



PELICAN RESOURCES LIMITED

A.B.N. 12 063 388 821

ANNUAL FINANCIAL REPORT

30 JUNE 2019



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CORPORATE DIRECTORY

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SHARE REGISTRY		
Automic Registry Services Level 2 267 St Georges Terrace Perth, Western Australia, 6000		
Investor Enquiries: 1300 288 664		
AUDITOR		
HLB Mann Judd Level 4 130 Stirling Street Perth, Western Australia, 6000		
Telephone: (+61 8) 9227 7500 Facsimile: (+61 8) 9227 7533		
SECURITIES EXCHANGE LISTING		
ASX Limited (Australian Securities Exchange) ASX Codes: PEL		



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

The directors present their report together with the financial statements of the Group consisting of Pelican Resources Limited ("**Pelican**" or "**the Company**") and its controlled entities for the financial year ended 30 June 2019 ("**Balance Date**"), the notes to the financial statements and the auditor's report thereon.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Colin Edward Chenu
Antonio Alessio Torresan
Alec Christopher Pismiris

PARTICULARS OF DIRECTORS

Colin Edward Chenu, B. Juris, LLB
Non-Executive Director

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 practised law in Western Australia for more than 30 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.

Other current directorships: HotCopper Holdings Limited.

Former directorships (last 3 years): None

Antonio Alessio Torresan
Executive Director

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.

Other current directorships: None

Former directorships (last 3 years): None



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

PARTICULARS OF DIRECTORS (CONTINUED)

Alec Pismiris, B.Comm, MAICD, FGIA FCIS
Non-Executive Director

Mr Pismiris is currently a director and company secretary for several ASX listed companies as well as a number of unlisted public and private companies. Mr Pismiris is a director of Pacton Gold Inc., a company listed on the TSX Venture Exchange, where he is engaged as Interim President and Chief Executive Officer. 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 a Fellow of The Governance Institute of Australia. Mr Pismiris has over 30 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.

Other current directorships: Agrimin Limited, Frontier Resources Limited, HotCopper Holdings Limited, Pacton Gold Inc. and Victory Mines Limited

Former directorships (last 3 years): Agua Resources Limited and Impression Healthcare Limited.

COMPANY SECRETARY

Alec Pismiris, B.Comm, MAICD, FGIA FCIS

Mr Pismiris has over 30 years' experience in the securities, finance and mining industries and has held a number of company secretary positions secretary for various ASX listed companies as well as a number of unlisted public and private companies over the years.

DIRECTORS' MEETINGS

The following table sets out the number of meetings of the Company's directors, including directors' circular resolutions, held during the year ended 30 June 2019 by each director:

	Number Eligible to Attend	Number Attended
Antonio Torresan	7	7
Colin Chenu	7	6
Alec Pismiris	7	7

PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial year were to progress the sale of the Company's interest in Sibuyan Nickel Properties Development Corporation and the continued search for new opportunities in the resources sector which could demonstrate capacity to add long term shareholder value.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

OPERATING AND FINANCIAL REVIEW

The Company made a loss after tax of \$1,913,882 for the year ended 30 June 2019 (2018: \$3,221,041 profit).

REPUBLIC OF THE PHILIPPINES

SALE OF SIBUYAN NICKEL PROPERTIES DEVELOPMENT CORPORATION

In June 2015 Pelican entered into a Memorandum of Understanding ("MOU") with Dynamo Atlantic Limited, a BVI registered company ("Dynamo") for the sale of 100% ownership of Sibuyan Nickel Properties Development Corporation ("SNPDC") which is owned by Pelican in conjunction with its 25% venture partner All-Acacia Resources Inc. ("All Acacia"). SNPDC is the beneficial owner of the Romblon Project located on Sibuyan Island in the Romblon Province in the Philippines.

On or around 16 October 2018 the vendor parties, Dynamo and Dynamo Atlantic Holdings Philippines, Inc. ("DHAP") executed the revised Share Sale and Assignment of Debt Agreement ("SSADA"). The principal terms of the revised SSADA were as follows:

- The total consideration for the sale of all shares in SNPDC is AUD\$270,000.
- Dynamo and DAHP will be assigned all rights, title and interest together with all interest which has accrued or which may accrue in the future on related party loan liabilities in respect of funds advanced to SNPDC for its working capital requirements for consideration of AUD\$3.33 million (of which Pelican has received and is holding in escrow the sum of AUD\$1.41 million).
- There is no royalty payable to the vendors on any future revenue from operations on Romblon Island.
- The SSADA was conditional on Pelican obtaining the approval of its shareholders to the revised terms to the original terms, which occurred at the Company's AGM held on 28 November 2018.
- The vendors are responsible for all taxes payable on the transaction.
- Settlement will occur 15 business days after the Philippines Bureau of Internal Revenue ("BIR") issues all shareholders of SNPDC with Certificates Authorizing Registration ("CAR") relating to the transfer of their shares.

During the June 2019 quarter the BIR's assessment of taxes payable on the sale of SNPDC progressed. All Acacia was the first SNPDC shareholder to be issued a CAR during the financial year.

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

Interest: MPSA 3042009-IVB

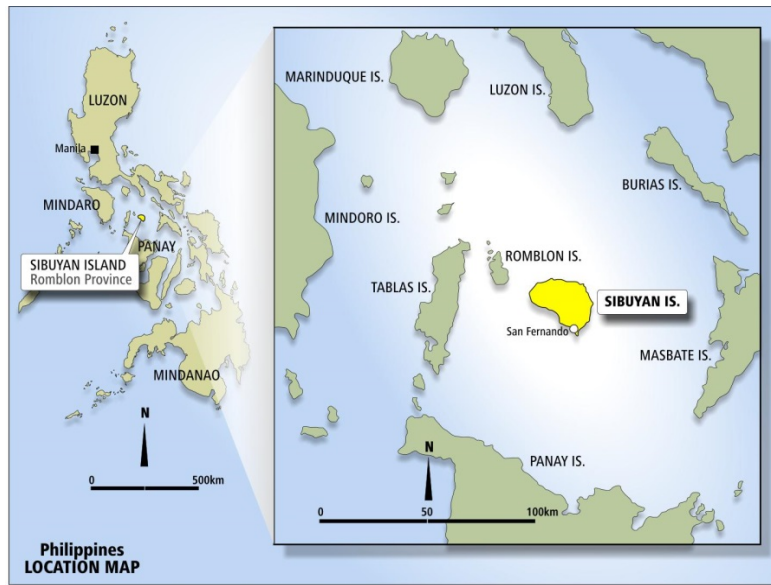
The Romblon Project, on Sibuyan Island in the Romblon Province in the Philippines, is being evaluated as a source of direct shipping lateritic nickel ore (DSO). The nickel resource explored by two Japanese nickel companies in 1972 is covered by a Mineral Production Sharing Agreement (MPSA). The project 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.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

OPERATING AND FINANCIAL REVIEW (CONTINUED)



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.

During the financial year, no project development field work was undertaken due to the CDO and to minimize expenses in the Philippines.

WESTERN AUSTRALIA

COCKATOO IRON NL

Pelican holds 5,000,000 fully paid ordinary shares in Cockatoo Iron NL ("Cockatoo Iron") as a consequence of the sale of its interests in the Cockatoo Island Project.

Pelican and Cockatoo Iron have further executed a Revenue Sharing Agreement ("RSA"), whereby Pelican will be entitled to receive up to a maximum of \$500,000 per annum of gross revenue received by Cockatoo Iron and Pearl Gull from certain non-mining activities that may be conducted by third parties within mining lease 04/235-I and miscellaneous licence applications 04/102 and 04/103. Cockatoo Iron have the right of pre-emption in respect of a sale by Pelican of its rights under the RSA.

CORPORATE

The Company's securities remain suspended from official quotation until it can demonstrate to ASX that the requirements of Listing Rule 12.1 are satisfied.

APPLICATIONS/RELINQUISHMENTS

There were no changes in Pelican's tenement interests during the year.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

BUSINESS DEVELOPMENT

During the financial year the Company commenced due diligence investigations on a potential investment opportunity in the resources sector.

The Company continued to search for new opportunities in the resources sector which could demonstrate capacity to add long term shareholder value. The directors believe that existing cash reserves combined with funds received from the sale of its interests in SNPDC leave the Company well positioned to fund new opportunities in the resources sector.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than what has been disclosed in the review of operations section, there has been no change in the state of affairs during the financial year.

