

17 February 2017



Romblon Project

Pelican Resources Limited (**ASX: PEL**) ("Pelican" or "the Company") is aware of recent press articles published in the Philippines, reporting that Gina Lopez, the Secretary of the Department of Environment and Natural resources ("DENR") has cancelled 75 Mineral Production Sharing Agreements ("MPSA's") in an intensified government crackdown on mines deemed destructive to watershed forest reserves.

The DENR has published a list of MPSA's that it proposes to cancel, which includes reference to Romblon, Altai Philippines Mining Corp ("Altai") – Sibuyan Island. The Romblon project is still in the process of being transferred from Altai, the original applicant of MPSA 3042009-IVB, to Sibuyan Nickel Properties Development Corporation ("SNPDC"). Pelican advises that SNPDC has not received any formal notification from the DENR of the proposed cancellation of MPSA 3042009-IVB. SNPDC is however making enquiries with the DENR to establish if Altai has received formal notification of the DENR's intention to cancel MPSA 3042009-IVB.

Since September 2011 the Romblon project has been subject to a Cease and Desist Order (CDO) issued by the Mines and Geosciences Bureau (MGB) of the DENR and SNPDC has been pursuing all legal avenues to have the CDO lifted.

The directors of Pelican note the DENR has previously released a map on its website of critical watershed forest reserves and the islands of Romblon were not included as designated watershed forest reserves. SNPDC is seeking to clarify the location of MPSA 3042009-IVB and its proximity to a proclaimed watershed forest reserve.

In anticipation of being notified of DENR's intention to cancel MPSA 3042009-IVB, SNPDC has instructed its legal adviser to prepare an appeal on its behalf, objecting to any order by the DENR to cancel MPSA 3042009-IVB.

The directors of Pelican will provide updates on the status of the MPSA 3042009-IVB and any necessary appeal process.

Pelican continues to engage in negotiations with Dynamo Atlantic regarding the completion of the sale of SNPDC.

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