



PELICAN RESOURCES LIMITED

(ABN 12 063 388 821)

INTERIM FINANCIAL STATEMENTS 31 DECEMBER 2015



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CONTENTS

	Page
* Directors' report	2
* Consolidated statement of profit or loss and other comprehensive income	11
* Consolidated statement of financial position	12
* Consolidated statement of changes in equity	13
* Consolidated statement of cash flows	14
* Condensed notes to the financial statements	15
* Directors' declaration	22
* Independent auditor's review report	23
* Auditor's independence declaration	25



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

The directors of Pelican Resources Limited ("Pelican" or "the Company") present their report together with the consolidated interim financial report for the Company and entities it controlled during the half-year ended 31 December 2015 ("Group").

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.

Name, qualifications and independence status	Experience, special responsibilities and other directorships
---	---

Anthony Torresan	Mr. Torresan is a businessman with significant experience in capital markets. Mr Torresan has been actively involved in arranging capital raisings for ASX listed companies as well as unlisted public companies, providing investor relation services and assisting boards with development of strategic plans. Mr Torresan has held numerous executive positions where his responsibilities have included strategy, operational management and business development.
-------------------------	--

Colin Chenu	Mr Chenu is a graduate of the University of Western Australia, with a Bachelor of Laws, and is admitted to practice in the Supreme Court of Western Australia and the High Court of Australia. He has practiced law in Western Australia for 28 years, as both a barrister and solicitor, in a wide range of commercial, litigious and non-litigious work. Mr Chenu has gained extensive experience in the law of corporations, trade practices, contracts, equity and trusts and tort. He is a director and principal at Bennett + Co.
--------------------	---

Alec Pismiris	Mr Pismiris is currently a director of Capital Investment Partners Pty Ltd, a company which provides corporate advisory services. Since 1990 Mr Pismiris has served as a director and company secretary for various ASX listed companies as well as a number of unlisted public and private companies. Mr Pismiris completed a Bachelor of Commerce degree at the University of Western Australia, is a member of the Australian Institute of Company Directors and an associate of The Governance Institute of Australia. Mr Pismiris has over 25 years experience in the securities, finance and mining industries and has participated numerous times in the processes by which boards have assessed the acquisition and financing of a diverse range of assets and has participated in and become familiar with the range of evaluation criteria used and the due diligence processes commonly adopted in the commercial assessment of corporate opportunities. Mr Pismiris is currently a director of the following ASX listed companies: Agrimin Limited, Agua Resources Limited and Mount Magnet South Limited.
----------------------	--



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

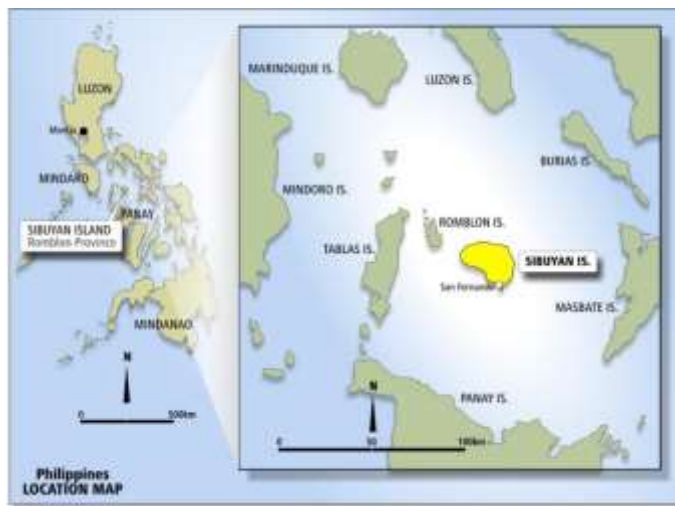
REVIEW OF OPERATIONS

REPUBLIC OF THE PHILIPPINES

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

Interest: MPSA 3042009-IVB

Since November 2004 the Romblon Project located on Sibuyan Island in the Romblon Province in the Philippines has been the main focus of the Company. Pelican through its wholly owned subsidiary, Sunshine Gold Pty Ltd in conjunction with its Philippine affiliate, Sunpacific Resources Phils Inc. and its Philippine venture partner All-Acacia Resources Inc. (All-Acacia) jointly own Sibuyan Nickel Properties Development Corporation (SNPDC). SNPDC holds the rights to the granted Mineral Production Sharing Agreement (MPSA) over the project area. SNPDC has undertaken activities to evaluate the Romblon Project as a potential source of direct shipping lateritic nickel ore (DSO). Historically exploration activities undertaken by two Japanese nickel companies in 1972 led to the discovery of nickel mineralization within the project area covered by the MPSA.



