below (Figure 2). In addition, the concept design image of the Switch Pit shows the historical mining operations and conceptual barge loading access.



Aerial Photo looking north across the Switch Pit area and the old Seawall open pit.



Switch Pit - Concept design highlighting key infrastructure and barge loading location

Figure 2: Switch Pit

Following the site visit by CSA, the Company will provide further updates to the resource modelling in the December 2022 quarter.





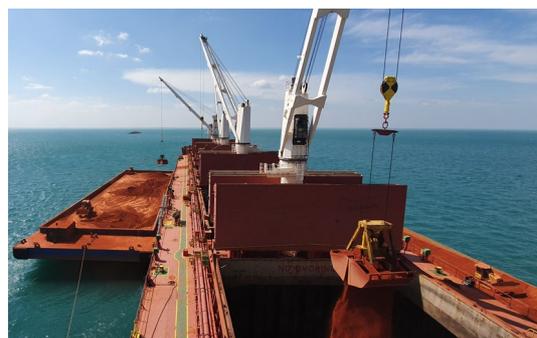
Barge and Ship loading

Transshipment Services Australia has finalised its works program for the preliminary design of a barging and ship loading operation based on an indicative 1 – 1.5 million tonnes per annum production rate into Ultra-max class, 61,000 dwt capacity bulk cargo carriers. The marine transshipment fleet requirements have been finalised and detailed engineering drawings are being developed. Capital and operating costs can be developed from the detailed engineering drawings and experience in transshipment operations. Pearl Gull is targeting this work to be completed in December 2022 quarter.

Transshipping is a well understood and practiced industry model for the bulk loading of commodities around the world. The close proximity of Cockatoo Island to direct shipping routes to the markets of South-East Asia offers Pearl Gull a key strategic advantage. Examples of existing bulk barge and shipping which could be applicable to Cockatoo Island are provided below (Figure 3).



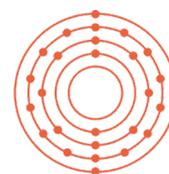
Example of barge loading using a pontoon mounted radial stacker. A similar concept has been proposed for Cockatoo Island



Barge loading Ultra-max class bulk cargo ship proposed for Cockatoo Island

Figure 3: Barge loading examples





Corporate

Financials

As at 30 September 2022, the Company's cash balance was \$641k. Cash expenditure for the quarter was as follows:

- Exploration and evaluation: \$138k; and
- Administration and employee/consultant costs: \$149k.

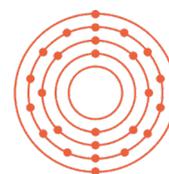
A comparison of the use of funds as per the Company's IPO Prospectus dated 16 September 2021 and actual use of funds since listing is provided below:

| Use of Funds | Prospectus Estimate (2 years after ASX admission) (\$'000) | Actual Use From Listing until 30/09/22 (\$'000) | Variance Under/(Over) (\$'000) |
|------------------------------------|---|--|--------------------------------------|
| Exploration expenditure | 3,122 | 3,559 | (437) |
| Rehabilitation provision | 150 | 20 | 130 |
| Convertible note interest payments | 317 | 349 | (32) |
| General working capital | 469 | - | 469 |
| Corporate & technical office | 1,117 | 821 | 296 |
| Estimated expenses of the Offer | 776 | 786 | (10) |
| Total | 5,951 | 5,535 | 416 |

The variances are as a result of the Company listing during the September 2021 quarter and at the end of September 2022 quarter, being 12 months into the 24-month budget.

Payments to related parties of the entity and their associates for the Quarter totalled \$93k and consisted of fees for both Executive and Non-executive Directors, and shared Finance and Company Secretarial services and rent for office use from Rox Resources Limited. Such shared resources have been utilised in order to conserve Company cash resources.



**Tenement Summary**

| Tenement Reference | Location | Nature of Interest | Interest at beginning of quarter | Interest at end of quarter |
|--------------------|----------|--------------------|----------------------------------|----------------------------|
| M04/235-I | WA | Granted | 100% | 100% |
| L04/102 | WA | Granted | 100% | 100% |
| L04/103 | WA | Granted | 100% | 100% |
| P04/299 | WA | Application | 0% | 0% |
| L04/120 | WA | Application | 0% | 0% |
| L04/121 | WA | Application | 0% | 0% |
| L04/122 | WA | Application | 0% | 0% |
| L04/123 | WA | Application | 0% | 0% |

Authorised for release to the ASX by the Board of Pearl Gull Iron Limited.

***** ENDS *****

For more information:**Russell Clark**

Non-Executive Chairman

Pearl Gull Iron Limited

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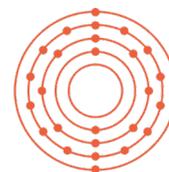
E: admin@pearlgulliron.com.au**Chris Hunt**

Company Secretary

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About Pearl Gull

Pearl Gull Iron Limited is an iron ore exploration and development company with mining title over a significant portion of Cockatoo Island. Cockatoo Island is situated off the northwest coast of Western Australia and has a rich history of high-grade iron ore mining since the 1950's. Pearl Gull holds a significant tenure position as well critical infrastructure on Cockatoo Island. Pearl Gull's experienced Board and Management has the skills and track record to progress the various commercialisation opportunities that exist at this world class iron ore project location.

Competent Person Statements

Exploration Results

The information in this report that relates to Data and Exploration Results is based on information compiled and reviewed by Mr Alastair Watts a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and General Manager Geology at Pearl Gull Iron Limited. Mr Watts has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Watts consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Unless otherwise stated, where reference is made to previous releases of exploration results in this announcement, the Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning the exploration results included in those announcements continue to apply and have not materially changed.

The information in this report that relates to previous Exploration Results was prepared and first disclosed under the JORC Code 2012 and has been properly and extensively cross-referenced in the text to the date of the original announcement to the ASX.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Pearl Gull Iron Limited planned exploration program(s) and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward looking statements.



Website <https://www.pearlgulliron.com.au/>



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