

ASX Announcement



PEARL GULL IRON

ASX ANNOUNCEMENT

ASX: PLG

27 April 2023

Quarterly Activities Report For the period ending 31 March 2023

HIGHLIGHTS

- Completed fully underwritten placement and entitlement issue to raise approximately \$2.0 million
- Maiden Inferred Mineral Resource of 24.5Mt grading 34.3 Fe% estimated at Magazine Deposit
- Exploration Target reported for the Switch Pit comprising the Seawall Haematite and High-Wall Haematite iron bands
- Transshipping studies finalised for barge loading, engineering design and capital cost estimate, confirming the viability of accessing international markets via a low capital barge loading facility
- Cash at bank \$2,079k as at 31 March 2023

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 March 2023 Quarter.

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

“Our primary focus this quarter has been on securing \$2m of additional funds with which to advance work on the island and look at other potential opportunities. We have announced a maiden resource for the Magazine Pit and have an exploration plan to target high grade iron ore in the Seawall Haematite area.”



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Directors

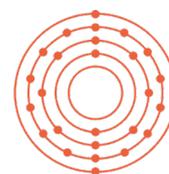
Russell Clark – Non-Executive Chairman
Alexander Passmore – Non-Executive Director
Mat O’Hara - Non-Executive Director

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Projects

Switch Pit
Magazine Pit

Shares on Issue	204.5M
Share Price	\$0.030 (26 Apr 23 close)
Market Cap	\$6.1M
ASX Code	PLG



The initial transshipping studies were also finalised during the quarter, confirming the viability of accessing international markets via a low capital barge loading facility. Finally, at the end of the quarter Mr Jono Fisher resigned from the Board and has been replaced by Mr Mat O'Hara – I take this opportunity to thank Jono for his input both before and after the IPO in 2021 and welcome Mat to the Board.”

Cockatoo Island

During the quarter the Company estimated a maiden Inferred Mineral Resource for the Magazine deposit and an Exploration Target for the Switch Pit on Cockatoo Island, along with the results of the transshipment study.

Mineral Resource – Magazine Deposit

ERM Australia Consultants Pty Ltd, trading as CSA Global, has reported a maiden Inferred Mineral Resource estimate (“MRE”) on the Magazine deposit, located on Cockatoo Island. The Magazine deposit is located wholly within Mining Lease M04/235-I, held by Pearl Gull Limited. The MRE has been reported in accordance with the guidelines of the JORC Code (2012).

The MRE is presented in Table 1.

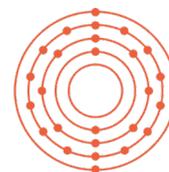
Table 1: Magazine Mineral Resource by classification reported above a 25% Fe cut-off (1 March 2023)

Deposit	Classification	Tonnes (Mt)	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	Mn %	CaO %	MgO %	Na ₂ O %	LOI %
Magazine	Inferred	24.5	34.3	46.3	2.7	0.01	0.00	0.01	0.01	0.42	0.01	1.04
	Total	24.5	34.3	46.3	2.7	0.01	0.00	0.01	0.01	0.42	0.01	1.04

Notes:

- Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).
- Data is reported to significant figures and differences may occur due to rounding.
- Refer ASX Announcement 28 March 2023.





Switch Pit – Exploration target

Based on 2021 Pearl Gull diamond drilling core and field mapping observations, CSA Global has estimated an iron Exploration Target for Switch Pit, comprising the Seawall haematite and the High-Wall haematite lens, summarised in Table 2.

Table 2: Switch Pit Exploration Target

Deposit	Fe %	Minimum Case (Mt)	Medium Case (Mt)	Maximum Case (Mt)
Seawall Haematite	66	0.38	1.7	6.6
High-Wall Haematite	55 to 65	0.1	0.5	1.9
Total		0.48	2.2	8.5

Notes:

- The grades are average estimates based on visual examination of the drill assays.
- The High-Wall haematite comprises interpreted eight lenses of approximately 1–2 m thicknesses.
- Refer ASX Announcement 28 March 2023.

The potential quantity and grade of the Switch Pit iron mineralisation is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if future exploration will result in an estimation of a Mineral Resource.

Transshipping

Transshipment Services Australia (“TSA”) finalised its engineering design and capital estimate of A\$13.5 million, confirming low-cost barge loading and transshipment as a viable, capital effective approach.

The proposed Barge Loading Facility (“BLF”) is located within the existing port security limits of Cockatoo Island (see Figure 1). The BLF location has been selected due to its proximity to the Ocean Going Vessel (OGV) anchorage location, the projects existing resource deposits, haul road access and favourable depth near shore for construction of a marine facility.



