

**PELICAN RESOURCES LIMITED**

(ABN 12 063 388 821)

**QUARTERLY REPORT**

**FOR THE PERIOD ENDED 31 DECEMBER 2003**

**SUMMARY OF OPERATIONS**

**GENERAL**

During the Quarter:

- The Manager of the Cockatoo Island Iron Ore Project, Portman Mining Limited, reported that 146,180 tonnes of iron ore were shipped during the Quarter.
- Significant assay results from the Duke project were reported to the ASX during the Quarter. A 20m intercept averaged 8.34g/t gold from 62m and included a 1m intercept of 78.2 g/t gold from 76m depth down hole.
- Newcrest Operations Limited, the operator of the Xanadu Project, reported that an additional 5 RC percussion drill holes were completed on the Cleopatra prospect.
- On the Firegold Project, field work comprised geological reconnaissance and rock chip sampling to firm up geochemical anomalies.
- In the Mabuhay Project, sampling stockpiles of ore mined from the open cut mine in 1999 averaged about 4.46 g/t gold. Surveying the proposed initial drill sites was completed and drilling was scheduled to commence in mid-January 2004.
- Subsequent to the end of the reporting period two diamond drill rigs were mobilised to the Mabuhay project site, with the first rig commencing drilling on 25 January 2004.

## **REVIEW OF OPERATIONS**

### **WESTERN AUSTRALIA**

#### **COCKATOO ISLAND PROJECT M 04/235**

Interest: 100%

Operator: HWE Cockatoo Pty Ltd and Portman Mining Limited

The Manager of the Cockatoo Island Project, Portman Mining Limited, reported that production for the December Quarter was 163,423 tonnes produced and a total of 146,180 tonnes of iron ore shipped. Pelican receives royalties of 0.50 cents per dry metric tonne shipped.

The operators anticipated that ore production will double when the second stage of the seawall is completed in the next Quarter.

### **ASHBURTON TROUGH**

#### **WYLOO PROJECT ( E08/853, E08/854 )**

Interest: 49%

Operator: St Barbara Mines Limited (earning 51%)

The operator, St Barbara Mines Limited, reported that Exploration on the JV tenements E 08/853 and E 08/854, located along the southern side of the Wyloo Dome in the Ashburton Basin, continued during the quarter.

#### **PINGANDY CREEK PROJECT (E08/1320, E08/1321 and ELA 52/1620)**

Interest: 100%

Operator: Pelican Resources Limited

The evaluation of available historical exploration data has commenced. Previous work identified a series of copper-rich quartz-gossan veins with distinctive Cu-Pb-Au-As-Sb geochemical signatures spatially associated with an arcuate mafic volcanic zone, the southern portion of which lies within the Pelican Resources tenement area. Historical rock chip sampling north of the project area recorded values of up to 44.9% Cu and 10.2 g/t Au from these gossans with several values of over 0.5g/t from within the project area. Air photo interpretation continues.

#### **XANADU PROJECT (M52/83, M52/84, M52/105, E52/812,)**

Interest: 30%

Operator: Newcrest Operations Limited (70% interest)

Newcrest Operations Limited, the project operator, has earned its 70% equity participating interest in the project. The Company may now elect to contribute to each six monthly work programme on a programme by programme basis. If the Company

elects not to contribute to a specific work programme it will abate at the rate of 1% equity interest point for every \$350,000 spent by the operator.

During the Quarter five RC percussion holes were drilled to infill around XRC057 (18m @ 3.0 g/t gold) on the Cleopatra North prospect. Drill holes XRC060 and XRC061 were abandoned due to caving chert breccia in the hole. XRC062, XRC063 and XRC064 intersected ironstone-clay and quartz similar to the mineralised zones in XRC057.

Significant 4m composite assay results presented below:

Hole	AMG East	AMG North	Dip	Azimuth (Mag)	Max Depth	4m Composite Intersection
XRC060	586080	7406285	-60	208	148m	4m @ 0.13g/t Au from 128m 8m @ 0.2g/t Au from 140m
XRC062	586135	7406280	-65	208	200m	12m @ 0.13g/t Au from 172m
XRC063	586090	7406190	-64	200	144m	8m @ 0.58g/t Au from 32m 4m @ 0.32g/t Au from 52m 8m @ 0.14g/t Au from 64m
XRC064	586111	7406137	-60	208	108m	12m @ 0.75g/t Au from 40m

Drillhole XRC062 and XRC063 were drilled on 50m spacings between the mineralised drillhole XRC057 (18m @ 3.0 g/t Au) and XRB057 (20m @ 1.0 g/t Au).

