

JUNE 2015 QUARTERLY REPORT

27 JULY 2015

PELICAN RESOURCES LIMITED

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Capital:

Ordinary shares: 361,923,540

HIGHLIGHTS

- Memorandum of Understanding (“MOU”) with Dynamo Atlantic Limited, a BVI registered company (“Dynamo”), to sell 100% ownership of Sibuyan Nickel Properties Development Corporation (“SNPDC”).
- The Romblon Project site continued on care and maintenance during the quarter pending the result of the representation made on the lifting of the Cease and Desist Order (CDO) issued by the Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources (DENR) in September 2011. Counsel for SNPDC is pursuing all legal avenues with respect to the appeal to the MGB and DENR to lift the CDO. During the quarter SNPDC continued discussions with local companies to identify a potential joint venture participant in the Romblon Project.
- The Cockatoo Island project was purchased by Pluton Resources Limited and its joint venture partner Wise Energy from Cliffs Asia Pacific Iron Ore Pty Ltd in September 2012. Pluton is the operator and maintains management control of the project. Shipments of ore continued with 4 shipments made during the quarter ended 30th June 2015.

REPUBLIC OF THE PHILIPPINES

AGREEMENT FOR SALE OF SIBUYAN NICKEL PROPERTIES DEVELOPMENT CORPORATION

During the quarter the Company successfully concluded negotiations for the sale of 100% ownership of Sibuyan Nickel Properties Development Corporation (“SNPDC”), the beneficial owner of the Romblon Project located on Sibuyan Island in the Romblon Province in the Philippines and is owned by Pelican Resources Limited in conjunction with its 25% venture partner All-Acacia Resources Inc. The Company entered into a Memorandum of Understanding (“MOU”) with Dynamo Atlantic Limited, a BVI registered company (“Dynamo”).

Under the terms of the MOU, Dynamo has agreed to purchase SNPDC for a purchase price of \$A4.70 million (“Consideration”) payable in cash as follows:

- an initial payment of \$A470,000 as a non-refundable deposit which was received by the Company on signing of the MOU, prior to the end of the quarter;
- Dynamo granted exclusivity for the purchase of SNPDC;
- Dynamo granted 90 days to undertake technical, legal and financial due diligence investigations;
- on Dynamo completing due diligence investigations to its satisfaction, a second payment of \$A940,000; and
- on completion of sale and transfer of 100% ownership of SNPDC, a final payment of \$3,290,000.



Dynamo has further agreed to enter into a royalty agreement whereby Pelican and All-Acacia Resources Inc will be entitled to receive a 2.5% royalty on net income generated by SNPDC from any operations undertaken on Sibuyan Island.

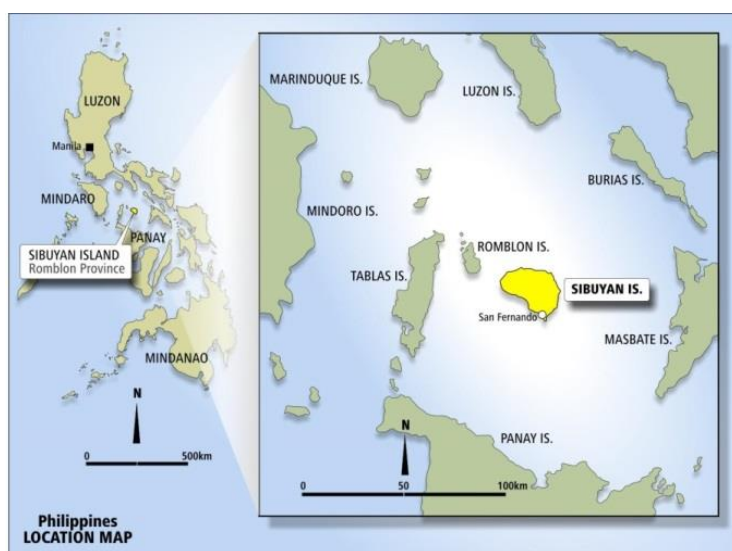
Drafting of a sale and purchase agreement for SNPDC and a royalty agreement has commenced.