DIVIDENDS

No dividends were paid or recommended for the year ended 30 June 2019.

EVENTS SUBSEQUENT TO REPORTING DATE

The BIR's assessment of taxes payable on the sale of SNPDC progressed with a further 4 CAR's issued to shareholders of SNPDC. Of the outstanding CAR's, 2 have been assessed by the relevant examiners and have been drafted for final issuance, with the final CAR pending completion of an assessment by the examiner.

No other matters or circumstances have arisen subsequent to the balance date which would significantly affect the operations of the Company, its operating results or its state of affair in the subsequent financial years.

SHARE OPTIONS

The Company has the following securities on issue as at the date of the Directors' Report.

Security Description	Number of Securities
Fully paid shares	408,591,140
Options exercisable at \$0.02 expiring 31 December 2019	35,000,000

Unissued shares

As at the date of this report, there were 35,000,000 unissued ordinary shares under options (30 June 2018: 85,000,000).

Option holders do not have any right, by virtue of the options, to participate in any share issue of the Company or any related body corporate.

Shares issued as a result of the exercise of options

During the financial year there were no ordinary shares issued as a result of the exercise of options (2018: Nil).

On 2 July 2019, 46,667,600 new shares were issued as a result of the exercise of options at \$0.01 expiring 30 June 2019. All funds were received prior to the end of the year and are included in the value of share capital at 30 June 2019.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group will continue to focus on maximising value from the current portfolio of mining projects and will continue its search for further opportunities. Given that the nature of the Group's activities is exploration focused, no further information can be provided as to likely developments as such developments will depend on exploration success at the Group's various project interests, and the nature of any new acquisitions going forward.

ENVIRONMENTAL REGULATION

The Group has assessed whether there are any particular or significant environmental regulations which apply. It has determined that the risk of non-compliance is low, and has not identified any compliance breaches during the year.

DIRECTORS' INTERESTS IN SHARES AND OPTIONS OF THE COMPANY

At the date of this report, the directors' interests in shares and options of Pelican Resources Limited were:

	Number of Ordinary Shares	Number of Options over Ordinary Shares
Antonio Torresan	77,429,877	10,500,000
Colin Chenu	Nil	2,000,000
Alec Pismiris	18,000,000	7,500,000

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behavior and accountability, the directors of Pelican Resources Limited support and have substantially adhered to the best practice recommendations set by the ASX Corporate Governance Council. The Company's corporate governance statement is contained in the annual report.

INDEMNIFICATION AND INSURANCE OF DIRECTORS

The Company has, during or since the financial year, in respect of any person who is or has been an officer of the Company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

Insurance of Officers

Since the end of the previous financial year, the Company has paid insurance premiums in respect of directors and officers liability and corporate reimbursement, for directors and officers of the Company. The insurance premiums relate to:

- any loss for which the directors and officers may not be legally indemnified by the Company arising out of any claim, by reason of any wrongful act committed by them in their capacity as a director or officer, first made against them jointly or severally during the period of insurance; and
- indemnifying the Company against any payment which it has made and was legally permitted to make arising out of any claim, by reason of any wrongful act, committed by any director or officer in their capacity as a director or officer, first made against the director or officer during the period of insurance.

The insurance policy outlined above does not allocate the premium paid to each individual officer of the Company and does not allow disclosure of the premium.

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 51.

NON-AUDIT SERVICES

HLB Mann Judd has not provided any non-audit services to the entity as shown at Note 16.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for directors and executives of the Group.

Remuneration policy

The remuneration policy of Pelican Resources Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's ability to attract and retain the best executives and directors to run and manage the Group.

The Board's policy for determining the nature and amount of remuneration for board members and senior executives of the Group is as follows:

The remuneration policy setting out the terms and conditions for the executive directors and other senior executives was developed by the Board.

Executive remuneration and other terms of employment are reviewed annually by the Board having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice.

As well as a base salary, remuneration packages include superannuation, retirement and termination entitlements, performance-related bonuses and fringe benefits.

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Company's diverse operations.

Remuneration and other terms of employment for the executive director and certain other senior executives have been formalised in service agreements as follows:

The Company has entered into an executive service agreement with executive director, Mr Antonio Torresan. The terms of the service agreement are set out as follows:

- Commencement date: 24 March 2015
- Term: one year with a one year extension at the sole discretion of the Board
- Fixed remuneration: \$120,000 per annum
- Termination for cause: no notice period
- Termination without cause: three month notice period

The Company has entered into an agreement with non-executive director, Mr Alec Pismiris. The terms of the agreement are set out as follows:

- Commencement date: 24 March 2015
- Term: no fixed term
- Fixed remuneration: \$36,000 per annum
- Termination for cause: no notice period
- Termination without cause: no notice period



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED) (CONTINUED)

Remuneration policy (continued)

The Company has entered into an agreement with non-executive director, Mr Colin Chenu. The terms of the agreement are set out as follows:

- Commencement date: 29 June 2015
- Term: no fixed term
- Fixed remuneration: \$36,000 per annum
- Termination for cause: no notice period
- Termination without cause: no notice period

Remuneration of non-executive directors is determined by the Board within the maximum amount approved by the shareholders from time to time and which currently stands at \$250,000 per annum.

The Board undertakes an annual review of its performance against goals set at the start of the year. The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed.

Performance-based remuneration

The Company currently has no performance-based remuneration component built into director and executive remuneration packages.

The Company received 100% "yes" votes on its remuneration report for the 30 June 2018 financial year.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED) (CONTINUED)

Key management personnel compensation

Details of the nature and amount of emoluments paid for each director and executive of Pelican Resources Limited are set out below:

	Primary Benefits		Post Employment	Share Based	TOTAL	Performance
	Salary & Fees	Cash Bonus	Super- annuation	Payments Shares/Opti ons		Based
	\$	\$	\$	\$	\$	%
Directors						
A Torresan - Executive Director						
2019	120,000	-	-	-	120,000	-
2018	120,000	50,000	-	-	170,000	29
C Chenu - Non-Executive Director						
2019	36,000	-	-	-	36,000	-
2018	36,000	5,000	-	-	41,000	12
A Pismiris - Non-Executive Director						
2019	72,000 ¹	-	-	-	72,000	-
2018	72,000 ¹	50,000	-	-	122,000	41
Total Remuneration:						
2019	228,000	-	-	-	228,000	-
2018	228,000	105,000	-	-	333,000	32

Notes:

(1) Includes \$36,000 paid as fees for company secretarial services

Other related party transactions of key management personnel are disclosed in Note 15.

Remuneration Options

During the year ended 30 June 2019, no options were issued as part of director remuneration (30 June 2018: Nil).

During the year ended 30 June 2019, no remuneration options were forfeited, expired or exercised by the directors.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED) (CONTINUED)

Shareholdings by Directors

2019	Balance 01/07/18 (No. of Shares)	Received Remuneration (No. of Shares)	No. of Options Exercised	Net Other Change (No. of Shares)	Balance 30/06/19 (No. of Shares)
A Torresan	59,193,981	-	-(1)	-	59,193,981
C Chenu	-	-	-	-	-
A Pismiris	12,000,000	-	-(2)	-	12,000,000
Total	71,193,981	-	-	-	71,193,981

⁽¹⁾ On 30/06/19, A Torresan exercised 18,235,896 options exercisable at \$0.01 into fully paid ordinary shares that were issued on 2/7/19. Total holding post exercised is 77,429,877 ordinary shares.

⁽²⁾ On 30/06/19, A Pismiris exercised 6,000,000 options exercisable at \$0.01 into fully paid ordinary shares that were issued on 2/7/19. Total holding post exercised is 18,000,000 ordinary shares.

2018	Balance 01/07/17 (No. of Shares)	Received Remuneration (No. of Shares)	No. of Options Exercised	Net Other Change (No. of Shares)	Balance 30/06/18 (No. of Shares)
A Torresan	59,193,981	-	-	-	59,193,981
C Chenu	-	-	-	-	-
A Pismiris	12,000,000	-	-	-	12,000,000
Total	71,193,981	-	-	-	71,193,981

Options Holdings by Directors

2019	Balance 01/07/18 (No. Options)	Granted as Remuneration (No. Options)	No. of Options Acquired	No. of Options Exercised	Net Change Other (No. Options)	Balance 30/06/19 (No. Options)
A Torresan	28,735,896	-	-	(18,235,896) ⁽¹⁾	-	10,500,000
C Chenu	2,000,000	-	-	-	-	2,000,000
A Pismiris	13,500,000	-	-	(6,000,000) ⁽²⁾	-	7,500,000
Total	44,235,896	-	-	(24,235,896)	-	20,000,000

⁽¹⁾ On 30/06/19, A Torresan exercised 18,235,896 options exercisable at \$0.01 into fully paid ordinary shares that were issued on 2/7/19.

