

PELICAN RESOURCES LIMITED

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Capital:

Ordinary shares: 241,203,068

HIGHLIGHTS

- The Romblon Project site was on care and maintenance during the Quarter pending the result of the representation made on the lifting of the Cease and Desist Order (CDO) issued by the Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources (DENR).
- The Cockatoo Island project was purchased by Pluton Resources Limited and its joint venture partner Wise Energy from Cliffs Asia Pacific Iron Ore Pty Ltd in September 2012. Pluton is the operator and maintains management control of the project.
- The option agreement on the San Marcos Gold Project located in Arizona, USA was signed in the Quarter ending 31st March 2013. An experienced consulting firm prepared a 3D model of the deposit based on historical drilling and sampling.

REPUBLIC OF THE PHILIPPINES

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

The Regional Trial Court in Romblon ruled in favour of the Applicant (SNPDC) and declared the Provincial Executive Order as unconstitutional. A Motion for Reconsideration was filed by the Governor of Romblon against the Order. The Regional Trial Court in Romblon issued a Resolution on 14 June 2013 denying the Motion for Reconsideration. Counsel for SNPDC provided the Mines & Geosciences Bureau (MGB) with a copy of the Resolution on the Motion for Reconsideration and intends to keep the MGB apprised of this significant development.

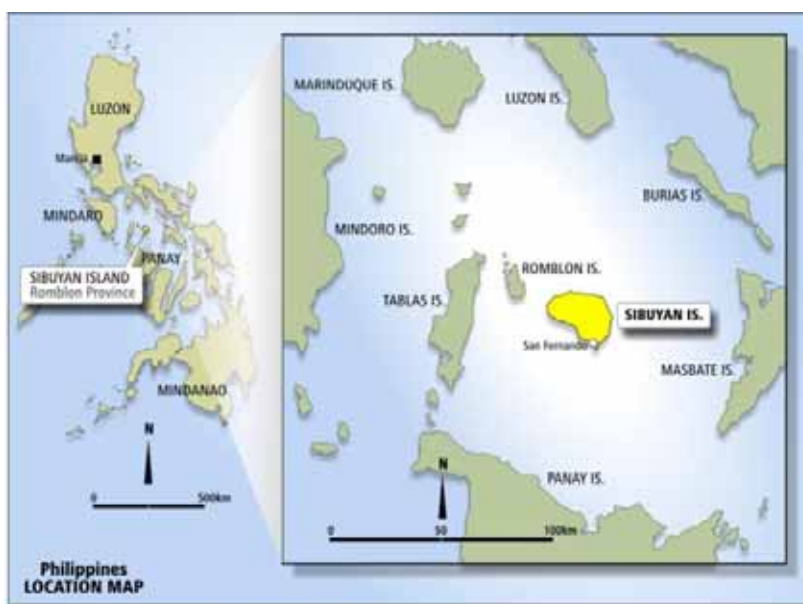


Given the Court's ruling, SNPDC made representations to the Office of the President of the Philippines (OP) where its own appeal in respect of the Cease a Desist Order was still pending. The Office of the President was advised of the recent Court Resolution declaring the Executive Order unconstitutional and asking that any pending Appeal be immediately resolved. The OP responded to the request during the 2nd Quarter stating that it was too early to make a representation to the OP and the decision was still in the jurisdiction of the DENR. SNPDC is following up on the representation to the DENR.

The Company is undertaking an internal study to evaluate a Direct Reduction Process for laterite nickel ore. The technology to process high iron ore into Sponge Iron (SFE) and high nickel ore into Sponge Nickel (SNI) is being developed in China. Processing nickel laterite ore in the Philippines has the potential to increase the value of the Romblon Nickel Project. The initial Scoping Study will include a review of Direct Reduction Iron (DRI) facilities currently operating in China and India through the added value of the processed nickel.