The Romblon Project remains in the process of being transferred from Altai Resources Philippines Inc. (Altai), the original applicant of the MPSA, to SNPDC. Since September 2011 the project site has been on care and maintenance as a consequence of a Cease and Desist Order (CDO) issued by the Mines and Geosciences (MGB) of the Department of Environment and Natural Resources (DENR).

Subsequent to the issue of the CDO, an inspection team from the MGB did conduct a site visit to Sibuyan Island to document and verify the veracity or truthfulness, if any, of the issues and complaints. The MGB report did not note any environmental or permitting violations due to work completed by SNPDC. The MGB did recommend that SNPDC obtain a “Social Licence” or majority support from the Local Government Officials, Organisations and Community.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

The Governor of Romblon Province signed an Executive Order in 2012 making the province a non-mining zone. SNPDC filed a Petition in the Regional Trial Court in Romblon to contest the Executive Order. The Company subsequently received notification from SNPDC, that the Petition for Declaratory Relief to declare the Provincial Executive Order as contrary to the Philippine Constitution has been determined in favour of SNPDC.

The Regional Trial Court in Romblon ruled in favour of SNPDC and declared the Provincial Executive Order as unconstitutional. A Motion for Reconsideration was filed by the Governor of Romblon against the Order. The Regional Trial Court in Romblon issued a Resolution in 2013 denying the Motion for Reconsideration. Counsel for SNPDC provided the MGB with a copy of the Resolution on the Motion for Reconsideration.

As a consequence of the Court's ruling, SNPDC made representations to the Office of the President of the Philippines (OP), confirming the Court Resolution had declared the Executive Order unconstitutional and asking that any pending Appeal be immediately resolved. The OP responded advising the decision on the CDO was the jurisdiction of the DENR.

Legal Counsel in the Philippines acting on behalf of SNPDC has been pursuing all the legal avenues to resolve the CDO however the MGB and DENR have yet to issue a response to demands for the lifting of the CDO.

During 2014 the Company completed an internal study to evaluate a Direct Reduction Process for laterite nickel ore. The technology to process high iron ore into Sponge Iron and high nickel ore into Sponge Nickel is being developed in China. The initial Scoping Study included a review of Direct Reduction Iron (DRI) facilities currently operating in China and India and bench scale test work on nickel laterite samples from a project located in Sulawesi, Indonesia. Pilot plant test work on the process was planned, however samples of the nickel ore from the Romblon Project could not be obtained until the lifting of the CDO.

In addition to completing the internal study, the Company also held discussions with several local companies throughout 2014 regarding their interest in a joint venture with SNPDC to advance the Romblon Project. The Company believed that participation of a local company involved in other nickel laterite projects in the Philippines could assist in resolving both permitting and social acceptance issues. An interested party did conduct a site visit to the project and followed-up by meeting with the MGB to discuss the permitting issues.

The sustained decline in the nickel price since 2011 has forced the suspension of operations at numerous nickel projects globally. It is unlikely that the nickel price and FOB price of DSO will increase significantly in 2016.

On 25 June 2015, Pelican announced that it had entered into a Memorandum of Understanding (MOU) with Dynamo Atlantic Limited, a BVI registered company (Dynamo), whereby Dynamo agreed to purchase 100% equity interest in SNPDC for a purchase price of \$A4.70 million payable in cash on the following terms:

- an initial payment of \$A470,000 as a non-refundable deposit which was received by the Company on signing of the MOU;
- Dynamo granted exclusivity for the purchase of SNPDC;



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

- 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 further agreed to grant a 2.5% royalty on net income generated by SNPDC from any operations undertaken on Sibuyan Island.

