PELICAN RESOURCES LIMITED

(ABN 12 063 388 821)

INTERIM FINANCIAL STATEMENTS
31 DECEMBER 2011

CONTENTS

REVIEW OF OPERATIONS

REPUBLIC OF THE PHILIPPINES

ROMBLON PROJECT, SIBUYAN ISLAND, ROMBLON PROVINCE (MPSA No. 3042009-IVB, SSMP ROM 167 & 168)

Interest: MPSA 3042009-IVB
SSMP ROM 167 and 168

The granted Mineral Production Sharing Agreement (MPSA) on Sibuyan Island in the Romblon Province in the Philippines is being evaluated as a source of direct shipping lateritic nickel ore (DSO).

The project is still in the process of being transferred from Altai Resources Philippines Inc. (Altai), the original applicant of the MPSA, to Sibuyan Nickel Properties Development Corporation (SNPDC). SNPDC is owned by Pelican Resources Limited in conjunction with its Joint Venture partner All-Acacia Resources Inc.

Field work commenced in the September quarter with drilling crews and equipment mobilised at the beginning of September. The aim was to commence a diamond drilling programme, using local labour to upgrade, and extend the known resource to JORC compliant measured and indicated reserve standards. However, as reported to the ASX on 22 September 2001, Altai was served with a Cease and Desist Order (CDO) by the Region IV Mines and Geoscience Bureau based on a complaint from the local Mayor.

SNPDC's lawyers have responded within the 15 day period as requested in the temporary order. The response included advice that all matters raised by the mayor have already been addressed as part of the approval process prior to the issue of the MPSA.

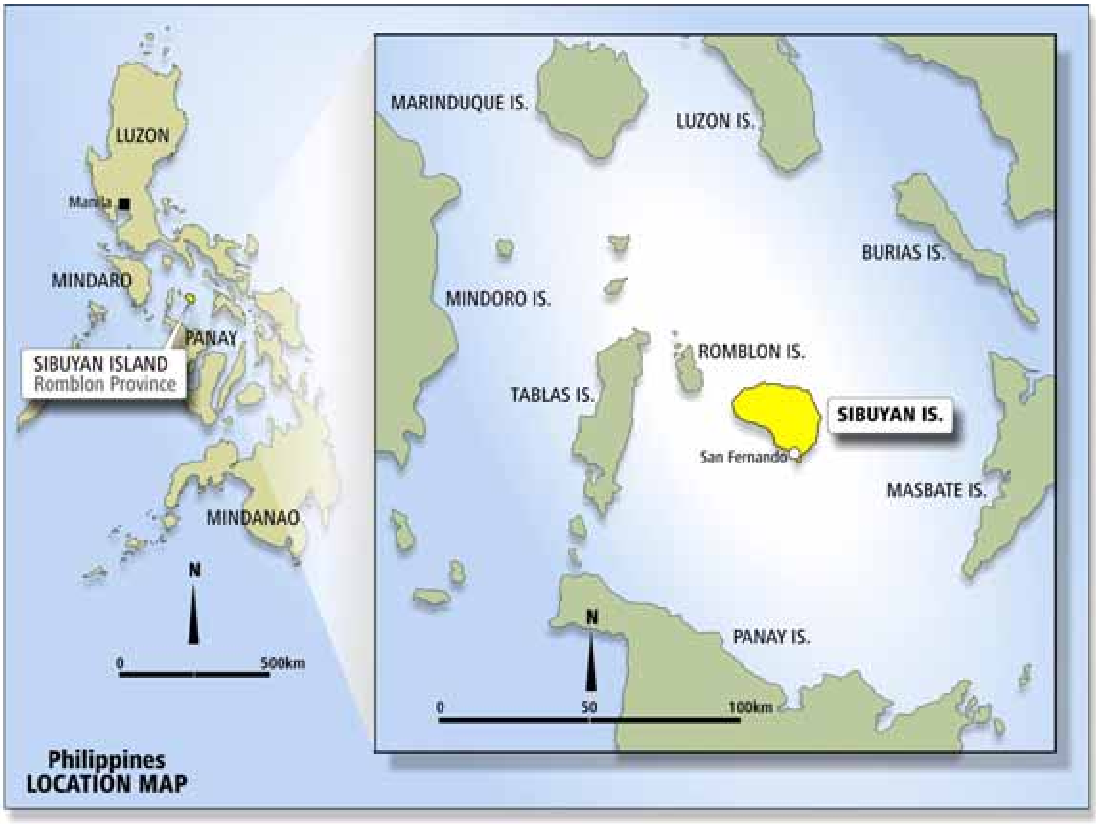
The Cease and Desist Order (CDO) issued by the Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources (DENR) still remains in force.The drilling crews and equipment mobilised to site and ready to commence drilling in September, was de-mobilised in December and field related work held in abeyance pending the resolution of the Cease and Desist Order (CDO).