⁽²⁾ On 30/06/19, A Pismiris exercised 6,000,000 options exercisable at \$0.01 into fully paid ordinary shares that were issued on 2/7/19.

2018	Balance 01/07/17 (No. Options)	Granted as Remuneration (No. Options)	No. of Options Acquired	No. of Options Exercised	Net Change Other (No. Options)	Balance 30/06/18 (No. Options)
A Torresan	28,735,896	-	-	-	-	28,735,896
C Chenu	2,000,000	-	-	-	-	2,000,000
A Pismiris	13,500,000	-	-	-	-	13,500,000
Total	44,235,896	-	-	-	-	44,235,896

End of remuneration report (audited).



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

Signed in accordance with a resolution of the board of directors.

Dated at Perth this 25th day of September, 2019

Alec Pismiris
Director



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

		Consolidated	
		2019	2018
	Note	\$	\$
Other income	2	52,539	3,881,655
Administration expenses	3	(646,169)	(566,486)
Exploration expenditure written-off		-	(1,680)
Fair value loss of investments	8	(1,300,000)	-
Share-based payments	24	-	(6,541)
Other expenses		(105,775)	(384)
Profit/(Loss) before income tax		(1,999,405)	3,306,564
Income tax benefit/(expense)	4	85,523	(85,523)
Profit/(Loss) for the year		(1,913,882)	3,221,041
Other comprehensive income/(loss)			
Item that may subsequently be reclassified to profit or loss:			
Currency translation differences		29,440	(6,772)
Other comprehensive income/(loss) for the year		29,440	(6,772)
Total comprehensive income/(loss) for the year		(1,884,442)	3,214,269
Profit/(Loss) attributable to:			
Members of the parent entity		(1,909,870)	3,225,509
Non-controlling interest		(4,012)	(4,468)
		(1,913,882)	3,221,041
Total comprehensive profit/(loss) attributable to:			
Members of the parent entity		(1,887,662)	3,214,056
Non-controlling interest		3,220	213
		(1,884,442)	3,214,269
Basic earnings/(loss) per share (cents per share)	18	(0.53)	0.89
Diluted earnings/(loss) per share (cents per share)	18	(0.53)	0.83

The above consolidated statement of profit or loss and other comprehensive income
should be read in conjunction with the accompanying notes.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

		Consolidated	
		2019	2018
	Note	\$	\$
Current Assets			
Cash and cash equivalents	5	2,033,527	2,127,459
Restricted cash	11	940,000	940,000
Security deposits		114,000	114,000
Trade and other receivables	6	11,852	18,794
Other current assets	7	25,798	21,941
Assets held for sale	26	2,309,779	2,175,081
Total Current Assets		5,434,956	5,397,275
Non-Current Assets			
Other financial assets	8	200,000	1,500,000
Mineral exploration and evaluation expenditure	9	-	-
Total Non-Current Assets		200,000	1,500,000
Total Assets		5,634,956	6,897,275
Current Liabilities			
Trade and other payables	10	221,705	87,217
Deferred revenue	11	1,410,000	1,410,000
Liabilities associated with assets held for sale	26	1,205,219	1,098,737
Tax payable	4	-	85,523
Total Current Liabilities		2,836,924	2,681,477
Total Liabilities		2,836,924	2,681,477
Net Assets		2,798,032	4,215,797
Equity			
Issued capital	12	14,096,796	13,630,120
Reserves	13	2,025,333	2,003,125
Accumulated losses		(12,490,025)	(10,580,155)
Total parent entity interest		3,632,104	5,138,613
Non-controlling interest		(834,072)	(837,292)
Total Equity		2,798,032	4,215,797

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



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Issued Capital	Options Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non- Controlling Interest	Total Equity
<u>Consolidated</u>	\$	\$	\$	\$	\$	\$
Balance at 01/07/2017	13,630,120	1,930,542	77,495	(13,805,664)	(837,505)	994,988
Total comprehensive income for the year						
Profit/(Loss) for the year	-	-	-	3,225,509	(4,468)	3,221,041
<i>Other comprehensive income</i>						
Foreign currency translation differences	-	-	(11,453)	-	4,681	(6,772)
Total comprehensive income / (loss) for the year	-	-	(11,453)	3,225,509	213	3,214,269
Transactions with owners recorded directly into equity						
Share-based payments	-	6,541	-	-	-	6,541
Balance at 30/06/2018	13,630,120	1,937,083	66,042	(10,580,155)	(837,292)	4,215,798
Balance at 01/07/2018	13,630,120	1,937,083	66,042	(10,580,155)	(837,292)	4,215,798
Total comprehensive income for the year						
Loss for the year	-	-	-	(1,909,870)	(4,012)	(1,913,882)
<i>Other comprehensive income</i>						
Foreign currency translation differences	-	-	22,208	-	7,232	29,440
Total comprehensive income / (loss) for the year	-	-	22,208	(1,909,870)	3,220	(1,884,442)
Transactions with owners recorded directly into equity						
Share capital to be issued ⁽¹⁾	466,676	-	-	-	-	466,676
Balance at 30/06/2019	14,096,796	1,937,083	88,250	(12,490,025)	(834,072)	2,798,032

⁽¹⁾ 46,667,600 options were exercised at 30 June 2019. New shares relating to the exercise of these options were issued on 2 July 2019.

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



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

		Consolidated	
		2019	2018
	Note	\$	\$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(613,147)	(585,591)
Interest received		52,539	18,975
Net Cash Used in Operating Activities	14(b)	(560,608)	(566,616)
Cash Flows from Investing Activities			
Payments for exploration expenditure		-	(1,680)
Proceeds from sale of project		-	2,250,000
Net Cash Provided by Investing Activities		-	2,248,320
Cash Flows from Financing Activities			
Gross proceeds from exercise of options		466,676	-
Net Cash Provided by Financing Activities		466,676	-
Net increase / (decrease) in cash and cash equivalents held		(93,932)	1,681,704
Cash and cash equivalents at the beginning of the financial year		2,127,459	445,755
Cash and cash equivalents at the end of the financial year	14(a)	2,033,527	2,127,459

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



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pelican Resources Limited is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2019 comprise the Company and its subsidiaries (referred to as the Group).

The significant policies, which have been adopted in the preparation of this financial report, have been applied consistently unless otherwise stated and are as follows:

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001.

The financial report was authorised for issue by the Board on 25 September 2019.

The financial report has been prepared on an accruals basis and is based on historical costs except for certain assets which are carried at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS).

(c) New and Revised Accounting Standards and Interpretations adopted by the Group

The accounting policies have been consistently applied by the Group and are consistent with those in the June 2018 annual financial report except for the impact (if any) of new and revised standards and interpretations outlined 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 year.

AASB 9 Financial Instruments

AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement* and makes changes to a number of areas including classification of financial instruments, measurement, impairment of financial assets and hedge accounting model.

Financial instruments are classified as either held at amortised cost or fair value.

Financial instruments are carried at amortised cost if the business model concept can be satisfied.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(c) New and Revised Accounting Standards and Interpretations adopted by the Group (*continued*)

All equity instruments are carried at fair value and the cost exemption under AASB 139 which was used where it was not possible to reliably measure the fair value of an unlisted entity has been removed. Equity instruments which are non-derivative and not held for trading may be designated as fair value through other comprehensive income (FVOCI). Previously classified available-for-sale investments, now carried at fair value are exempt from impairment testing and gains or loss on sale are no longer recognised in profit or loss.

The AASB 9 impairment model is based on expected loss at day one rather than needing evidence of an incurred loss, this is likely to cause earlier recognition of bad debt expenses. Most financial instruments held at fair value are exempt from impairment testing.

The Group has applied AASB 9 retrospectively with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018 and has elected not to restate comparative information. Accordingly, the information presented for 30 June 2018 has not been restated.

There is no material impact to profit or loss or net assets on the adoption of this new standard in the current or comparative years.