On 9 October 2015 Dynamo provided formal notice that due diligence investigations on SNPDC had been completed to its satisfaction and the second cash payment of \$A940,000 had been completed. Pelican initiated discussions with its venture partner All-Acacia to secure support for the sale of SNPDC. Pelican presented a number of proposals to secure agreement from All-Acacia, however Pelican's attempts to secure All-Acacia's support for sale of SNPDC were unsuccessful.

Whilst Pelican and Dynamo continue with efforts to comply with the terms of the MOU, Pelican commenced drafting formal documentation to facilitate the transfer of its interest in SNPDC to Dynamo on terms to be agreed. Pelican continues discussions with Dynamo in relation to All-Acacia's shareholding in SNPDC.

The sale of Pelican's interest in SNPDC constitutes a disposal of main undertaking pursuant to the Listing Rule 11.2, therefore the Company will seek shareholder approval for the disposal at a shareholder meeting to be held following execution of a formal sale agreement for the transfer Pelican's shareholding in SNPDC.

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

Operator: Wallaby Corporation a subsidiary of Rugby Mining Limited

The old Mabuhay gold mine, on Surigao del Norte Province, Mindanao Island, Philippines, has the potential to host an underlying copper-gold porphyry system.

In 2011, the Company's Philippine associate, Sunpacific Resources Inc. (Sunpacific), entered into an agreement with Rugby Mining Limited (Rugby) a Canadian-listed company, to assign all its rights, title and interest under the Memorandum of Agreement (MOA) between All-Acacia Resources Inc. and Sunpacific. The assignment grants to Rugby the right to enter into an option to explore the project area at Mabuhay over a period of seven years.

In consideration for the assignment, Rugby will pay to the Company \$500,000 over a period of four years as Rugby progresses through the exploration phase. The first payment is due 12 months from the end of the Due Diligence period provided the MPSA is granted. In addition, Rugby will pay to the Company \$5 million on commencement of commercial production. Commercial production is defined as being 45 days after mineral products have been shipped from the property. The Company is monitoring progress on the exploration of the project area and particularly on the granting of permits.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Rugby informed the Company in FY14 that efforts towards application for a MPSA have ceased. Rugby decided to apply for an Exploration Permit (EP) to allow exploration drilling to commence at an earlier date. The DENR lifted the moratorium on applications for Exploration Permits (EPs) and Financial or Technical Assistance Agreements (FTAAs) effective 18 March 2013. The moratorium was imposed in January 2011 after the DENR ordered the MGB to review all pending and inactive mining projects in the country. The suspension covered applications for EPs, FTAAs and MPSAs. Rugby's EP application was near the end of the approval process as of 30 June 2014.

An MPSA is a Mineral Agreement in which the government shares in the production of the contractor. Applications for MPSAs are still not allowed as Executive Order No. 79 stipulates that "no new Mineral Agreements shall be entered into until legislation rationalising existing revenue sharing schemes and mechanisms shall have taken effect". An FTAA is a mining right granted for large-scale operation, development and utilisation of minerals. It allows 100-percent foreign ownership of a venture, with 50-50 revenue-sharing with the government.

EPs may now be issued because the MGB has completed the mapping of no-go zones; areas where mining activities are prohibited or restricted because they are dedicated solely to agriculture and tourism activities or are protected areas. EO 79 required the no-go zones to be mapped before EPs could be issued. Rugby hopes to proceed to exploration through an EP and consider application for a MPSA or an FTAA at a later date depending on the success of the exploration.

The assignment of the rights under the MOA, which was first entered into in 2003, enabled the Company to focus its resources on the Romblon Nickel Project in the Philippines.

Pelican's original concept at Mabuhay was to test the high-grade vein-type gold system. During the course of the exploration, it became apparent that the high-grade gold-copper veins mined by underground stopes cap a deeper lower grade porphyry copper-gold system. It is this system that will be the focus of the proposed future exploration program.

The Mabuhay project remains under care and maintenance until an exploration permit has been granted.