The CDO issued in September against Altai Philippines Mining Corporation (Altai) or anyone acting on its behalf, to desist from conducting mining activities within the area covered by the MPSA. Sibuyan Nickel Properties Development Corporation (Sibuyan), as attorney-in-fact of Altai, filed its comment on the CDO and through its Lawyers filed a supplemental response to the comment and also wrote a letter to the Secretary of the DENR asking for the lifting of the CDO.

REVIEW OF OPERATIONS *(continued)*

In November, the MGB inspection team visited the Sibuyan Island to document and verify the veracity or truthfulness to the issues and complaints. To date, both the MGB and DENR have yet to issue any resolution in reply to the demand for the immediate lifting of the Cease and Desist Order against Altai.

These matters, which have been initiated by Local Government Officials, are being attended to by our Legal Counsel in the Philippines.



WESTERN AUSTRALIA
KIMBERLEYS

COCKATOO ISLAND PROJECT (M04/235)

Interest: 100%
Operator: HWE Cockatoo Pty Ltd

Cliffs Asia Pacific Iron Ore Pty Ltd, as representative for the Cockatoo Island Project, has notified the Company that 961,850 tonnes of iron ore were shipped from Cockatoo Island during the six month period ended 31 December 2011.

Royalty payments are at the rate of 50 cents per dry metric tonne of iron ore shipped.

REVIEW OF OPERATIONS *(continued)*

PILBARA

DONALD WELL (E45/2534)

Interest: 100%
Operator: Sunrise Exploration Pty Ltd

The Donald Well tenement is located approximately 45 kms to the southeast of Port Hedland. The central portion of the tenement is occupied by the northeast trending Tabba Tabba Shear Zone which consists of deformed, ultramafic and mafic rocks together with banded iron formation and chert, between two granitic plutons.

Two of three VTEM geophysical anomalies, previously identified, were drill tested during the period. The RC Percussion drilling programme comprised two inclined drill holes of 138 and 126 metres each for a total advance of 264 metres. The massive sulphide intersections of 11 and 7 metres in DWRC 1 and 6 metres in DWRC 2 respectively, are considered to account for the conductors detected by the geophysical survey. The massive sulphides are composed of pyrite and pyrrhotite and only elevated levels of zinc and nickel were detected in the drill samples.

The drill data and anomalous assay results are tabulated below:

Hole	WGS 84 Easting	WGS 84 Northing	Total Depth	From (m)	To (m)	Intersection (m)	Zinc ppm	Nickel ppm
DWRC 1	708205	7723721	138	104	115	11	197	243
				131	137	7	85	1,883
DWRC 2	706531	7720952	126	34	37	3	67	1,487
				43	46	3	1,054	236
	massive sulphide zone			97	103	6	321	280
				106	109	3	65	1,299

NOTE:
Both RC Percussion holes drilled at inclination -60 degrees & azumith 270 degrees magnetic.

CAPITAL RAISING

The Company announced on 20 January 2012 that it was undertaking a capital raising via an Entitlement Issue to all eligible shareholders on the basis of 1 new share for every 3 shares held at the record date, at a price of $0.02 per share together with a one for one free attaching option exercisable at $0.04 on or before 30 June 2014.

REVIEW OF OPERATIONS *(continued)*

The Issue is fully underwritten by CPS Securities Pty Ltd which has been appointed as Lead Manager and Underwriter.

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.

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 2011.

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
Douglas Burkett Green (resigned: 29/11/2011)

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 set out on page 20.

This consolidated financial report is signed in accordance with a resolution of the board of directors.