The proposed sale SNPDC constitutes a disposal of main undertaking pursuant to the Listing Rule 11.2, therefore the Company will seek shareholder approval for the disposal. The Company anticipates dispatching notice of meeting materials following completion of due diligence investigations by Dynamo.

ROMBLON PROJECT, SIBUYAN ISLAND, ROMBLON PROVINCE (MPSA No. 3042009-IVB)

Interest: MPSA 3042009-IVB

The Romblon Project, on Sibuyan Island in the Romblon Province in the Philippines, is being evaluated as a source of direct shipping lateritic nickel ore (DSO). The nickel resource explored by two Japanese nickel companies in 1972 is covered by a Mineral Production Sharing Agreement (MPSA). The project is still in the process of being evaluated and also transferred from Altai Resources Philippines Inc. (Altai), the original applicant of the MPSA, to SNPDC.



Further exploration is required to fully evaluate the laterite nickel resource but the project is currently on care and maintenance due to a Cease and Desist Order (CDO) issued in September 2011 by the Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources (DENR). Counsel for SNPDC is pursuing all legal avenues with respect to the appeal to the MGB and DENR to lift the CDO.

The MGB and DENR are currently focused on reviewing a map issued during the current quarter by the Mineral Industry Coordinating Council (MICC) that specifies Go and No-Go Zones for mining throughout the Philippines. The map is a draft proposal that does not take into consideration approved Exploration Permits, MPSA's and existing mining operations. Approvals for new mining projects are expected to be deferred until the Go and No-Go Zones are finalised along with implementation rules and regulations. Counsel for SNPDC has advised that approved MPSA's should be included in Go Zones.

Additional issues such as revised mining tax regulations, Minahang Bayan Zones (Small Scale Mining) and domestic processing of DSO are currently being reviewed by various Government departments. New mining exploration projects are expected to be delayed until all issues are resolved by the current Administration. Projects with an approved MPSA or Foreign Technical Assistance Agreement (FTAA) can proceed with approvals to develop mining and plant operations. A new laterite nickel project in the Province of Agusan del Norte was commissioned in 2014 and existing mining operations have been allowed to apply for expansions of their MPSA's and Environmental Compliance Certificates (ECC's).



During the June quarter, the Company continued discussions with several local companies currently involved in nickel laterite mining in an effort to identify a potential joint venture partner for the Romblon Project,. The Company believed that involvement of an active local mining company in the project could potentially assist in the permitting process and Local Government Unit (LGU) support for the project. An interested party which had previously conducted a site visit to the Romblon Project, submitted a revised draft joint venture term sheet during the quarter. Another party which had previously submitted a draft proposal for a 90-day due diligence period with exclusive rights to negotiate an agreement, also submitted a revised draft proposal during the quarter. These proposals were reviewed and compared to the Dynamo proposal to acquire SNPDC, and the directors concluded the Dynamo proposal was superior.

Interest in laterite nickel resources in the Philippines has increased since Indonesia banned the export of DSO on 12 January 2014. The FOB price of laterite nickel DSO rose to a 6 year high during the first half of 2014. Prices declined during the current quarter as demand for nickel products in China decreased and some DSO is being replaced by other nickel products such as FeNi, nickel concentrates and nickel metal. It is expected that DSO prices will decrease or be relatively flat in the next two quarters as exports from the Philippines will increase due to improved weather and sea conditions in the mining areas of Mindanao and Dinagat Islands.

An internal study into nickel laterite processing through the use of direct reduction technology is ongoing along with discussions with local companies with processing experience. A new bill has been submitted to the Senate that proposes a ban on DSO similar to the Indonesian legislation. It is expected that there will be an implementation period of about 5 years if the bill is approved.

