PELICAN RESOURCES LIMITED
(ABN 12 063 388 821)

QUARTERLY REPORT

FOR THE PERIOD ENDED 30 JUNE 2006

HIGHLIGHTS

PHILIPPINES

ROMBLON PROJECT

The Company advised the ASX on the 6th May 2006 that two Small-Scale Mining Permits (SSMP) ROM 167 and 168 in the Binaya-An and Taclobo areas on Sibuyan Island, had been issued by the Governor of the Romblon Province.

The Small-scale Mining Permits allows the company to extract up to 100,000 tonnes of ore per annum but more importantly, it gives the company immediate access to the project area for the commencement of operations pending the issue of the main MPSA.

The initial results of the drilling programme on the Binaya-An SSMP uncovered significant additional nickel mineralisation with assay results returning a peak value of 7.26% nickel over 0.9 meteres from 2 metre depth. The results were released to the ASX on the 6th July 2006.

Significant results include:

- BNY 13: 5.95m @ 2.68% Ni from surface and including 0.9m @ 7.26% Ni from 2m,
- BNY 14: 11m @ 1.55% Ni from surface,
- BNY 23: 13.6m @1.53% Ni from 2.3m,
- BNY 24: 14.6m @ 1.59% Ni from surface.

A total of 36 vertical diamond drill holes have been completed in laterites from surface down to fresh bedrock. The drilling has confirmed the mineralisation extends from surface down to depths of up to 15 metres in the saprolite zone below an iron rich limonite cap of 1 to 4 metres. Drilling over a grid of 400 metres by 300 metres with drill spacings at 50 metre centres is still in progress.

WESTERN AUSTRALIA

Cockatoo Island project

Portman Iron Ore Limited, as representative for the Cockatoo Island Project, reported that for the June 2006 Quarter 330,095 wet metric tonnes of iron ore were produced and 316,415 wet metric tonnes of iron ore shipped. Pelican receives royalties of $0.50 per metric tonne shipped.

Donald Well Project

An airborne geophysical survey was completed by UTS Geophysics over the Donald Well tenement during the quarter at a 50 metre line spacing and 40 metre altitude. The tenement is located to the northeast and along strike from the De Grey Mining Ltd tenements where significant base metal results have been reported.

REVIEW OF OPERATIONS

REPUBLIC OF THE PHILIPPINES

ROMBLON PROJECT, SIBUYAN ISLAND, ROMBLON PROVINCE (MPSA APPLICATION No. AMA-IVB-025, SSMP ROM 167 & 168)

Interest: MPSA Application AMA-IVB-025 (Option to purchase)
SSMP ROM 167 and 168 – 75%
Operator: Sibuyan Nickel Properties Development Corporation

Pelican Resources Limited, through its Philippine subsidiary, Sibuyan Nickel Properties Development Corporation, owned in conjunction with its Joint Venture partner All-Acacia Resources Inc. aims to establish a nickel laterite direct ore shipping operation on Sibuyan Island in the Romblon Province in the Philippines.

The Company advised the ASX on the 6th May 2006 that two Small-Scale Mining Permits (SSMP) ROM 167 and 168 in the Binaya-An and Taclobo areas on Sibuyan Island, had been issued by the Governor of the Romblon Province. The Small-scale Mining Permits are adjacent to but outside the MPSA Application area under option containing the inferred nickel laterite resources of 7.26 million tonnes averaging 1.56% nickel at a cut-off grade of 1.3% nickel established by two Japanese nickel companies in early 1970's. The two SSMPs are contained within the Joint venture parties MPSA Application area.

The Small-scale Mining Permits allows the company to extract up to 100,000 tonnes of ore per annum but more importantly, it gives the company immediate access to the project area for the commencement of operations pending the issue of the main MPSA

A diamond drilling programme to outline the nickel resources contained within the two small-scale mining permit areas commenced on the Binaya-An SSMP in May 2006. The drilling was carried out using man-portable rigs to minimize environmental impact.

A total of 36 vertical diamond core holes have been completed in the laterites from surface down to fresh bedrock on the SSMP covering a ridge spur extending south of the main Binaya-An resource. The drilling has confirmed the mineralisation extends from surface down to depths of up to 15 metres in the saprolite zone below an iron rich limonite cap of 1 to 4 metres. Drilling over a grid of 400 metres by 300 metres with drill spacings at 50 metre centres is still in progress.