The results from XRC062 and XRC063 were disappointing but show there is evidence for the presence of a north dipping structure controlling mineralisation along the Xanadu trend. It is likely that the combination of the north dipping structure and cross-faults localise and possibly offset mineralisation.

#### **FIREGOLD JV (E52/12229, E52/1230)**

Interest: Option to acquire 80%  
Operator: Pelican Resources Limited

Geological reconnaissance and rock chip sampling programmes were completed to follow up an existing anomalous soil sample which returned a value of 290ppb gold. The maximum assay value of 0.19ppm gold was recorded from a narrow manganese-filled fracture in altered basalt.

#### **EASTERN GOLDFIELDS**

##### **DUKE PROJECT (M24/448)**

Interest: Option to purchase  
Operator: Pelican Resources Limited

A Reverse Circulation (RC) drilling program comprising five angled holes for a total advance of 287 metres was completed at the Duke Prospect, M24/448, located in the Broad Arrow – Bardoc Trend, north of Kalgoorlie. The results were released to the ASX during the Quarter and are reiterated below:

Significant assay results, including a 1 metre intercept of 78.2 g/t gold, were returned

from three of the RC holes as tabulated below:

Hole No	AGM East	AGM North	Azimuth	Dip	Intersection
DRC 6	337481	6632886	055	-60	20m @ 8.34 g/t gold from 62m to EOH incl. 7m @ 21.68 g/t gold from 71m with 1m @ 78.2 g/t gold from 76m
DRC 7	337504	6633263	055	-60	4m @ 2.12 g/t gold from 22m
DRC 4	337828	6632886	055	-60	4m @ 1.95 g/t gold from 36m to EOH

Drill holes DRC06 and DRC07, situated about 110m south of the main Duke workings, were collared in felsic volcanics with interbedded micaceous metasediments and black carbonaceous shales.

These two holes were drilled in order to prove strike and dip continuation of a pair of old inclined RAB holes (CR5 and CR12) containing interesting gold intersections. Drill hole DRC06 was collared about 10m west of CR5 (3m @ 8.6 g/t Au from 51m) and DRC07 was located some 30m north of CR12 (2m @ 13.5 g/t Au from 32m).

Drill hole DRC04 was sited to test the down dip extension of a series of old shafts, one of which gave a rock chip value of 42.2 g/t Au from a sample of ferruginous quartz collected from the mullock heap. The hole ended in mineralisation.

A programme comprising a review of historical data, geological mapping and limited rock chip sampling was completed. Two channel samples taken in old workings returned values of 7.54 g/t gold over three metres from carbonaceous shale with narrow quartz veins and 1.05 g/t gold over two metres from the sediments/ultramafic contact. Neither of these two areas have been drilled by the Company and they provide further drill targets.

#### **OLIVER TWIST PROJECT (E29/460)**

Interest: 100%  
Operator: Pelican Resources Limited

No field work was carried out during the Quarter.

#### **PADDINGTON WEST PROJECT (MLA 24/496)**

Interest: 100%  
Operator: Pelican Resources Limited

No work was carried out during the Quarter as the grant of the tenement is pending.

#### **KANOWNA AREA (P 26/2939 to 26/2942, PLA 27/1479, P 27/1475, P27/1477 & 27/1483 to 27 1484)**

Interest: 100%  
Operator: Pelican Resources Limited

No field work was carried out during the Quarter.

#### **MT MONGER PROJECT ( M26/637)**

Interest: 100%  
Operator: Pelican Resources Limited

No field work was carried out during the Quarter.

## **REPUBLIC OF PHILIPPINES**

### **MABUHAY PROJECT, SURIGAO DEL NORTE PROVINCE, MINDANAO ISLAND MPSA APPLICATION No 000029-X**

Interest: earning 80%  
Operator: Sunpacific Resources Philippines Inc.

The Mabuhay project covers 29 contiguous mining claims covering approximately 865ha located in the Municipality of Sison, Province of Surigao del Norte, in the extreme north-east of Mindanao Island. The Mabuhay Gold Mine originally referred to as Mindanao Motherlode Mine was worked from 1937 to 1953 as an underground operation and as an open pit from 1995 to 2000.