WESTERN AUSTRALIA

KIMBERLEYS

COCKATOO ISLAND PROJECT (M04/235)

Interest: 100%

Operator: Pluton Resources Limited (Receivers and Managers Appointed) (Subject to Deed of Company Arrangement)

In August 2015 Pluton advised that it had experienced regulatory delays in completing a proposed issue of senior secured bonds through a subsidiary company, Irvine Island Finance Corporation Ltd. Pluton's largest shareholder, General Nice Recursos Comercial Offshore De Macau Limitada (GNR), reaffirmed its commitment to support Pluton via a proposed bridge financing arrangement to ensure payment of royalty obligations and payment of debts related to the period that KordaMentha had been appointment as Receiver and Manager by GNR.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

On 8 September 2015 Pluton announced that Bryan Kevin Hughes and Daniel Johannes Bredenkamp of Pitcher Partners had been appointed as Receivers and Managers by GNR, the first ranking secured creditor of Pluton. The appointment of the Receivers and Managers formed part of a recapitalisation and restructure proposal which if successful would result in GNR or an associate (Lender) providing significant financial support to Pluton. As a condition of the recapitalisation and restructure proposal, the Pluton board has contemporaneously appointed Vince Smith and Sam Freeman of Ernst & Young as joint and several voluntary administrators of Pluton.

On 5 October 2015 Sam Marsden and Derrick Vickers of PricewaterhouseCoopers ("PWC") were appointed as Voluntary Administrators of Pluton Resources Limited ("Pluton") following the resignation of Vincent Smith and Samuel Freeman of EY.

Bryan Hughes and Daniel Bredenkamp of Pitcher Partners continued to act as Receivers and Managers of Pluton. Throughout the quarter the assets and undertakings of Pluton remained subject to the Receivers' appointment and all operations of Pluton were under the control of the Receivers.

At a meeting of creditors of Pluton held on 9 December 2015, creditors voted in favour of the proposal for the Deed of Company Arrangement (DOCA) proposal from World System Capital Investment Ltd, a related entity of GNR.

During the December 2015 quarter the Company issued a letter of demand to KordaMentha for outstanding royalty payments totalling \$252,993. The amount was incurred during the period that KordaMentha was acting as Receiver and Manager of Pluton. The Company had previously issued Pluton with a Default Notice seeking settlement of outstanding royalty payments incurred up to 31 August 2014 totalling \$420,406.

The total of all outstanding royalty payments is \$1,231,335 (inclusive of the amount owed by KordaMentha).

There were three shipments of ore during the reporting period including two shipments completed by Receivers and Managers of Pluton during December 2015.

UNITED STATES OF AMERICA

SAN MARCOS GOLD PROJECT, ARIZONA USA

During the reporting period and in accordance with the terms of the farm-in and joint venture agreement ("JV Agreement") on the San Marcos Gold Project, Pelican on behalf of its wholly owned subsidiary Dore 5 Resources confirmed its withdrawal from the JV Agreement with AusROC Metals Limited.

Pelican as a consequence of its withdrawal from the JV Agreement, relinquished all rights in connection with the San Marcos Gold Project.

During the reporting period Pelican commenced the process to dissolve Dore 5 Resources Inc.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

FINANCING ACTIVITIES

During the half-year the Company issued a total of 35,000,000 unlisted options exercisable at \$0.02 and expiring on 31 December 2019 for nil consideration to the following:

- 20,000,000 options to directors of Pelican (approved at the annual general meeting of shareholders held on 12 November 2015);
- 14,500,000 options to Capital Investment Partners Pty Ltd (approved at the annual general meeting of shareholders held on 12 November 2015); and
- 500,000 options to a contractor of Pelican.

There were no options exercised during the period.

SUBSEQUENT EVENTS

On 6 January 2016 PriceWaterhouseCoopers announced that Pluton and World System Capital Investment Limited (BVI) executed the DOCA on 4 January 2016. The terms of the DOCA require an application to the Court pursuant to s444DA of the Corporations Act 2001 (Cth). The process required for the application to the Court has commenced.