AASB 15 Revenue from contracts with Customers

AASB 15 replaces AASB 118 *Revenue* and AASB 111 *Construction Contracts* and related interpretations. This Standard has been applied as at 1 July 2018, however there is no impact to the Group's historical financial results given the Group is currently not in production.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(d) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Pelican Resources Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 17.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income.

(e) Income Tax

The charge for current income tax is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the rates that have been enacted or are substantively enacted by the balance date.

Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future profit will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(f) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(g) Share Based Payments

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

The fair value of the options granted excluded the impact of any non-market vesting condition (for example, exploration related targets). Non-market vesting conditions are included in assumption about the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to these options is transferred to share capital.

The market value of shares issued to employees for no cash consideration under the employee share scheme is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(h) Investments and other financial assets

Financial assets and are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

The category also contains an equity investment. The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unlisted equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of AASB 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaced AASB 139's 'incurred loss model'.

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

12-month expected credit losses' are recognised for financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk while 'lifetime expected credit losses' are recognised for financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

(i) Impairment of Assets

At each reporting date, the directors review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the directors estimate the recoverable amount of the cash-generating unit to which the asset belongs.

(j) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(j) Fair Value of Assets and Liabilities (*continued*)

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation Techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities;
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value; and
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(j) Fair Value of Assets and Liabilities (*continued*)

Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- (i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- (ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(k) Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting where significant influence is exercised over an investee. Significant influence exists where the investor has the power to participate in the financial and operating policy decisions of the investees but does not have control or joint control over those policies. The equity method of accounting recognises the Group's share of post-acquisition reserves of its associates.

(l) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency. All figures presented in the financial report have been rounded to the nearest dollar.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

Controlled entities

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed. The functional currency of the subsidiaries incorporated in the Philippines (refer Note 17) is the Philippine PESO.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(m) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

(n) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and service tax (GST).

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Earnings/(Loss) per share

(i) *Basic Earnings/(Loss) per share*

Basic earnings/(loss) per share is determined by dividing the operating profit/(loss) after income tax attributable to members of Pelican Resources Limited by the weighted average number of ordinary shares outstanding during the financial year.

(ii) *Diluted Earnings/(Loss) per share*

Diluted earnings/(loss) per share adjusts the amounts used in the determination of basic earnings/(loss) per share by taking into account unpaid amounts on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial year.

(q) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(r) Adoption of new and revised standards

Standards and Interpretations issued not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the year ended 30 June 2019. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted by the Group and, therefore, no change is necessary to Group accounting policies.

AASB 16 replaces AASB 117 Leases and related interpretations and is effective from annual reporting periods beginning on or after 1 January 2019.

AASB 16 removes the classification of leases as either operating leases or finance leases – for the lessee – effectively treating all leases as finance leases. Most leases will be capitalised on the statement of financial position by recognising a lease liability for the present value obligation and a ‘right of use’ asset. The right of use asset is calculated based on the lease liability plus initial direct costs, prepaid lease payments and estimated restoration costs less lease incentives received. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in the expense recognition with interest and depreciation replacing operating lease expense. There are exemptions for short-term leases and leases of low-value items.

The Group has evaluated the impact of the new Standard and notes that it currently does not have any operating lease commitments aside from a month by month office rental lease. This does have a material impact as at 30 June 2019 due to the current terms of the lease which is considered short term. Should circumstances changes which see the Group enter into a leasing arrangement for any activity, it will be reflected according to the requirements of AASB 16. Additionally, lease costs in relation to tenements fall outside the scope of AASB 16 and therefore are not required to be assessed for a right of use asset.

(s) Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 4 - Income Tax
- Note 6 - Trade and Other Receivables
- Note 9 - Mineral Exploration and Evaluation Expenditure
- Note 21 - Risk Management Objectives and Policies
- Note 24 - Share Based Payments



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 2: OTHER INCOME

	Consolidated	
	2019	2018
	\$	\$
Interest earned	52,539	18,975
Gain on sale of exploration project	-	3,862,680
Total	52,539	3,881,655

NOTE 3: EXPENSES AND GAINS/(LOSSES)

Significant Items

Loss before income tax includes the following expenses whose disclosure is relevant in explaining the financial performance of the Group:

Included in corporate expenses

Accounting and administration fees	86,011	90,888
Consulting	297,186	321,541

NOTE 4: INCOME TAX

The prima facie tax on loss before income tax is reconciled to the income tax as follows:

	Consolidated	
	2019	2018
	\$	\$
Profit/(Loss) before income tax	(1,999,405)	3,306,564
Income tax calculated at 30% (2018: 27.5%)	(599,822)	909,305
Add back:		
Fair value loss of investment	390,000	-
Provisions	13,558	413
Capitalised exploration written off	-	462
Capital raising costs	(5,196)	(4,763)
Share based payment	-	(1,799)
Foreign losses movement	(13,772)	247,955
Future income tax (charge)/benefits not brought to account	129,709	(1,066,049)
Income tax expense/(benefit)	(85,523)	85,523
Deferred tax assets:		
Capital raising costs	239	239
Provisions	18,508	4,538
Carried forward tax losses (including foreign tax losses)	1,495,077	1,365,369
	1,513,824	1,370,146
Deferred tax liabilities:		
Capitalised exploration costs	(690,773)	(596,156)
	(690,773)	(596,156)



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 4: INCOME TAX (*continued*)

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits thereof.

Consolidated

2019 2018
\$ \$

NOTE 5: CASH AND CASH EQUIVALENTS

Cash at bank	2,033,527	2,127,459
	<u>2,033,527</u>	<u>2,127,459</u>

NOTE 6: TRADE AND OTHER RECEIVABLES

Current

Goods and services tax	11,852	18,794
	<u>11,852</u>	<u>18,794</u>

NOTE 7: OTHER CURRENT ASSETS

Prepayments	25,798	21,941
	<u>25,798</u>	<u>21,941</u>

NOTE 8: OTHER FINANCIAL ASSETS

Non Current

Unlisted investments at fair value:

Shares in other entities ⁽ⁱ⁾ (fair value through profit or loss)	200,000	1,500,000
	<u>200,000</u>	<u>1,500,000</u>

- (i) As at 30 June 2019, the Group held 5,000,000 shares in Cockatoo Iron NL as a result of the sale of the Cockatoo Island Project. Refer to Note 21.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

	Consolidated	
	2019	2018
	\$	\$
NOTE 9: MINERAL EXPLORATION AND EVALUATION EXPENDITURE		
Balance at beginning of year	-	-
Exploration and mining expenditure incurred during the year	-	1,680
Expenditure written off	-	(1,680)
Balance at end of year	-	-
Exploration expenditure carried forward in respect of areas of interest in the exploration and evaluation phase	-	-

The value of the exploration tenements carried forward is dependent upon:

- (a) The continuance of the Group's rights to tenure of the area of interest;
- (b) The results of future exploration; and
- (c) The recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.

The carrying value of the exploration expenditure as at 30 June 2019 is disclosed at note 26 and relates to the Romblon Project. The Group has entered into a Share Sale and Assignment of Debt Agreement for the sale of the Romblon project for \$3.6 million which exceeds the carrying value at 30 June 2019. (refer to the Directors' Report - Review of Operations for further details).

	Consolidated	
	2019	2018
	\$	\$
NOTE 10: TRADE AND OTHER PAYABLES		
Trade payables and accrued expenses	220,426	85,938
Advances/loans – other parties	1,279	1,279
	221,705	87,217

NOTE 11: DEFERRED REVENUE

Deposit on sale of subsidiary	1,410,000	1,410,000
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On 25 June 2015, the Company entered into a Memorandum of Understanding with Dynamo Atlantic Limited, a BVI registered company to sell 100% ownership of Sibuyan Nickel Properties Development Corporation and received an initial payment of \$470,000 and a subsequent payment of \$940,000 on completion of due diligence representing 30% of the purchase price agreed of \$4.70 million. On or around 16 October 2018, the parties executed a revised Share Sale and Assignment of Debt Agreement for a total purchase price of \$3.6 million. A portion of the purchase price is owed to the Company's joint venture partner All-Acacia Resources Limited. As the sale has not completed, the Company has deferred this revenue and will recognise the full proceeds upon completion of the sale.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Consolidated
2019 2018
\$ \$

NOTE 12: ISSUED CAPITAL

(a) Issued Capital

361,923,540 Ordinary shares fully paid (2018: 361,923,540)	14,096,796	13,630,120
--	------------	------------

(b) Movements in ordinary share capital of the Company:

Date	Details	No. of Shares	Issue Price	\$
01/07/2017	Opening balance	361,923,540		13,630,120
30/06/2018	Closing balance	361,923,540		13,630,120
01/07/2018	Opening balance	361,923,540		13,630,120
30/06/2019	Exercise of options ⁽¹⁾	-		466,676
30/06/2019	Closing balance	361,923,540		14,096,796

⁽¹⁾ On 2 July 2019, the Company issued 46,667,600 shares as a result of the exercise of options at \$0.01 expiring 30 June 2019. Funds were received pre-30 June 2019 however the shares were not issued until post-30 June 2019.