John Palermo
Director

Dated at Perth this 15th day of March, 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Note	December 2011 $	December 2010 $
Revenue		459,162	333,341
Gain on disposal of subsidiary	12	48,370	--
Net foreign exchange gains/(losses)		127,940	(450,327)
Administration expense		(70,407)	(78,963)
Auditor's remuneration		(17,655)	(7,024)
Borrowing costs		(27,000)	(59,868)
Company secretarial expenses		(16,350)	(16,350)
Consulting fees		(116,082)	(209,061)
Depreciation		(5,204)	(1,404)
(Decrease)/increase in value of loans and investments		(465)	3,100
Directors' and CEO benefits expenses		(87,637)	(20,941)
Exploration expenditure written off		(275,573)	(8,079)
Insurance		(12,651)	(8,844)
Rent and outgoings		(8,917)	(7,917)
Travel and accommodation		(3,098)	(14,399)
Other expenses		(68,300)	(73,558)
Loss before income tax	3	(73,867)	(620,294)
Income tax		--	--
Loss for the period		(73,867)	(620,294)
Other comprehensive income			
Currency translation differences		(45,992)	15,591
Changes in fair value of securities		(35,344)	3,401
Other comprehensive loss for the period		(81,336)	18,992
Total comprehensive loss for the period		(155,203)	(601,302)
(Loss)/gain attributable to:			
Members of the parent entity		(106,946)	(625,614)
Non-controlling interest		33,079	5,320
		(73,867)	(620,294)
Total comprehensive (loss)/gain attributable to:			
Members of the parent entity		(184,158)	(608,879)
Non-controlling interest		28,955	7,577
		(155,203)	(601,302)
Basic and diluted losses per share (cents per share)	4	(0.06)	(0.41)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	December 2011 $	June 2011 $
CURRENT ASSETS			
Cash and cash equivalents	5	970,195	1,133,489
Trade and other receivables		238,703	200,273
Other current assets		155,658	198,642
Total Current Assets		1,364,556	1,532,404
NON CURRENT ASSETS			
Trade and other receivables		--	5,204
Other financial assets		10,020	45,829
Plant and equipment		62,878	26,267
Mineral exploration and evaluation expenditure		5,558,945	5,378,421
Total Non Current Assets		5,631,843	5,455,721
TOTAL ASSETS		6,996,399	6,988,125
CURRENT LIABILITIES			
Trade and other payables		278,872	151,409
Interest bearing liabilities	6	450,000	450,000
Total Current Liabilities		728,872	601,409
NON CURRENT LIABILITIES			
Non interest bearing liabilities		918,733	882,719
Total Non Current Liabilities		918,733	882,719
TOTAL LIABILITIES		1,647,605	1,484,128
NET ASSETS		5,348,794	5,503,997
EQUITY			
Issued capital	7	12,320,896	12,320,896
Reserves	8	1,213,185	1,290,397
Accumulated losses		(8,266,083)	(8,159,137)
Total parent entity interest		5,267,998	5,452,156
Non-controlling interest		80,796	51,841
TOTAL EQUITY		5,348,794	5,503,997

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Issued Capital	Share Options Reserve	Foreign Currency Translation Reserve	Asset Revaluation Reserve	Accumulated Losses	Non-Controlling Interest	Total Equity
	$	$	$	$	$	$	$
Balance at 01/07/2010	9,128,394	1,303,274	(84,008)	(26,478)	(7,160,381)	46,173	3,206,974
Total comprehensive income for the period							
(Loss)/profit for the period	--	--	--	--	(625,614)	5,320	(620,294)
Other comprehensive income							
Foreign currency translation differences	--	--	13,334	--	--	2,257	15,591
Net changes in fair value of securities	--	--	--	3,401	--	--	3,401
Total other comprehensive income for the period	--	--	13,334	3,401	--	2,257	18,992
Total comprehensive income for the period	--	--	13,334	3,401	(625,614)	7,577	(601,302)
Transactions with owners recorded directly into equity							
Contributions by and distributions to owners							
Shares issued during the period	3,487,500	--	--	--	--	--	3,487,500
Options issued during the period	--	82,451	--	--	--	--	82,451
Transactions costs	(291,851)	--	--	--	--	--	(291,851)
Total contributions by / distributions to owners	3,195,649	82,451	--	--	--	--	3,278,100
Balance at 31/12/2010	12,324,043	1,385,725	(70,674)	(23,077)	(7,785,995)	53,750	5,883,772
Balance at 01/07/2011	12,320,896	1,385,725	(71,026)	(24,302)	(8,159,137)	51,841	5,503,997
Total comprehensive income for the period							
(Loss)/profit for the period	--	--	--	--	(106,946)	33,079	(73,867)
Other comprehensive income							
Foreign currency translation differences	--	--	(41,868)	--	--	(4,124)	(45,992)
Net changes in fair value of securities	--	--	--	(35,344)	--	--	(35,344)
Total other comprehensive income for the period	--	--	(41,868)	(35,344)	--	(4,124)	(81,336)
Total comprehensive income for the period	--	--	(41,868)	(35,344)	(106,946)	28,955	(155,203)
Transactions with owners recorded directly into equity							
Contributions by and distributions to owners							
Shares issued during the period	--	--	--	--	--	--	--
Options issued during the period	--	--	--	--	--	--	--
Transactions costs	--	--	--	--	--	--	--
Total contributions by / distributions to owners	--	--	--	--	--	--	--
Balance at 31/12/2011	12,320,896	1,385,725	(112,894)	(59,646)	(8,266,083)	80,796	5,348,794