On execution of the DOCA, Sam Marsden and Derrick Vickers retired as Joint and Several Voluntary Administrators of Pluton and were appointed Joint and Several Deed Administrators.

The Receivers and Managers of Pluton advised that further shipments of ore would likely be completed during the March 2016 quarter.

CORPORATE

LESS THAN MARKETABLE PARCEL SHARE SALE FACILITY

The Company implemented a share sale facility ("Facility") for holders of less than a marketable parcel (defined in the ASX Listing Rules as a parcel of securities of not less than \$500 in value) ("Less Than Marketable Parcel") of the Company's shares.

The Company provided the Facility to holders of Less Than Marketable Parcels to sell their shares without incurring any costs that could otherwise make a sale of their shares uneconomic. In addition, the Company expects to reduce the administrative costs associated with maintaining a large number of small shareholdings.

The sale price was equal to \$0.008 being the average sale price of the Company's shares quoted on the Australian Securities Exchange ("ASX") for the (10) ten consecutive trading days preceding the announcement. Each shareholder received the sale proceeds via direct credit for their shares sold through the Facility in November 2015.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

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.

To assist with the Company's strategy of identification and acquisition of new business development opportunities, Pelican engaged Capital Investment Partners Pty Ltd to the role of Corporate Advisor to Pelican.

RESULTS OF OPERATIONS

The net loss after income tax for the period was \$481,875 (2014: \$849,585).

FINANCIAL POSITION

The net assets of the Company are \$1,463,522 as at 31 December 2015 (at 30 June 2015: \$1,772,085).

Schedule of Tenement Interests as at 31 December 2015

Tenement Reference	Project	Holder	Status	Interest
M04/235 ¹	Cockatoo Island	Pelican Resources Limited	Granted	100%
MPSA 3042009-IVB ²	Romblon Project	Altai Resources Philippines Inc.	Granted	75%

Notes: 1. Operator Pluton Resources Limited (Receivers and Managers Appointed) (Subject to Deed of Company Arrangement)
2. In the process of being transferred from Altai Resources Philippines Inc. (Altai) to Sibuyan Nickel Properties Development Corporation.

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.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is included within this financial report.

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

Alec Pismiris
Director

Dated at Perth this 14th day of March 2016



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Note	31 December 2015 \$	31 December 2014 \$
Revenue from royalties		112,636	564,822
Other income	3	6,863	13,489
Corporate	3	(260,084)	(297,758)
Salaries and wages		(46,604)	(152,889)
Exploration expenditure written-off		(8,432)	(163,374)
Doubtful debts provision		(80,707)	(476,485)
Share-based payments		(174,978)	-
Other expenses		(30,569)	(337,390)
Loss before income tax		(481,875)	(849,585)
Income tax		-	-
Loss for the period		(481,875)	(849,585)
Other comprehensive income			
Currency translation differences		1,817	84,532
Other comprehensive income for the period		1,817	84,532
Total comprehensive loss for the period		(480,058)	(765,053)
Loss attributable to:			
Members of the parent entity		(460,882)	(846,665)
Non-controlling interest		(20,993)	(2,920)
		(481,875)	(849,585)
Total comprehensive loss attributable to:			
Members of the parent entity		(459,215)	(769,127)
Non-controlling interest		(20,843)	4,074
		(480,058)	(765,053)
		Cents	Cents
Basic and diluted loss per share (cents per share)	4	(0.13)	(0.35)



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	Note	31 December 2015 \$	30 June 2015 \$
CURRENT ASSETS			
Cash and cash equivalents	5	792,189	1,107,805
Restricted cash	7	940,000	-
Security deposits		131,000	131,000
Trade and other receivables	6	80,621	41,005
Other current assets		7,456	9,267
Assets held for sale	7	2,397,941	2,371,772
Total Current Assets		4,349,207	3,660,849
NON CURRENT ASSETS			
Plant and equipment		7,000	28,600
Total Non Current Assets		7,000	28,600
TOTAL ASSETS		4,356,207	3,689,449
CURRENT LIABILITIES			
Trade and other payables		212,695	192,029
Deferred revenue	7	1,410,000	470,000
Liabilities associated with assets held for sale	7	1,269,990	1,255,335
Total Current Liabilities		2,892,685	1,917,364
TOTAL LIABILITIES		2,892,685	1,917,364
NET ASSETS		1,463,522	1,772,085
EQUITY			
Issued capital	8	13,630,120	13,634,103
Reserves	9	2,055,573	1,878,428
Accumulated losses		(13,393,802)	(12,932,920)
Total parent entity interest		2,291,891	2,579,611
Non-controlling interest		(828,369)	(807,526)
TOTAL EQUITY		1,463,522	1,772,085