(c) Capital Risk Management

When managing capital, management's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The Group does not have a defined share buy-back plan.

No dividends were paid in 2018 and no dividends will be paid in 2019.

There is no current intention to incur further debt funding on behalf of the Group as on-going expenditure will be funded via cash reserves or equity.

The Group is not subject to any externally imposed capital requirements.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 13: RESERVES

	Consolidated	
	2019	2018
	\$	\$
(a) Composition		
Options reserve	1,937,083	1,937,083
Foreign currency translation reserve	88,250	66,042
	<u>2,025,333</u>	<u>2,003,125</u>

(b) Movements in options and performance rights on issue during the last two years were as follows:

Date	Details	No. of Unlisted Options		
01/07/2017	Opening balance	85,000,000		
30/06/2018	Closing balance	<u>85,000,000</u>		
Date	Details	No. of Unlisted Options	Exercise Price	Expiry Date
01/07/2018	Opening balance	85,000,000		
30/06/2019	Exercised	(46,667,600)	\$0.01	30/06/2019
	Expired	(3,332,400)	\$0.01	30/06/2019
30/06/2019	Closing balance	<u>35,000,000</u>		

(c) Nature and Purpose of Reserves

Options reserve

The options reserve is the value of equity benefits provided to directors, employees and consultants by the Group as part of their remuneration.

Foreign currency translation reserve

The foreign currency translation reserve represents the foreign exchange gain/loss on the translation of the subsidiaries from their functional current to the presentation currency.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 14: NOTES TO THE STATEMENT OF CASH FLOWS	Consolidated	
	2019	2018
	\$	\$
a) Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:		
Cash and cash equivalents (Note 5)	2,033,527	2,127,459
b) Reconciliation of net cash and cash equivalents used in operating activities To profit/(loss) for the year:		
Profit/(Loss) for the year	(1,913,882)	3,221,041
Exploration and evaluation expenditure written off / impaired	-	1,680
Gain on sale of exploration project	-	(3,862,680)
Share based payment expense	-	6,541
Fair value loss on equity investment	1,300,000	-
Movements in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	6,942	2,123
(Increase)/Decrease in other assets	(3,857)	(1,685)
Increase/(Decrease) in trade and other payables	50,189	66,364
Net cash used in operating activities	<u>(560,608)</u>	<u>(566,616)</u>

c) Non-cash investing and financing activities

2019

There were no non-cash investing and financing activities during the year ended 30 June 2019.

2018

Other than share-based payment transactions disclosed in note 24, there were no non-cash investing and financing activities during the year ended 30 June 2018.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 15: KEY MANAGEMENT PERSONNEL

This note is to be read in conjunction with the Remuneration Report which is included in the Directors' Report.

(a) Compensation of Key Management Personnel

	Consolidated	
	2019	2018
	\$	\$
Compensation by category:		
Short-term	228,000	333,000
Post employment	-	-
Termination benefit	-	-
Share based payment	-	-
	228,000	333,000

(b) Transactions with Key Management Personnel

In 2018, Colin Chenu was a Principal of Lawfirst Pty Ltd (t/a Bennett + Co law firm) which provided legal services to the Group.

Aggregate amount of each type of transaction with directors and their director related entities were as follows:

	Consolidated	
	2019	2018
	\$	\$
Legal services	-	53,809

Amounts payable or receivable to directors and their director related party entities at balance date arising from these transactions was \$47,116 (2018: \$810).

NOTE 16: REMUNERATION OF AUDITORS

	Consolidated	
	2019	2018
	\$	\$
Audit services – HLB Mann Judd	26,240	25,200
– Overseas auditors	2,738	500
	28,978	25,700



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 17: INTEREST IN SUBSIDIARIES

(a) Information about Principal Subsidiaries

The consolidated financial statements include the financial statements of Pelican Resources Limited and the subsidiaries listed in the following table:

	Country of Incorporation	Equity Interest	
		2019 %	2018 %
Sunrise Exploration Pty Ltd	AUS	100	100
Sunshine Gold Pty Ltd	AUS	100	100
Sunpacific Resources Philippines, Inc.	PHP	100	100
Sunrom Philippines Holdings Corp'n.	PHP	100	100
Sibuyan Nickel Properties Dev. Corp'n.	PHP	75	75



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 17: INTEREST IN SUBSIDIARIES (continued)

(b) Summarised Financial Information of Subsidiaries with Material Non-Controlling Interests

Set out below is the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.

	Sibuyan Nickel Properties Development Corporation	
	As at 30 June 2019 \$	As at 30 June 2018 \$
<i>Summarised Financial Position</i>		
Current Assets	6,935	6,851
Non-Current Assets	1,526,146	1,391,411
Current Liabilities	(1,203,939)	(1,097,613)
Non-Current Liabilities	(3,601,334)	(3,586,234)
Net Liabilities	(3,272,192)	(3,285,585)
Carrying amount of non-controlling interest	(834,072)	(837,292)
	Sibuyan Nickel Properties Development Corporation	
	Year Ended 30 June 2019 \$	Year Ended 30 June 2018 \$
<i>Summarised Financial Performance</i>		
Revenue	7	14
Loss before income tax	(16,048)	(17,872)
Income tax	-	-
Post-tax loss	(16,048)	(17,872)
Other Comprehensive Income	-	-
Total Comprehensive Loss	(16,048)	(17,872)
The information above is the amount before intercompany eliminations.		
Loss attributable to non-controlling interests	(4,012)	(4,468)
Distributions paid to non-controlling interest	-	-
	Sibuyan Nickel Properties Development Corporation	
	Year Ended 30 June 2019 \$	Year Ended 30 June 2018 \$
<i>Summarised Cash Flow Information</i>		
Net cash flows (used in) operating activities	(16,048)	(17,872)
Net cash flows from financing activities	-	-



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 18: EARNINGS/(LOSS) PER SHARE

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

	Consolidated	
	2019	2018
	\$	\$
Profit/(Loss) before income tax – Group	(1,909,870)	3,221,041
Adjustments:		
Profit/(Loss) attributable to non-controlling interest	(4,012)	4,468
Profit/(Loss) used in calculating basic and diluted earnings/(loss) per share	(1,913,882)	3,225,509
	2019	2018
	Number of	Number of
	Shares	Shares
Weighted average number of ordinary shares used in calculating:		
Basic earnings/(loss) per share	361,923,540	361,923,540
Diluted earnings/(loss) per share	361,923,540	386,923,540

NOTE 19: COMMITMENTS FOR EXPENDITURE

The Group has no commitments for expenditure (2018: \$nil).



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 20: 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.

	Australia		Philippines		Eliminations		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018
Geographical Segments	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Other revenues from customers outside the Group	52,532	3,881,641	7	14	-	-	52,539	3,881,655
Total segment revenue	52,532	3,881,641	7	14	-	-	52,539	3,881,655
Results								
Segment result	(1,667,048)	4,487,513	(121,814)	(13,779)	(125,020)	(1,252,693)	(1,913,882)	3,221,041
Assets								
Segment assets	4,275,178	5,672,195	2,309,779	2,175,081	(950,001)	(950,001)	5,634,956	6,897,275
Liabilities								
Segment liabilities	3,025,777	2,844,240	7,400,793	7,169,710	(7,628,538)	(7,503,519)	2,798,032	2,510,431



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 21: RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and short-term deposits, short-term loans and investments in listed entities.

The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as other receivables and trade payables, which arise directly from its operations. It is, and has been throughout the entire period under review, the Group's policy that trading in financial instruments may be undertaken.

The main risks arising from the Group's financial instruments is cash flow interest rate risk, foreign exchange risk and market price risk. Other minor risks are either summarised below or disclosed at Note 12 in the case of capital risk management. The Board reviews and agrees policies for managing each of these risks.