Work during the Quarter focused on sampling the old tailings dams and ore stockpiles, surveying in proposed drill sites and preparing access roads and drill pads. The initial drilling will test the lateral and depth extensions of the major high grade vein systems previously delineated in the underground and subsequent open cut excavations.

Sampling of the existing ore stockpiles, estimated to contain 35,000 tonnes of material, returned values averaging 4.46 g/t gold with individual channels samples returning values up to 20.6 g/t gold. Spot sample values not included in the average are as high as 93.49 g/t gold. The samples from the ore stockpiles verify existing data of gold grades encountered by the previous operators.

Subsequent to the end of the reporting period two diamond drill rigs were mobilised to the project site. The first rig started drilling on 25 January 2004.

### **SUNSHINE GOLD PROJECT, DAVAO ORIENTAL PROVINCE MINDANAO ISLAND EP 000002-00-XI**

Interest: 70%  
Operator: Sunshine Gold Pty Ltd (a wholly owned subsidiary)

The Sunshine Project is located on the east side of the Island of Mindanao, and approximately 200 km south of the Mabuhay area. The application for the extension of the term of the Exploration Permit for a further 2 year is still being processed by the Bureau of Mines. The term of the 2 year renewal commences from the date that the extension is issued. The project is currently being held in abeyance.

## **RELINQUISHMENTS**

Peawah Hill tenement E47/980 was relinquished.

## **NEW ACQUISITIONS**

Nil.

## **EXPLORATION EXPENDITURE**

Exploration expenditure during the quarter was \$116,000.

Signed on behalf of the Board of Pelican Resources Limited

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

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# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

PELICAN RESOURCES LIMITED

ABN

12 063 388 821

Quarter ended ("current quarter")

31 DECEMBER 2003

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	--	--
1.2 Payments for (a) exploration and evaluation	(116)	(214)
(b) development	--	--
(c) production	--	--
(d) administration	(103)	(204)
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	17	24
1.5 Interest and other costs of finance paid	--	--
1.6 Income taxes paid	--	--
1.7 Other (Royalties & GST)	33	161
<b>Net Operating Cash Flows</b>	<b>(169)</b>	<b>(233)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	--	--
(b)equity investments	--	--
(c)other fixed assets	--	(8)
1.9 Proceeds from sale of: (a)prospects	--	--
(b)equity investments	--	--
(c)other fixed assets	--	50
1.10 Loans to other entities	(20)	(30)
1.11 Loans repaid by other entities	--	--
1.12 Other (provide details if material)	--	--
<b>Net investing cash flows</b>	<b>(20)</b>	<b>12</b>
1.13 Total operating and investing cash flows (carried forward)	(189)	(221)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(189)	(221)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	620	620
1.15	Proceeds from sale of forfeited shares	--	--
1.16	Proceeds from borrowings	--	--
1.17	Repayment of borrowings	(3)	(6)
1.18	Dividends paid	--	--
1.19	Other (provide details if material)	--	--
<b>Net financing cash flows</b>		617	614
<b>Net increase (decrease) in cash held</b>		428	393
1.20	Cash at beginning of quarter/year to date	747	782
1.21	Exchange rate adjustments to item 1.20	--	--
1.22	<b>Cash at end of quarter</b>	1,175	1,175

**Payments to directors of the entity and associates of the directors**

**Payments to 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	109
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

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- 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

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**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		

+ See chapter 19 for defined terms.

**Estimated cash outflows for next quarter**

		\$A'000
4.1	Exploration and evaluation	150
4.2	Development	--
<b>Total</b>		<b>150</b>

**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	24	47
5.2	Deposits at call	1,151	700
5.3	Bank overdraft	--	--
5.4	Other (provide details)	--	--
<b>Total: cash at end of quarter (item 1.22)</b>		<b>1,175</b>	<b>747</b>

**Changes in interests in mining tenements**

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

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**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 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	46,868,005	31,771,898		
7.4 Changes during quarter (a) Increases through issues  (b) Decreases through returns of capital, buy-backs	10,000,000	10,000,000		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	28,434,423	28,434,423	<i>Exercise price</i> \$0.15 or \$0.20	<i>Expiry date</i> 8 April 2004 after 8 April 2004 but on or before 8 April 2006
7.8 Issued during quarter	10,000,000	10,000,000		
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## 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 4).
- 2 This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: ..... Date:  
(Director/Company secretary)

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 acquired, exercised or lapsed during the 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, 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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.