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Issued Capital	Options Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non- Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 01/07/2014	13,286,471	1,528,725	68,891	(11,508,079)	(815,200)	2,560,808
Total comprehensive (loss)/income for the period						
(Loss) for the period	-	-	-	(846,665)	(2,920)	(849,585)
<i>Other comprehensive income</i>						
Foreign currency translation differences	-	-	77,538	-	6,994	84,532
Total comprehensive loss for the period	-	-	77,538	(846,665)	4,074	(765,053)
Transactions with owners recorded directly into equity						
<i>Contributions by and distributions to owners</i>						
Shares issued during the period	322	-	-	-	-	322
Options issued during the period	-	5,973	-	-	-	5,973
Transactions costs	-	(22,425)	-	-	-	(22,425)
Balance at 31/12/2014	13,286,793	1,512,273	146,429	(12,354,744)	(811,126)	1,799,625
Balance at 01/07/2015	13,634,103	1,707,973	170,455	(12,932,920)	(807,526)	1,772,085
Total comprehensive (loss)/income for the period						
(Loss) for the period	-	-	-	(460,882)	(20,993)	(481,875)
<i>Other comprehensive income</i>						
Foreign currency translation differences	-	-	1,667	-	150	1,817
Total comprehensive loss for the period	-	-	1,667	(460,882)	(20,843)	(480,058)
Transactions with owners recorded directly into equity						
Share based payments	-	175,478	-	-	-	175,478
Transactions costs	(3,983)	-	-	-	-	(3,983)
Balance at 31/12/2015	13,630,120	1,883,451	172,122	(13,393,802)	(828,369)	1,463,522



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Note	31 December 2015 \$	31 December 2014 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(310,064)	(501,644)
Interest received		152	31,333
Royalties received		-	322,693
Net Cash Used In Operating Activities		(309,912)	(147,618)
Cash Flows from Investing Activities			
Payments for exploration expenditure		(8,432)	(76,598)
Payments for plant and equipment		-	(1,886)
Proceeds from sale of property, plant and equipment		6,711	-
Proceeds from deposit for sale of project		940,000	-
Reclassification of deposit for sale of project to restricted cash		(940,000)	-
Net Cash Used In Investing Activities		(1,721)	(78,484)
Cash Flows from Financing Activities			
Proceeds from issue of shares and options		-	6,295
Costs associated with share and option issues		(3,983)	(22,425)
Net Cash Used In Financing Activities		(3,983)	(16,130)
Net decrease in cash and cash equivalents held		(315,616)	(242,232)
Cash and cash equivalents at beginning of the financial period		1,107,805	762,231
Effect of exchange rate changes on cash holdings		-	(953)
Cash and cash equivalents at the end of the half-year	5	792,189	519,046



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

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 2015 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.

Going Concern

The half-year consolidated financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The directors believe that there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable and is a going concern because of the following factors:

- The receipt of cash from the sale of Sibuyan Nickel Properties Development Corporation;
- The ability to issue additional shares under the Corporations Act 2001; and/or
- The Consolidated Entity receives royalties of \$1.00 per metric tonnes of DSO ore shipped, reducing to of \$0.25 per metric tonnes of stockpiled low grade ore shipped. Payment of the royalty may also be deferred in the event if mining operations on Cockatoo Island are suspended due to force majeure events.

The Directors have reviewed the Consolidated Entity's overall position and outlook in respect of the matters identified above and are of the opinion that the use of the going concern basis is appropriate in the circumstances.