Cash Flow Interest Rate Risk

The Group's exposure to the risks of changes in market interest rates relates primarily to the Group's short-term deposits with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Group does not engage in any hedging or derivative transactions to manage interest rate risk.

The Group has not entered into any hedging activities to cover interest rate risk. In regard to its interest rate risk, the Group does not have a formal policy in place to mitigate such risks.

The following tables set out the carrying amount by maturity of the Group's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments. There were no fixed interest rate financial assets or liabilities held by the Group (2018: nil).

	Non Interest Bearing \$		Weighted Average Effective Interest Rate %		Floating Interest Rate \$		Total \$	
	2019	2018	2019	2018	2019	2018	2019	2018
Financial Assets								
- Cash and cash equivalents	1,033,527	2,127,459	-	-	1,000,000	-	2,033,527	2,127,459
- Deposits held	-	-	1.75	1.75	1,054,000	1,054,000	1,054,000	1,054,000
- GST receivable	11,852	18,794	-	-	-	-	11,852	18,794
- Unlisted investments	200,000	1,500,000	-	-	-	-	200,000	1,500,000
Total Financial Assets	1,245,379	3,646,253			2,054,000	1,054,000	3,299,379	4,700,253
Financial Liabilities								
- Trade creditors	221,705	87,217	-	-	-	-	221,705	87,217
- Loan – other parties	1,205,219	1,098,737	-	-	-	-	1,205,219	1,098,737
Total Financial Liabilities	1,426,924	1,185,954			-	-	1,426,924	1,185,954
Net Financial Assets / (Liabilities)	(181,545)	2,460,299			2,054,000	1,054,000	1,872,455	3,514,299



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 21: RISK MANAGEMENT OBJECTIVES AND POLICIES (*continued*)

Interest Rate Sensitivity

At 30 June 2019, if interest rates had changed by 10% during the entire year with all other variables held constant, profit/(loss) for the year and equity would have been \$5,254 lower/higher, mainly as a result of lower/higher interest income from cash and cash equivalents.

A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A 10% decrease sensitivity would move short term interest rates at 30 June 2019 from around 1.75% to 1.58% (10% increase: 1.92%) representing an 17 basis points shift. This would represent one increase which is reasonably possible in the current environment with the bias coming from the Reserve Bank of Australia and confirmed by market expectations that interest rates in Australia are more likely to move down than up in the coming period.

Based on the sensitivity analysis, only interest revenue from variable rate deposits and cash balances are impacted resulting in a decrease or increase in overall income.

Liquidity Risk

The Group manages liquidity risk by maintaining sufficient cash reserves and marketable securities and through the continuous monitoring of budgeted and actual cash flows.

	Consolidated	
	2019	2018
	\$	\$
Contracted maturities of liabilities at 30 June		
Payables		
- less than 30 days	222,371	87,217
- less than 12 months	-	-
Loans other parties		
- less than 12 months	7,892	7,308
- greater than 12 months	1,196,661	1,091,014
	<u>1,426,924</u>	<u>1,185,539</u>

The amount of \$1,196,661 are liabilities associated with assets held for sale which have been disclosed under current liabilities as the disposal of Sibuyan Nickel Properties Development Corporation is expected within 12 months (note 26).



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 21: RISK MANAGEMENT OBJECTIVES AND POLICIES (*continued*)

Foreign Exchange Risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Philippine PESO. No sensitivity analysis has been completed as the directors believe any impact would be immaterial.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the Company's and subsidiaries' functional currencies. The risk is measured using sensitivity analysis.

Market Price Risk

The Group is exposed to equity price risk which arises from equity securities at fair value through profit or loss (FVTPL).

The Group is exposed to market price risk arising from investments in other companies carried at fair value. At 30 June 2019, if the fair value of investments in other companies had changed by 10% during the entire year with all other variables held constant, profit/(loss) for the year and equity would have been \$20,000 lower/higher. The Group holds shares in Cockatoo Iron NL which is held at fair value and has provided in full for the investment in Pluton Resources Limited.

Net Fair Values

For assets and other liabilities the net fair value approximates their carrying value. The Group has no financial liabilities but does have financial assets that are classified as level 3 under the fair value hierarchy and has no financial assets where the carrying amount exceeds net fair values at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

Financial Instruments

The following table presents the Group's assets and liabilities measured and recognised at fair value:

30 June 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Equity investments at FVTPL	-	-	200,000	200,000
	-	-	200,000	200,000
30 June 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Available for Sale Financial Assets	-	-	1,500,000	1,500,000
	-	-	1,500,000	1,500,000



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 21: RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Financial Instruments *(continued)*

Valuation techniques

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Fair Value Hierarchy

Level 3

Fair value through FVTPL

Fair value is based on unobservable inputs for the asset or liability.

NOTE 22: EVENTS SUBSEQUENT TO REPORTING PERIOD

The BIR's assessment of taxes payable on the sale of SNPDC progressed with a further 4 CAR's issued to shareholders of SNPDC. Of the outstanding CAR's, 2 have been assessed by the relevant examiners and have been drafted for final issuance, with the final CAR pending completion of an assessment by the examiner.

No other matters or circumstances have arisen subsequent to the balance date which would significantly affect the operations of the Group, its operating results or its state of affair in the subsequent financial years.

NOTE 23: CONTINGENT LIABILITIES

As part of its acquisition of Nugold Hill Mines in 2002, the Company has an obligation to rehabilitate the Xanadu tenements area. The Company has a security bond in place with the Department of Mines, Industry, Regulation and Safety which is expected to cover the majority of the cost. The Department of Mines, Industry, Regulation and Safety has not currently insisted on rehabilitating the site as there is the potential for future operations.

Other than as stated above, Pelican Resources Limited has no known material contingent liabilities at the end of the financial year.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 24: SHARE BASED PAYMENTS

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 2019	Number of Options 2019	Weighted average exercise price 2018	Number of Options 2018
Outstanding at 1 July	\$0.02	85,000,000	\$0.02	85,000,000
Forfeited during the year	-	-	-	-
Exercised during the year	\$0.01	(46,667,600)	-	-
Expired during the year	\$0.01	(3,332,400)	-	-
Granted during the year	-	-	-	-
Issued during the year	-	-	-	-
Outstanding at 30 June	\$0.02	35,000,000	\$0.02	85,000,000
Exercisable at 30 June	\$0.02	35,000,000	\$0.02	85,000,000

The options outstanding at 30 June 2019 have an exercise price of \$0.02 and a weighted average remaining contractual life of 0.5 years (2018: 1.5 years).



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 25: PARENT ENTITY DISCLOSURES

(a) Financial Position

	2019	2018
	\$	\$
Current Assets	3,125,177	3,222,194
Total Assets	4,275,178	5,672,195
Current Liabilities	1,161,705	1,112,585
Total Liabilities	1,161,705	1,112,585
Equity		
Issued capital	14,096,795	13,630,120
Reserves	1,937,083	1,937,083
Accumulated losses	(12,920,405)	(11,007,593)
Total Equity	3,113,473	4,559,609

(b) Financial Performance

Profit/(Loss) for the year	(1,912,813)	3,219,524
Other comprehensive income	-	-
Total Comprehensive Profit/(Loss)	(1,913,813)	3,219,524

(c) Guarantees

The parent entity has not entered into any guarantees, in relation to the debts of subsidiaries.

(d) Contingent liabilities

As part of its acquisition of Nugold Hill Mines in 2002, the Company has an obligation to rehabilitate the Xanadu tenements area. The Company has a security bond in place with the Department of Mines, Industry, Regulation and Safety which is expected to cover the majority of the cost. The Department of Mines, Industry, Regulation and Safety has not currently insisted on rehabilitating the site as there is the potential for future operations.

Other than as stated above, the parent entity has no known material contingent liabilities at the end of the financial year.

(e) Commitments for expenditure

The parent entity has not entered into any commitments for expenditure as at the end of the financial year.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 26: ASSETS AND LIABILITIES HELD FOR SALE

In June 2015, the Group 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. In October 2018, the parties executed a revised Share Sale and Assignment of Debt Agreement for a total purchase price of \$3.6 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:

	2019	2018
	\$	\$
Cash	952	2,261
Trade and other receivables	6,248	4,976
Mineral exploration and evaluation expenditure (note 10)	2,302,579	2,167,844
Assets held for sale	2,309,779	2,175,081
Trade payables	666	415
Other payables	1,204,553	1,098,322
Liabilities associated with assets held for sale	1,205,219	1,098,737

The Group has received \$1.41 million as deposits for the sale of SNPDC and \$0.94 million has been classified as restricted cash as the transaction has not yet settled.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

1. In the opinion of the Directors:
 - a. the accompanying financial statements, notes and additional disclosures are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the year then ended; and
 - ii. complying with Accounting Standards and Corporations Regulations 2001; and
 - b. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2019.