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Note	December 2011 $	December 2010 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		(354,078)	(525,449)
Interest received		93,142	20,681
Interest paid		(31,500)	(91,134)
Royalties received		415,737	176,219
Other		--	21,427
Net Cash Provided By/(Used In) Operating Activities		123,301	(398,256)
Cash Flows from Investing Activities			
Payments for exploration expenditure		(176,519)	(1,834,741)
Loans from/(to) other entities		(9,863)	173,803
Payments for plant and equipment		(41,862)	(3,095)
Net Cash (Used In) Investing Activities		(228,244)	(1,664,033)
Cash Flows from Financing Activities			
Proceeds from issue of shares and options		--	3,000,000
Costs associated with share and option issues		--	(209,400)
Repayment of borrowings		--	(122,500)
Advances to subsidiaries from outside shareholders		--	145,187
Net Cash Provided By Financing Activities		--	2,813,287
Net (decrease)/increase in cash and cash equivalents held		(104,943)	750,998
Cash and cash equivalents at beginning of the financial period		1,133,489	1,056,703
Effect of exchange rate changes on cash holdings		(58,351)	(183,306)
Cash and cash equivalents at the end of the half-year	5	970,195	1,624,395

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

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 2011 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 accounting policies have been consistently applied by the consolidated entity and are consistent with those in the June 2011 annual financial report, except in relation to the matters disclosed below:

New and Revised Accounting Standards and Interpretations

In the current year, the consolidated entity 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 annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

NOTE 2: DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011 *(continued)*

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:

	Note	Consolidated December 2011 $	December 2010 $
Revenues			
Interest income		35,127	41,928
Royalties		424,035	269,986
Option fee		--	21,427
Gains/(losses)			
Gain on disposal of subsidiary	12	48,370	--
Net foreign exchange gains/(losses)		127,940	(450,327)
Expenses			
Administration fees		70,407	78,963
Auditor's remuneration		17,655	7,024
Borrowing costs		27,000	59,868
Company secretarial expenses		16,350	16,350
Consultancy fees		116,082	209,061
Depreciation		5,204	1,404
Decrease/(increase) in value of loans and investments		465	(3,100)
Directors' and CEO benefits expenses		87,637	20,941
Exploration expenditure written off		275,573	8,079
Insurance		12,651	8,844
Rent and outgoings		8,917	7,917
Travel and accommodation		3,098	14,399
Other expenses		68,301	73,558

NOTE 4: LOSS PER SHARE

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

	Consolidated December 2011 $	December 2010 $
Loss before income tax	(73,867)	(620,294)
Adjustments:		
(Gain)/loss attributable to non-controlling interest	(33,079)	(5,320)
Loss used in calculating basic and diluted loss per share	(106,946)	(625,614)
	Number of Shares	**Number of Shares**
Weighted average number of ordinary shares used in calculating basic loss per share:	180,527,301	151,839,575

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011 *(continued)*

NOTE 4: LOSS PER SHARE *(continued)*

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	
	December 2011	**June 2011**
	$	**$**
Cash at bank	120,195	83,489
Term deposits	850,000	1,050,000
	970,195	1,133,489

NOTE 6: INTEREST BEARING LIABILITIES

	Consolidated	
	December 2011	**June 2011**
Current	**$**	**$**
Short-term loans	450,000	450,000

NOTE 7: ISSUED CAPITAL

	Consolidated	
	December 2011	**June 2011**
(a) Issued Capital	**$**	**$**
180,527,301Ordinary shares fully paid (30/06/2011: 180,527,301)	12,320,896	12,320,896

(b) Movements in ordinary share capital

Date	Details	No. of Shares	Issue Price	$
01/07/2011	Opening balance	180,527,301	--	12,320,896
	Less: transaction costs			--
31/12/2011	Closing balance	180,527,301		12,320,896