Should the Consolidated Entity be unable to source additional funds from debt and/or equity markets, there is a material uncertainty that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015 *(continued)*

New and Revised Accounting Standards and Interpretations

The accounting policies have been consistently applied by the consolidated entity and are consistent with those in the June 2015 annual financial report, except in relation to the matters disclosed below:

The Group 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 half-year. The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half-years.

NOTE 2: DIVIDENDS

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

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:

	Consolidated	
	31 December 2015	31 December 2014
	\$	\$
(a) Other income		
Interest earned	152	13,223
Profit on sale of plant and equipment	6,711	-
FX gain	-	266
	<u>6,863</u>	<u>13,489</u>
(b) Expenses		
Depreciation	3,909	7,635
Impairment of plant and equipment	17,789	-
(c) Significant items		
<i>Included in corporate expenses</i>		
Accounting and administration fees	65,136	95,111
Consulting and directors fees	97,400	94,197



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015 *(continued)*

NOTE 4: LOSS PER SHARE

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

	Consolidated	
	31 December 2015	31 December 2014
	\$	\$
Loss before income tax - Group	(481,875)	(849,585)
Adjustments:		
Loss attributable to non-controlling interest	20,993	2,920
Loss used in calculating basic and diluted loss per share	<u>(460,882)</u>	<u>(846,665)</u>
	Number of Shares	Number of Shares
Weighted average number of ordinary shares used in calculating basic loss per share:	<u>361,923,540</u>	<u>241,282,273</u>

Diluted loss per share is the same as basic loss per share 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	
	31 December 2015	30 June 2015
	\$	\$
Cash at bank	<u>792,189</u>	<u>1,107,805</u>
	<u>792,189</u>	<u>1,107,805</u>



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015 *(continued)*

NOTE 6: TRADE AND OTHER RECEIVABLES

	Consolidated	
	31 December 2015	30 June 2015
	\$	\$
Current		
Accrued royalties	1,232,760	1,103,147
Doubtful debt provision	(1,163,859)	(1,103,147)
Goods and services tax	11,720	25,260
Advances/loans – other parties	-	15,745
	<u>80,621</u>	<u>41,005</u>

The Company issued a Notice of Default to Pluton Resources Ltd and negotiations have ensued for the Receiver and Manager to pay royalties since their appointment. As at 31 December 2015, the directors have booked a provision for doubtful debts of \$1,163,859. The net amount owing of \$68,901 was received in February 2016. The Company has also issued a Letter of Demand to KordaMentha for outstanding royalties payments totaling \$252,993 relating to the period during which KordaMentha were appointed voluntary administrators.

NOTE 7: ASSETS AND LIABILITIES HELD FOR SALE

In June 2015, the Company entered into a Memorandum of Understanding (“MOU”) with Dynamo Atlantic Limited to sell 100% ownership of Sibuyan Nickel Properties Development Corporation (“SNPDC”) for a purchase price of \$4.7 million (refer Directors’ Report for further detail).

Assets and liabilities held for sale

The major classes of assets and liabilities comprising the operations classified as held for sale at balance date are as follows:

	Consolidated	
	31 December 2015	30 June 2015
	\$	\$
Cash	6,937	870
Trade and other receivables	5,924	3,182
Mineral exploration and evaluation expenditure	2,385,080	2,367,720
Assets held for sale	<u>2,397,941</u>	<u>2,371,772</u>
Trade payables	8,639	702
Other payables	1,261,351	1,254,633
Liabilities associated with assets held for sale	<u>1,269,990</u>	<u>1,255,335</u>

The Company has received \$1.41 million as deposits for the sale of SNPDC and \$0.94 million has been classified as Restricted cash as the formal sale agreement has not yet been executed.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015 (continued)**

		Consolidated	
		31 December	30 June
		2015	2015
		\$	\$
NOTE 8: ISSUED CAPITAL			
(a) Issued Capital			
361,923,540 Ordinary shares fully paid (30/06/2015: 361,923,540)		13,630,120	13,634,103
(b) Movements in ordinary share capital			
Date	Details	No. of Shares	Issue Price
			\$
01/07/2015	Opening balance	361,923,540	13,634,103
	Less: transaction costs		(3,983)
31/12/2015	Closing balance	361,923,540	13,630,120