This declaration is signed in accordance with a resolution of the Board of Directors.

Alec Pismiris

Director

Dated this 25th day of September, 2019

INDEPENDENT AUDITOR'S REPORT

To the members of Pelican Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pelican Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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Key Audit Matter	How our audit addressed the key audit matter
Recoverability of deferred exploration assets Note 26 of the financial statements	
As at 30 June 2019, the carrying value of the Group's Exploration Asset Held for Sale was \$2,309,779. The mining rights for the Romblon Project in the Philippines is the subject of the exploration asset that is currently in negotiation for sale. Prior to the 2019 financial year, the Group entered into a sale agreement with Dynamo Atlantic Limited for the sale of the rights to the Romblon Project. During the 2019 financial year, shareholders approved the revised terms of the share sale agreement and the sale moved towards settlement. As at 30 June 2019, the sale had not yet settled as the Company awaited the confirmation from the Philippine Bureau of Internal Revenue of the transfer of shares. This is considered a Key Audit Matter due to the impact of the disclosure in the annual financial report and the degree of uncertainty surrounding the completion of the sale.	Our procedures included but were not limited to the following: - We obtained a copy of the latest amended memorandum of understanding between Pelican Resources Limited and Dynamo Atlantic Limited; - We obtained evidence that the Group has current rights to tenure of its area of interest; - We enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Group had not resolved to discontinue efforts to sell the tenement; and - We examined the disclosures made in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual financial report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Pelican Resources Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
25 September 2019



N G Neill
Partner

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Pelican Resources Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
25 September 2019



N G Neill
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

ASX ADDITIONAL INFORMATION

QUOTED SECURITIES

ORDINARY FULLY PAID SHARES

(i) **DISTRIBUTION OF SHAREHOLDERS AS AT 25 SEPTEMBER 2019:**

SPREAD OF HOLDINGS	NO. OF HOLDERS	NO. OF SHARES	PERCENTAGE OF ISSUED CAPITAL %
1 – 1,000	33	11,524	0.00
1,001 - 5,000	33	80,012	0.02
5,001 - 10,000	24	172,461	0.04
10,001 - 100,000	84	3,982,123	0.97
100,001+	164	4404,345,020	98.96
	338	408,591,140	100.00

The number of shareholdings held in less than marketable parcels is 123.

(ii) **TOP 20 HOLDERS OF ORDINARY FULLY PAID SHARES:**

The names of the twenty largest shareholders of ordinary fully paid shares are listed below:

	NAME	NO. OF ORDINARY SHARES HELD	PERCENTAGE OF ISSUED SHARES %
1	Snowball 3 Pty Ltd <Antonio Torresan Super A/C>	59,193,981	14.49%
2	Mr Kenneth Gatchalian	25,699,591	6.29%
3	Topaze Enterprises Pty Ltd <GBM A/C>	21,026,696	5.15%
4	Zero Nominees Pty Ltd	19,593,650	4.80%
5	Monslit Pty Ltd <Anthony Torresan A/C>	18,235,896	4.46%
6	Mr Joe Leuzzi & Mrs Sally Leuzzi	16,000,000	3.92%
7	Df Lynton-Brown Pty Ltd <Df Lynton-Brown P/L S/F A/C>	15,932,885	3.90%
8	Alitime Nominees Pty Ltd <Honeyham Family A/C>	13,033,565	3.19%
9	Gallant (WA) Pty Ltd <Gallant A/C>	12,094,137	2.96%
10	ACP Investments Pty Ltd	12,000,000	2.94%
11	Darlot Investments Pty Ltd <Jones Super Fund A/C>	9,000,000	2.20%
12	Mr Geoffrey John Fennell & Mrs Carmel Ann Fennell <Gemica Super Fund A/C>	8,257,806	2.02%
13	Gab Superannuation Fund Pty Ltd	7,873,785	1.93%
14	Gab Superannuation Fund Pty Ltd	7,683,233	1.88%
15	Mr Jose Mari Moraza & Mr Antonio Moraza	7,272,445	1.78%
16	ACP Investments Pty Ltd <A & L Pismiris S/F A/C>	6,000,000	1.47%
17	Citicorp Nominees Pty Limited	5,366,603	1.31%
18	Energy-Saving Technology Pty Ltd <Est A/C>	5,313,513	1.30%
19	Rfid Systems Pty Ltd <Rfid A/C>	5,313,512	1.30%
20	Cityscan Pty Ltd <City A/C>	5,177,757	1.27%
	Total	280,069,055	68.54%



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

ASX ADDITIONAL INFORMATION *(continued)*

QUOTED SECURITIES *(continued)*

(a) ORDINARY FULLY PAID SHARES *(continued)*

(iii) VOTING RIGHTS

Article 15 of the Constitution specify that on a show of hands every member present in person, by attorney or by proxy shall have:

- (a) for every fully paid share held by him one vote; and
- (b) for every share which is not fully paid a fraction of the vote equal to the amount paid up on the share over the nominal value of the shares.

(iv) SUBSTANTIAL SHAREHOLDERS

Name	Ordinary Shares	
	No.	%
Antonio Torresan Group	77,429,877	18.95
Mr Kenneth Gatchalian	25,699,591	6.29
Topaze Enterprises Pty Ltd <GBM>	21,026,696	4.80
	<u>124,156,164</u>	<u>30.39</u>

(b)

UNQUOTED SECURITIES

(a) UNLISTED OPTIONS ON ISSUE

- 50,000,000 unlisted options exercisable at \$0.01 each on or before 30 June 2019.
- 35,000,000 unlisted options exercisable at \$0.02 each on or before 31 December 2019.

(b) PERFORMANCE RIGHTS

The Company has no performance rights on issue.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CORPORATE GOVERNANCE STATEMENT

This statement outlines the main corporate governance practices adopted by the Board of Pelican Resources Limited (“Pelican” or the “Company”), which comply with the ASX Corporate Governance Council recommendations unless otherwise stated.

The Board and management of Pelican recognise their duties and obligations to shareholders and other stakeholders to implement and maintain a proper system of corporate governance. The Company believes that good corporate governance adds value to stakeholders and enhances investor confidence.

The ASX Listing Rules require listed companies to prepare a statement disclosing the extent to which they have complied with the recommendations of the ASX Corporate Governance Council (“Recommendations”) in the reporting period. The Recommendations are guidelines designed to improve the efficiency, quality and integrity of the Company. They are not prescriptive, in that if a company considers a recommendation to be inappropriate having regard to its own circumstances, it has the flexibility not to follow it. Where a company has not followed all the Recommendations, it must identify which Recommendations have not been followed and give reasons for not following them.

This Corporate Governance Statement (“Statement”) sets out a description of the Company’s main corporate practices and provides details of the Company’s compliance with the Recommendations, or where appropriate, indicates a departure from the Recommendations with an explanation.

This Statement is current as at 25 September 2019 and has been approved by the Board of Directors of Pelican.

Principle 1 – Lay solid foundations for management and oversight

Recommendation	Requirement	Comply Yes/No
1.1	A listed entity should disclose: (a) The respective roles and responsibilities of its board and management: and (b) Those matters expressly reserved to the board and those delegated to management.	Yes
1.2	A listed entity should: (a) Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director: and (b) Provide security holders with all material information in its possession relevant to a decision on where or not to elect or re-elect a director.	Yes
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Recommendation	Requirement	Comply Yes/No
1.5	A listed entity should: (a) Have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) Disclose the policy or a summary of it; and (c) Disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: 1) The respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or 2) If the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under the Act.	Yes
1.6	A listed entity should: (a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes
1.7	A listed entity should: (a) Have and disclose a process for periodically evaluating the performance of its senior executives; and (b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes

Commentary

The Corporate Governance Policies set out the functions and responsibilities of the Board of Pelican, and are available on the Pelican website.