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011 ***(continued)***

NOTE 8: RESERVES

(a) Composition

	Consolidated December 2011 $	Consolidated June 2011 $
Options reserve	1,385,725	1,385,725
Foreign currency translation reserve	(112,894)	(71,026)
Asset revaluation reserve	(59,646)	(24,302)
	1,213,185	1,290,397

(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
01/07/2011	Opening balance	500,000	--	23,875,000	$1,385,725	--	--
31/12/2011	Unlisted options expired	--	--	(2,500,000)	--	$0.10	31/12/2011
31/12/2011	Unlisted options expired	--	--	(2,500,000)	--	$0.25	31/12/2011
31/12/2011	Unlisted options expired	--	--	(2,500,000)	--	$0.35	31/12/2011
	Less: transaction costs arising on option issues				--		
31/12/2011	Closing balance	500,000	--	16,375,000	$1,385,725		

(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.

The valuation of the Performance Rights will be made using 26 November 2010 (AGM Date) as the grant date. However, as there has not been a shipment to date and in view of the indefinite moratorium (purported) imposed by the local governor, the probability of this vesting condition being satisfied by the due date is considered to be remote. Therefore, the earlier valuation is discounted by 100%.

As and when the vesting condition of shipment is fulfilled, the said value shall be expensed. The Board will evaluate the relevant conditions at the next balance date and revalue the discount rate at that time.

NOTE 9: CONTINGENT LIABILITIES

Pelican Resources Limited and its controlled entities have no known material contingent liabilities as at 31 December 2011.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011 *(continued)*

NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the half-year ended 31 December 2011, the following event had occurred:

- On 8 March 2012, 60,175,767 fully paid ordinary shares at $0.02 each were issued along with 60,175,767 free attaching options plus 12,500,000 options in recognition of sub-underwriter fees, exercisable at $0.04 each on or before 30 June 2014 pursuant to the Prospectus lodged with the ASX on 25 January 2012.

NOTE 11: 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 and the Philippines.

NOTE 12: DISPOSAL OF SUBSIDIARY

On 31 December 2011, the Group decided to divest itself of its interest in Sunlight Resources (Philippines) Inc.

The subsidiary had an intercompany loan payable to its parent, Sunshine Gold Pty Ltd (a subsidiary of Pelican Resources Ltd), of $144,708 as at 31 December 2011. This loan which was fully provided for in prior periods in the books of Sunshine Gold is now written off and forgiven in the books of Sunlight Resources.

Loan Forgiven (Sunlight)	$144,708	*Loan from Sunshine Gold to Sunlight was forgiven by Sunshine and recognised as a gain in the books of Sunlight.*
Gain/(loss)	$(96,338)	*Considering the value of investment in the books of Sunshine, the share capital of Sunlight, translation and retained earning balances.*
Gain on disposal of Sunlight	$48,370	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011 *(continued)*

NOTE 11: SEGMENT INFORMATION *(continued)*

	Australia		Philippines		Eliminations		Consolidated	
	Dec 2011	Dec 2010	Dec 2011	Dec 2010	Dec 2011	Dec 2010	Dec 2011	Dec 2010
	$	$	$	$	$	$	$	$
Geographical Segments								
Revenue								
Sales to customers outside the Consolidated Entity	424,035	269,986	--	--	--	--	424,035	269,986
Other revenues from customers outside the Consolidated Entity	35,079	62,741	48	614	--	--	35,127	63,355
Total segment revenue	459,114	332,727	48	614	--	--	459,162	333,341
Results								
Segment result	(451,163)	(2,472,675)	114,706	(39,024)	229,511	1,886,085	(106,946)	(625,614)
Assets								
Segment assets	6,886,244	7,226,167	4,690,656	4,542,178	(4,580,501)	(4,358,815)	6,996,399	7,409,530
Liabilities								
Segment liabilities	8,401,893	7,699,729	4,584,591	4,504,664	(11,338,879)	(10,678,635)	1,647,605	1,525,758

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 2011 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 15th day of March, 2012

John Palermo
Director

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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 condensed consolidated statement of financial position as at 31 December 2011, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, and condensed consolidated statement of cash flows for the half-year ended on that date, 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 2011 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 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 15 March 2012.

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 2011 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.

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

John P Van Dieren
Director

West Perth, Western Australia
15 March 2012.

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15 March 2012

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 2011, 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
STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

John P Van Dieren
Director