During 2014, the MICC approved a Minahang Bayan Zone in Eastern Leyte and Samar for Black (Iron) Sand Mining but the product must be processed domestically. It is anticipated that all new Minahang Bayan Zones will be subject to the same regulations. The MGB and DENR are preparing implementation rules and regulations for Minahang Bayan. Currently on gold, silver and chromite are allowed to be mined in Minahang Bayan Zones but the Government intends to include iron sand in the revised regulations.

As previously reported all project development field work continued on hold to minimise expenses in the Philippines.

WESTERN AUSTRALIA

KIMBERLEYS

COCKATOO ISLAND PROJECT, KIMBERLEYS (M04/235)

Interest: 100%

Operator: Pluton Resources Limited

During the March 2015 quarter, KordaMentha retired as Receiver and Manager to Pluton Resources Limited ("Pluton") and the Board of Pluton resumed full control of the Company.

During the June quarter, Pluton produced and shipped iron ore with 4 shipments totalling 168,854 tonnes.

During the quarter Pluton announced the launch of an offering for £25,000,000 of senior secured bonds through Pluton's subsidiary company, Irvine Island Finance Corporation Ltd. Pluton advised the proceeds from the bond issue would be used to fund the advancement of both the Cockatoo Island and Irvine Island projects.

Subsequently Pluton announced that due to overwhelming interest in the bond issue, the offer size was increased to €50,000,000, which based on prevailing FX rates equated to an increase of approximately 45%.

The Company has previously issued several Notices of Default to Pluton seeking settlement of outstanding royalty payments. The Company is confident that on completion of the €50,000,000 bond issue, Pluton will have the financial capacity to settle in full the payment of arrears in royalties (after deducting the debt conversion component) totalling \$1,107,435.



USA

SAN MARCOS GOLD PROJECT, ARIZONA

Interest: Option to earn up to 100% - Currently 30%

Operator: Pelican wholly owned USA subsidiary Dore 5 Resources

The Company decided not to proceed with the additional expenditure to increase its interest in the San Marcos Gold Project and is seeking to divest its equity interest in Dore 5 Resources.

RELINQUISHMENTS

Nil

NEW ACQUISITIONS

Nil

CORPORATE

NON-RENOUCEABLE ENTITLEMENTS OFFER

During the quarter the Company announced a fully underwritten non-renounceable entitlements offer to eligible shareholders on the basis of one New Share offered for every two Shares held at an issue price of \$0.005 per New Share to raise approximately \$603,206 before costs ("Offer"). Capital Investment Partners Pty Ltd ("CIP") agreed to act as underwriter to the Offer.

The Offer closed on 9 June 2015 with the Company receiving acceptances from 134 Eligible Shareholders for a total of 57,314,330 New Shares raising \$286,572. The Company subsequently completed the Offer by issuing 63,326,850 New Shares at an issue price of \$0.005 representing the Shortfall Securities.

Under the terms of the Underwriting Agreement, the Company has given CIP (or its nominees including directors) the right, but not the obligation, to subscribe to 50 million Underwriter Options at a price of \$0.00001. The issue of Underwriter Options is subject to Shareholder approval being obtained at a General Meeting to be held on 30 July 2015.

BUSINESS DEVELOPMENT

The Company continues to actively investigate new business development opportunities with a focus on low entry cost projects. As and when acquisitions are completed, the Company will make announcements to the market at appropriate times.

CORPORATE RESTRUCTURE

On 29 June 2015 the Company announced the appointment of Mr Colin Chenu as a director of the Company and the resignation of Mr John Hills. The Company also announced Mr John J Palermo had resigned as Company Secretary with Mr Pismiris being appointed to the position.

The Company relocated its registered office and principal place of business to:

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The Company will focus on reducing administration costs and position itself to pursue future business development activities.



For further information:

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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.