The Company seeks to have a board comprising directors with an appropriate variety of skill, experience and expertise who are competent in dealing with current and emerging issues of the business and who can effectively review and challenge the performance of management and exercise independent judgement. The Board has procedures for the selection and appointment of new directors and the re-election of incumbent directors, which are set out in the Corporate Governance Policies which are available on the Pelican website.

Non-executive directors have written agreement with the Company setting out the terms of their appointment as directors, the one executive director has an employment contract.

The Board meets on a regular basis. The agenda for these meetings is prepared by the Company Secretary who is also the Managing Director, in conjunction with the Chairman. Relevant information is circulated to directors in advance of the Board meetings. The Company Secretary is accountable directly to the Board on matters to do with the proper functioning of the Board.

The Board has adopted a policy on achieving gender, age and ethnic diversity in the Company's board and employees.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation is as follows:

Gender	Total	Senior Management	Board
Female	-	-	-
Male	4	1	3
%Female	-	-	-

The evaluation of the performance of the Board and individual directors is undertaken annually and in accordance with the terms of their employment contract. Performance reviews were undertaken in the reporting period.

Principle 2 – Structure the Board to add value

Recommendation	Requirement	Comply Yes/No
2.1	The board of a listed entity should: (a) Have a nomination committee which: 1) Has at least three members, a majority of whom are independent directors; and 2) Is chaired by an independent director, and disclose 3) The charter of the committee; 4) The members of the committee; and 5) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR (b) If it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Yes
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes
2.3	A listed entity should disclose: (a) The names of the directors considered by the board to be independent directors; (b) If a director has an interest, position, association or relationship of the type describe in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) The length of service of each director.	Yes
2.4	A majority of the board of a listed entity should be independent directors.	No
2.5	The Chair of the board of a listed entity should be independent director and, in particular, should not be the same person as the CEO/Managing Director of the entity.	Yes
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Commentary

The Board believes the Company is not of sufficient size to justify having a Nomination Committee. If any vacancies arise on the Board, the Board and all directors are involved in the search and recruitment of a replacement.

The Board strives to ensure that it is comprised of directors with a blend of skills, experience and attributes appropriate to the Company and its business. The principal criterion for the appointment of new directors is their ability to add value to the Company and its business. In light of this, it has not been deemed necessary to create a formal document setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

The Board consists of Executive Director Mr Antonio Torresan (appointed 24 March 2015), Independent non-executive director Mr Colin Chenu (appointed 29 June 2015) and Non-executive director Mr Alec Pismiris (appointed 24 March 2015). The details of their skills, experience and expertise have been included in the 2018 Directors Report. The number of Board meetings and attendance of the directors are set out in the 2018 Directors Report.

Although the majority of the Board is not independent, the directors considers the current Board composition to be suitable in the present circumstances, with an appropriate range of qualifications and expertise, and directors who can understand and competently deal with current and emerging business issues as well as effectively review and challenge the performance of management. Furthermore, each individual member of the Board is satisfied that all directors bring an independent judgement to bear on board decisions.

New directors are provided with copies of all relevant documents and policies governing the Company's business, operations and management at the time of joining the Board. The Company is able to provide appropriate professional development opportunities for directors to assist in their roles. Directors are also encouraged to personally undertake appropriate training and refresher courses conducted by the Australian Institute of Company Directors.

Principle 3 – Act ethically and responsibly

Recommendation	Requirement	Comply Yes/No
3.1	A listed entity should: (a) Have a code of conduct for its directors, senior executives and employees; and (b) Disclose that code or a summary of it.	Yes

Commentary

As part of the Board's commitment to maintaining a proper system of corporate governance, the Company has adopted a Code of Conduct to guide directors and officers in carrying out their duties and responsibilities. The Code embraces the values of honesty, integrity, enterprise, excellence, accountability, justice, independence and equality of stakeholder opportunity. The Code of Conduct is available on the Pelican website.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Principle 4 – Safeguard integrity in corporate reporting

Recommendation	Requirement	Comply Yes/No
4.1	The board of a listed entity should: (a) Have an audit committee which: 1) Has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 2) Is chaired by an independent director, who is not the chair of the board, and disclose; 3) The charter of the committee; 4) The relevant qualifications and experience of the members of the committee; and 5) In relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) If it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Yes
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes
4.3	A listed entity should that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes

Commentary

The board believes that due to the size and composition of the board and the size of the Company it is not appropriate to have an Audit Committee. The Board as a whole is responsible for the integrity of the Company's financial reporting, reviews and oversees the planning process for external audits, the conduct of the external audit process and the independence of all parties to the process as well as reviewing the performance of external auditors, the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

Prior to the approval of the Company's annual financial statements, the board obtains a declaration from its Company Secretary and CFO that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Company's external auditor attends every Annual General Meeting as required by the Corporations Act, and member are allowed a reasonable opportunity at the meeting to ask the auditor questions relevant to the audit, their report and independence, and the accounting policies adopted by the company.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Principle 5 – Make timely and balanced disclosure

Recommendation	Requirement	Comply Yes/No
5.1	A listed entity should: (a) Have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) Disclose that code or a summary of it.	Yes

Commentary

The Company's Disclosure Policy is available on the Pelican website. The Disclosure Policy sets out the key obligations of directors and employees in relation to continuous disclosure as well as the Company's obligation under the ASX Listing Rules and the Corporations Act. The Policy also provides procedures for internal notification and external disclosure, as well as procedures for promoting understanding of compliance with disclosure requirements.

Principle 6 – Respect the rights of security holders

Recommendation	Requirement	Comply Yes/No
6.1	A listed entity should provide information about itself and its governance to investors via a website.	Yes
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meeting so security holders.	Yes
6.3	A listed entity should give security holders to option to receive communicating from and send communications to, the entity and its security registry electronically.	Yes

Commentary

The Board is committed to open and accessible communications with holders of the Company's shares. In accordance with continuous disclosure obligations under the ASX Listing Rules, all disclosure are made in a time manner and posted on the Company's website.

Shareholders are forwarded the Company's Annual Report, if requested and documents relating to each General Meeting, being the Notice of Meeting, any Explanatory Memorandum and a Proxy Form, and shareholders are invited to attend these meetings. Shareholders may elect to receive communications electronically. The Company's external auditors are also required to be present at annual shareholder meetings to answer any queries shareholders may have with regard to the audit and preparation and content of the Audit Report.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Principle 7 – Recognise and manage risk

Recommendation	Requirement	Comply Yes/No
7.1	The board of a listed entity should: (a) Have a committee or committees to oversee risk, each of which; 1) Has at least three members, a majority of whom are independent directors; and 2) Is chaired by an independent director and disclose; 3) The charter of the committee 4) The members of the committee; and 5) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or If it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Yes
7.2	The board or a committee of the board should; (a) Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) Disclose, in relation to each reporting period, whether such review has taken place.	Yes
7.3	A listed entity should disclose: (a) If it has an internal audit function, how the function is structured and what role it performs; or (b) If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Yes
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes

Commentary

The board as a whole is ultimately responsible for establishing and reviewing the Company's policies on risk profile, oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control in accordance with the Company's Corporate Governance Policies.

The board believes that due to the size and composition of the board, and the size of the Company it is not appropriate to have a Risk Committee.

The Company's risk management program is implemented under the direction of the Chief Executive Officer to ensure matters affecting goals, objectives and performance of the Company and the safety of its stakeholders are identified and assessed by an operational risk management framework in accordance with industry accepted standards.

The Company's risk management framework is reviewed annually. A review was undertaken in the reporting period.

The board believes that the Company is not of a size to justify having an internal audit function for efficiency purposes. The Company evaluates its risk management and internal control processes in consultation with its external auditor with a view to continually improving its effectiveness.



PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

The board does not believe the Company has any material exposure to economic, environmental and social sustainability risks at the present time.

Principle 8 – Remunerate fairly and responsibly

Recommendation	Requirement	Comply Yes/No
8.1	The board of a listed entity should: (a) Have a remuneration committee which' 1) Has at least three members, a majority of whom are independent directors; and 2) Is chaired by an independent director, and disclose 3) The charter of the committee; 4) The members of the committee; and 5) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) If it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Yes
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes

Commentary

The Board believes it is not of a size to justify having a Remuneration Committee. The Company's remuneration policy is structured for the purpose of motivating executive directors and senior management to pursue the long-term growth and success of the Company. The Board sets the level and structure of remuneration to executive directors and senior executives for the purpose of balancing the Company's competing interest of attracting and retaining executive directors and senior management and not paying excessive remuneration.