Samples of the nickel ore from the Romblon Nickel Project cannot be obtained until the CDO is lifted. Discussions are ongoing with the Owners of other nickel projects in the Philippines regarding their interest in a joint venture to process nickel ore in the Philippines utilizing the Direct Reduction Process.

It is anticipated that the nickel price and FOB price of DSO will increase in 2014. Indonesia imposed a ban on DSO inclusive of laterite nickel ore effective 12 January 2014. Indonesia supplied approximately 50% of laterite nickel DSO shipped to China during CY2013. The price of DSO with a grade of 1.80%Ni increased from US\$35/wt FOB in December 2013 to US\$50/wt FOB in March 2014. Interest in nickel laterite ore and nickel products from the Philippines is expected to increase in 2014 due to the Indonesian ban.



PROJECT GENERATION IN THE PHILIPPINES

Pelican Staff have been active in a review of new mining projects while the Romblon Nickel Project has been on care and maintenance. The focus is on permitted and advanced nickel laterite, iron ore and iron sand projects. Efforts have been focused in Provinces that have a history of encouraging mining exploration and operations. A number of opportunities have been identified. A short list of projects with the highest potential will be evaluated through meetings with the relevant parties and site visits.



WESTERN AUSTRALIA

KIMBERLEYS

COCKATOO ISLAND PROJECT (M04/235)

Interest: 100%
Operator: Pluton Resources Limited

Cockatoo Island project, as previously advised, had been purchased from Cliffs Asia Pacific Iron Ore Pty Ltd by Pluton Resources Limited and its joint venture partner Wise Energy. In January 2013 the asset sale agreement between Pluton and the Wise Energy group was terminated with Pluton continuing as operator and manager of the project. The joint venture was reinstated with Pluton as the operator.

There were 6 shipments of ore during the reporting period. The royalty is \$1.00 per tonne. The Company has made arrangements with Pluton to clear the arrears in royalty payments due to Pelican.

SAN MARCOS GOLD PROJECT, ARIZONA USA



Interest: Option to earn up to 100%
Operator: Pelican wholly owned USA subsidiary (being incorporated)

Following the announcement of Pelican exercising an option from Australian American Mining Corporation to Joint Venture the San Marcos Gold Project located in the NW of Arizona USA, Pelican has advanced the project on a number of key elements.

- A USA subsidiary (Dore 5) was incorporated in the State of Arizona.
- Appointment of Mr David Boyer professional geologist as a Director of Dore 5.
- Establish banking facilities in Tucson Arizona to fund the ongoing exploration program.
- Reviewed the existing geological database to prepare both a geological model of the San Marcos and project and complete a JORC compliant Mineral Resource Report.
- Commence cutting and logging approximately 1000 metres of drill core which was part of the last Australian American Corporation drilling campaign (not yet assayed).

Ongoing field work of rock chip sampling and mapping along a parallel anomaly identified by Australian American consultant geologist has commenced in addition to the splitting and logging of drill core. Selected core will be put aside for future metallurgical test work.

Mr Boyer has refined budgets to enable the above work to be completed and meet the initial farm-in expenditure which will earn Pelican its 30% interest in the San Marcos Project.



RELINQUISHMENTS

Nil

NEW ACQUISITIONS

Nil

Signed on behalf of the Board of Pelican Resources Limited

J H Hills BSc, BSc Hons, MSc, PhD, M.Aus.I.M.M.

For further information:

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Dr John Hills

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Competent Person's Statement

The information in this Report that relates to Mineral Resources is based on, and accurately reflects, the information compiled by Dr John Hills a consultant to Pelican Resources Limited. Dr Hills is a member of the Australasian Institute of Mining and Metallurgy, respectively. Dr Hills has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities which they are undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Hills consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.



Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

PELICAN RESOURCES LIMITED

ABN

12 063 388 821

Quarter ended ("current quarter")

31 MARCH 2014

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|------------------------------------|
| 1.1 Receipts from product sales and related debtors | -- | -- |
| 1.2 Payments for (a) exploration & evaluation | (73) | (403) |
| (b) development | -- | -- |
| (c) production | -- | -- |
| (d) administration | (152) | (514) |
| 1.3 Dividends received | -- | -- |
| 1.4 Interest and other items of a similar nature received | -- | 23 |
| 1.5 Interest and other costs of finance paid | -- | -- |
| 1.6 Income taxes paid | -- | -- |
| 1.7 Other (Royalties) | 136 | 502 |
| Other (GST) | 6 | 17 |
| Net Operating Cash Flows | (83) | (375) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: (a) prospects | -- | -- |
| (b) equity investments | -- | -- |
| (c) other fixed assets | -- | -- |
| 1.9 Proceeds from sale of: (a) prospects | -- | -- |
| (b) equity investments | -- | -- |
| (c) other fixed assets | -- | -- |
| 1.10 Loans to other entities | -- | -- |
| 1.11 Loans repaid by other entities | -- | -- |
| 1.12 Other (provide details if material) | (8) | 26 |
| Net investing cash flows | (8) | 26 |
| 1.13 Total operating and investing cash flows (carried forward) | (91) | (349) |

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

| | | | |
|------|--|-------|-------|
| 1.13 | Total operating and investing cash flows (brought forward) | (91) | (349) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | -- | -- |
| 1.15 | Proceeds from sale of forfeited shares | -- | -- |
| 1.16 | Proceeds from borrowings | -- | -- |
| 1.17 | Repayment of borrowings | -- | -- |
| 1.18 | Dividends paid | -- | -- |
| 1.19 | Other (capital raising costs) | -- | -- |
| | Net financing cash flows | -- | -- |
| | Net increase (decrease) in cash held | (91) | (349) |
| 1.20 | Cash at beginning of quarter/year to date | 1,007 | 1,265 |
| 1.21 | Exchange rate adjustments to item 1.20 | -- | -- |
| 1.22 | Cash at end of quarter | 916 | 916 |

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

| | | Current quarter \$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 78 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | -- |

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

| | Amount available \$A'000 | Amount used \$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | | |
| 3.2 Credit standby arrangements | | |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 50 |
| 4.2 Development | -- |
| 4.3 Production | -- |
| 4.4 Administration | 50 |
| Total | 100 |

Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter \$A'000 | Previous quarter \$A'000 |
|---|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | 116 | 107 |
| 5.2 Deposits at call | 800 | 900 |
| 5.3 Bank overdraft | -- | -- |
| 5.4 Other (share application account) | -- | -- |
| Total: cash at end of quarter (item 1.22) | 916 | 1,007 |

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

| | Tenement reference and location | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|---|-------------------------------|----------------------------------|----------------------------|
| 6.1 | Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed | (refer attached notes) | | |
| 6.2 | Interests in mining tenements and petroleum tenements acquired or increased | (refer attached notes) | | |

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.


| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|-----|--------------|---------------|---|--|
| 7.1 | | | | |
| 7.2 | | | | |
| 7.3 | 241,203,068 | 241,203,068 | | |
| 7.4 | | | | |
| 7.5 | | | | |

+ See chapter 19 for defined terms.

| | | | | | |
|------|---|------------|------------|-----------------------|--------------------|
| 7.6 | Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 7.7 | Options <i>(description and conversion factor)</i> | | | <i>Exercise price</i> | <i>Expiry date</i> |
| 7.8 | Issued during quarter | 88,175,767 | 88,175,767 | \$0.04 | 30/06/2014 |
| 7.9 | Exercised during quarter | | | | |
| 7.10 | Expired during quarter | | | | |
| 7.11 | Debentures <i>(totals only)</i> | | | | |
| 7.12 | Unsecured notes <i>(totals only)</i> | | | | |

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.


 Sign here: Date: 30 April 2014
 (Director)

Print name: JOHN PALERMO

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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