Assay results returned with a peak value of 7.26% nickel over 0.9 metres from 2 metres (see Table 1).

Significant results include:

- BNY 13: 5.95m @ 2.68% Ni from surface and including 0.9m @ 7.26% Ni from 2m,
- BNY 14: 11m @ 1.55% Ni from surface,
- BNY 23: 13.6m @1.53% Ni from 2.3m,
- BNY 24: 14.6m @ 1.59% Ni from surface.

TABLE 1 – Assay Results

Hole No	*UTM East	*UTM North	Azim	Dip	Intercepts
BNY8	450575.27	1368040.44	0	90	5.6m @ 1.41% Ni from 1.6m
BNY13	450575.27	1367930.44	0	90	5.95m @ 2.68% Ni from 0.0m
		including			0.9m @ 7.26% Ni from 2.0m
		and			0.75m @ 4.07% Ni from 3.15m
BNY14	450577.70	1367812.44	0	90	11m @ 1.55% Ni from 0.0m
		including			0.9m @ 3.69% Ni from 9.0m
BNY20	450375.27	1367871.44	0	90	11.5m @ 1.3% NI from 1.5m
BNY22	450625.27	1367821.44	0	90	6.4 m @ 1.43 % Ni from 2.6m
BNY23	450625.27	1367871.44	0	90	13.6m @ 1.53% Ni from 2.3m
BNY24	450675.27	1367871.44	0	90	14.6m @ 1.59% Ni from 0.0m
BNY29	450525.27	1367868.44	0	90	8.8m @ 1.46% Ni from 0.0m

*Co-ordinates in WGS 84 UTM-UPS

Additional work during the Quarter focused on pursuing approval processes required for the two MPSA tenement applications. Representatives at the Barangay, Regional and Provincial levels were consulted as part of the on-going process for the approval of the proposed open cut mining and shipping of ore.

MABUHAY PROJECT, SURIGAO DEL NORTE PROVINCE, MINDANAO ISLAND (MPSA APPLICATION No. 000029-X)

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

No field work was carried out during the quarter.

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 lies approximately 200 km south of the Mabuhay area. The project is currently being held in abeyance.

WESTERN AUSTRALIA

KIMBERLEYS

Cockatoo Island Project (M04/235)

Interest: 100%
Operator: HWE Cockatoo Pty Ltd

Portman Iron Ore Limited, as representative for the Cockatoo Island Project, reported that for the June 2006 Quarter 330,095 wet metric tonnes of iron ore were produced and 316,415 wet metric tonnes of iron ore shipped. Pelican receives royalties of $0.50 per metric tonne shipped.

ASHBURTON TROUGH

Wyloo Project (E08/853, E08/854)

Interest: 49%
Operator: Intrepid Mines Limited formerly NuStar Mining Corp (earning 51%)

Intrepid Mines Limited, the project operator, advised that the work during the Quarter primarily comprised RAB drilling at the Halley and Firestone prospects.

At the Halley prospect drilling focused on several low order gold results outlined by previous auger drilling. Eighteen holes were completed for a total of 677m along two lines 1300m apart and hole spacing of 40m. No significant results were recorded from the drilling.

At the Firestone prospect one line, approximately 1km in length was drilled at 40m centres to obtain a representative cross section across a fold closure/quartz vein zone. Twenty three holes were completed for a total of 763m. The assay results were low and failed to repeat any of the elevated gold results returned from nearby rock chip samples.

Xanadu Project (M52/83, M52/84, M52/105, E52/812)

Interest: 28%
Operator: Newcrest Operations Limited (71% interest)

Newcrest Operations Limited, the project operator, advised the company that during the Quarter 4 RC holes were drilled for a total advance of 576 metres at the Big Bend prospect. Three holes were prematurely abandoned and the fourth hole terminated at 204 metres. Assay results are awaited.

Twenty RAB holes for 1685 metres were drilled during the quarter to assess three areas; the clay chert breccia on the plateau above Big Bend, the Anzac area south of Big Bend, and an area to the south of the Cleopatra prospect. Assay results are currently awaited.