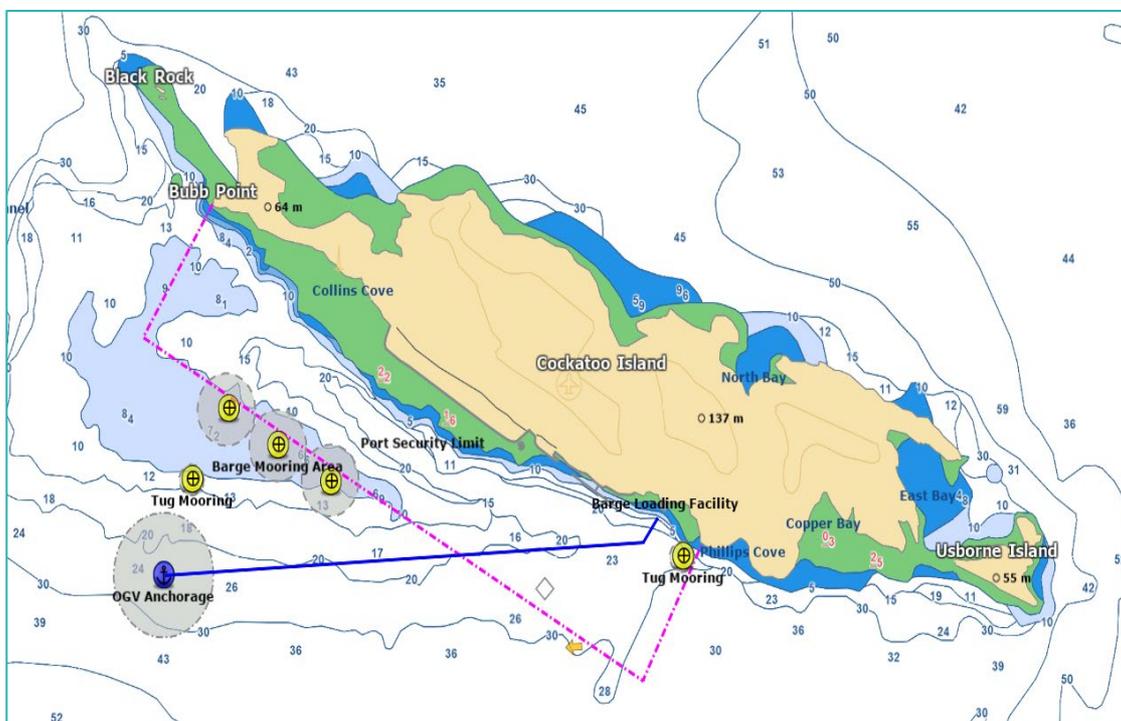
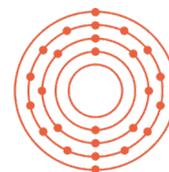


Figure 1: Location Map including the Ocean Going Vessel (OGV) Anchorage

Corporate

Capital Raising

A fully underwritten placement and entitlement issue to raise approximately \$2.0 million was successfully completed in the quarter. The capital raising has introduced new supportive cornerstone investors to the Company's register with funds to be applied to progress the Company's existing asset, assess new opportunities and working capital. The Company finished the quarter with cash at bank of \$2,079k.

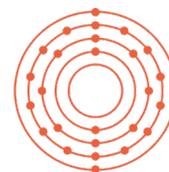
Half-year Financial Report

The Company lodged its Financial Report for the Half-Year Ended 31 December 2022 during the quarter.

Board Changes

During the quarter Mr Jonathan Fisher resigned as a Non-Executive Director of Pearl Gull due to increased workload from other executive positions, with Mr Mathew O'Hara appointed to the Board.





Financials

As at 31 March 2023, the Company's cash balance increased by \$1,346k to \$2,079k. The primary movements in cash at bank for the quarter were as follows:

- Funds received from Tranche 1 of the Placement \$1,583k (after costs);
- Exploration and evaluation: \$35k; and
- Administration and employee/consultant costs: \$202k.

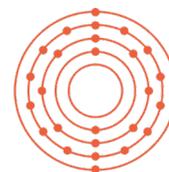
A comparison of the use of funds as per the Company's IPO Prospectus dated 16 September 2021 and actual use of funds since listing is provided below:

Use of Funds	Prospectus Estimate (2 years after ASX admission) (\$'000)	Actual Use From Listing until 31/03/23 (\$'000)	Variance Under/(Over) (\$'000)
Exploration expenditure	3,122	3,681	(559)
Rehabilitation provision	150	20	130
Convertible note interest payments	317	349	(32)
General working capital	469	-	469
Corporate & technical office	1,117	1,158	(41)
Estimated expenses of the Offer	776	786	(10)
Total	5,951	5,994	(43)

The variances are as a result of the Company listing during the September 2021 quarter and at the end of March 2023 quarter, being 18 months into the 24-month budget.

Payments to related parties of the entity and their associates for the quarter totalled \$103k 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. The 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%
L04/122	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

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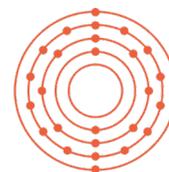
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Company Secretary

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Competent Person Statement

Exploration Results

The information in this report that relates to Exploration Results is based on information compiled by Mr Mark Pudovskis. Mr Pudovskis is a full-time employee of CSA Global Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Pudovskis has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code).

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.

Exploration Targets

The Exploration Target for Switch Pit was reported by the Company in accordance with ASX Listing Rule 5.8 in the announcement released to the ASX on 28th March 2023. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcements and that all material assumptions and technical parameters underpinning the estimates in the previous announcements continue to apply and have not materially changed.

Mineral Resource Statement

The Statement of Estimates of Mineral Resources for the Magazine Deposit was reported by the Company in accordance with ASX Listing Rule 5.8 in the announcement released to the ASX on 28th March 2023. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcements and that all material assumptions and technical parameters underpinning the estimates in the previous announcements continue to apply and have not materially changed.

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.

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.