		Consolidated	
		31 December	30 June
		2015	2015
		\$	\$
NOTE 9: RESERVES			
(a) Composition			
Options reserve		1,883,451	1,707,973
Foreign currency translation reserve		172,122	170,455
		2,055,573	1,878,428



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015 *(continued)*

NOTE 9: RESERVES *(continued)*

b) Movements in options reserve

Date	Details	No. of Listed Options	No. of Unlisted Options	Fair Value of Options Issued	Exercise Price	Expiry Date
01/07/15	Opening balance	59,725,571	50,000,000	\$1,707,973		
12/08/15	Advisor options subscription fee*	-	-	\$500	N/A	N/A
18/11/15	Director and incentive	-	35,000,000	\$174,978	\$0.002	31/12/19
31/12/15	Closing balance	59,725,571	85,000,000	\$1,883,451		

*Subscription fee in relation to the 50,000,000 options expensed in the prior year.

NOTE 10: CONTINGENT LIABILITIES

Under an agreement with a supplier, the Company is liable to pay a success fee of 6% of the transaction value upon completion of the sale of Sibuyan Nickel Development Corporation.

Other than as disclosed above, Pelican Resources Limited and its controlled entities have no known material contingent liabilities as at 31 December 2015.

NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the half-year ended 31 December 2015 there has not been any material event subsequent to the end of the reporting date and the date of this half-year financial report that has not been disclosed in this consolidated financial report.

NOTE 12: 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, Philippines and USA.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015 *(continued)*

NOTE 12: SEGMENT INFORMATION *(continued)*

	Australia		Philippines		USA		Eliminations		Consolidated	
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Geographical Segments										
Revenue										
Sales to customers outside the Consolidated Entity	112,636	564,822	-	-	-	-	-	-	112,636	564,822
Other revenues from customers outside the Consolidated Entity	145	13,211	6,718	12	-	-	-	-	6,863	13,223
Total segment revenue	112,781	578,033	6,718	12	-	-	-	-	119,499	578,045
Results										
Segment result	(445,567)	(853,796)	(111,968)	(94,449)	(938)	(123,940)	76,598	222,600	(481,875)	(849,585)
Assets										
Segment assets	2,901,104	6,926,003	2,503,765	2,042,232	-	155	(1,048,662)	(5,891,628)	4,356,207	3,076,762
Liabilities										
Segment liabilities	3,070,961	9,086,719	8,649,868	6,449,940	212,408	211,055	(9,040,552)	(14,450,577)	2,892,685	1,297,137



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

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 2015 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) subject to the matters set out in note 1 "Going Concern", 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

Alec Pismiris
Director

Dated at Perth this 14th day of March 2016

**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 consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, condensed 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 2015 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 of 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 14 March 2016.

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 2015 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.

Emphasis of Matter Regarding Going Concern and Non-Current Assets

Without qualification to the opinion expressed above, attention is drawn to the following matters:

As referred to in Note 1 to the financial statements, the financial statements have been prepared on the going concern basis. At 31 December 2015, the consolidated entity had working capital of \$1,456,522, cash and cash equivalents of \$792,189 and had incurred a loss for the half year amounting to \$481,875. The consolidated entity has capitalised mineral exploration and evaluation expenditure, now held for sale of \$2,385,080. The ability of the consolidated entity to continue as a going concern is subject to successful recapitalisation of the entity and/or realising the value of the assets held for sale. In the event that the Board is not successful in recapitalising the entity and in raising further funds, the consolidated entity may not be able to meet its liabilities as they fall due and the realisable value of the consolidated entity's assets may be significantly less than book values.

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

Stantons International



Samir Tirodkar
Director

West Perth, Western Australia
14 March 2016

Stantons International Audit and Consulting Pty Ltd
trading as

Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

14 March 2016

Board of Directors
Pelican Resources Limited
Level 7, BGC Centre
28 The Esplanade
Perth, WA 6000

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 2015, 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)



Samir Tirodkar
Director