PILBARA

Bellary Springs (E47/1268)

Interest: 100%
Operator: Sunrise Exploration Pty Ltd

The Bellary Springs tenement is located 20 km to the north east of Paraburdoo and is cut by both the sealed Paraburdoo to Tom Price road and the Hamersley Iron (now Pilbara Iron) railway line with its associated maintenance tracks.

Both the local Aboriginal community at Bellary Springs and the Yamatji Land and Sea Council have been contacted regarding clearance of the proposed drilling areas. The Environmental Branch of the Department of Industry and Resources (DOIR) has been notified of the intending programme.

Donald Well (E45/2534)

Interest: 100%
Operator: Sunrise Exploration Pty Ltd

The Donald Well tenement is located approximately 45 km to the southeast of Port Hedland. The central portion of the tenement is occupied by the Tabba Tabba Shear Zone which trends northeast through the project area for 8.3 km.

An airborne geophysical survey was completed by UTS Geophysics over the Donald Well tenement during the quarter at a 50 metre line spacing and 40 metre altitude. Equipment included a cesium vapour magnetometer with a 0.001nT resolution and an Exploranium GR-820 spectrometer with two 16.8 litre detection packs.

Results are expected early in August.

EASTERN GOLDFIELDS

Paddington West Project (Mla24/496)

Interest: 100%
Operator: Pelican Resources Limited

The grant of the tenement is pending

Mt Monger Project (M26/637)

Interest: 100%
Operator: Pelican Resources Limited

No field work was completed during the quarter.

RELINQUISHMENTS

Nil

NEW ACQUISITIONS

Small-Scale Mining Permits ROM 167 & 168, Sibuyan Island, Romblon Province, Philippines.

EXPLORATION EXPENDITURE

Exploration expenditure during the quarter was $175,000.

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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Rule 5.3

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	Quarter ended ("current quarter")
12 063 388 821	30 JUNE 2006

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from product sales and related debtors	--	--
1.2	Payments for (a) exploration and evaluation	(175)	(485)
	(b) development	--	--
	(c) production	--	--
	(d) administration	(160)	(569)
1.3	Dividends received	--	--
1.4	Interest and other items of a similar nature received	9	41
1.5	Interest and other costs of finance paid	--	--
1.6	Income taxes paid	(30)	(30)
1.7	Other (Royalties & GST)	165	626
	Net Operating Cash Flows	(191)	(417)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a)prospects	--	--
	(b)equity investments	--	(61)
	(c)other fixed assets	(3)	(8)
1.9	Proceeds from sale of: (a)prospects	--	--
	(b)equity investments	--	--
	(c)other fixed assets	--	--
1.10	Loans to other entities	--	(7)
1.11	Loans repaid by other entities	--	--
1.12	Other (provide details if material)	--	--
	Net investing cash flows	(3)	(76)
1.13	Total operating and investing cash flows (carried forward)	(194)	(493)

1.13	Total operating and investing cash flows (brought forward)	(194)	(493)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	200	1,850
1.15	Proceeds from sale of forfeited shares	--	--
1.16	Proceeds from borrowings	--	--
1.17	Repayment of borrowings	(3)	(10)
1.18	Dividends paid	--	--
1.19	Other (costs of capital raising)	(70)	(70)
	Net financing cash flows	127	1,770
	Net increase (decrease) in cash held	(67)	1,277
1.20	Cash at beginning of quarter/year to date	2,212	868
1.21	Exchange rate adjustments to item 1.20	--	--
1.22	**Cash at end of quarter**	2,145	2,145

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	103
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

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

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	100
4.2	Development	--
	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	95	1,682
5.2	Deposits at call	2,050	530
5.3	Bank overdraft	--	--
5.4	Other (provide details)	--	--
	Total: cash at end of quarter (item 1.22)	2,145	2,212

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.

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** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	93,301,626	93,301,626		
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	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	12,000,000	--	*Exercise price*	*Expiry date*
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	67,868,044	67,868,044		
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ 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 give a true and fair view of the matters disclosed.

Sign here: .... Date: 25 July 2006
(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.