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PELICAN RESOURCES LIMITED
ABN 12 063 388 821

SEPTEMBER 2020 QUARTERLY REPORT — 26 October 2020

PELICAN RESOURCES LIMITED

ASX: PEL

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Capital:
Ordinary shares: 408,591,140

HIGHLIGHTS

- Cash reserves of $3.10 million at the end of the quarter.
- Agreement to acquire all the issued capital of XXXX Gold Pty Ltd, a gold-copper focussed exploration company with 100% ownership of Triumph, Hodgkinson and Investigator projects in North Queensland with completion of the acquisition targeted on or around 24 November 2020.
- Agreement with Cockatoo Iron NL to terminate Revenue Sharing Agreement for cash consideration of $225,000 payable prior to 31 December 2020.

XXXX GOLD PTY LTD

During the September quarter, Pelican Resources Limited (ASX: PEL) (Pelican or the Company) announced that following completion of an initial due diligence program, the Company had entered into a conditional memorandum of understanding with the shareholders of XXXX Gold Pty Ltd (XXXX Gold) to acquire all of the issued capital (shares and options) of XXXX Gold (Transaction) (refer to ASX Announcement dated 18 September 2020).

XXXX Gold was established by mining industry executives, Mr Paul Chapman, Mr Leslie Davis and Dr Damien Keys who have all nominated to join the board of Pelican. XXXX Gold is a gold-copper focussed exploration company with 100% ownership of Triumph, Hodgkinson and Investigator projects in North Queensland (**Projects**) at completion of the Acquisition. Triumph and Hodgkinson gold projects are located in historical goldfields with potential for near surface high-grade and deeper large-scale deposits.

Triumph Gold Project

Triumph is centred around the historical Norton gold field from which approximately 20,000 oz of gold was extracted between 1879-1941. The project is located 50km south of the mining hub of Gladstone and comprises two exploration permits covering 138km^2. Triumph is located within the Wandilla Province of the New England Orogen. Nearby large gold deposits include Mt Rawdon (2.8 Moz Au[1]), Mt Morgan (8 Moz Au and 0.4 Mt Cu[2]) and Cracow (2 Moz Au[3]).

Triumph is a 15km^2 intrusion related gold system which has the potential to host both discrete high-grade vein deposits and large-scale, shear hosted gold deposits.

1. Refer to Evolution Mining Ltd (ASX: EVN) Mt Rawdon factsheet 2020: (https://evolutionmining.com.au/wp-content/uploads/2020/04/Mt-Rawdon-fact-sheet-2020_LR.pdf)
2. Refer Aeris Resources Ltd (ASX: AIS) presentation ASX 15 July 2020
3. Refer to Mt Morgan fact sheet (http://portergeo.com.au/database/mineinfo.asp?mineid=mn443

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Hodgkinson Gold Copper Project

Hodgkinson is located 100km north east of Cairns in North Queensland. The tenure comprises four exploration permits and two exploration lease applications covering 365km^2. The project is situated between the Palmer River alluvial gold field (1.35 Moz Au) and the historic Hodgkinson gold field (0.3 Moz Au) and incorporates the Elephant Creek Gold, Peninsula Gold-Copper and Campbell Creek Gold prospects.

The Hodgkinson project has been extensively explored for tungsten, owing to its proximity to the Watershed and Mt Carbine tungsten deposits, but underexplored for gold. BHP-Utah International completed stream sediment sampling across the entire tenure in the late 1980's, surmising that the area was anomalous in gold and tungsten.

Investigator Copper Project

Investigator comprises two exploration permits covering 115km^2. It is located 110km north of Mt Isa and 12km south of the Mt Gordon Copper Mine. Investigator has seen no modern exploration and importantly, no holes have been drilled in the most prospective stratigraphic and structural positions.

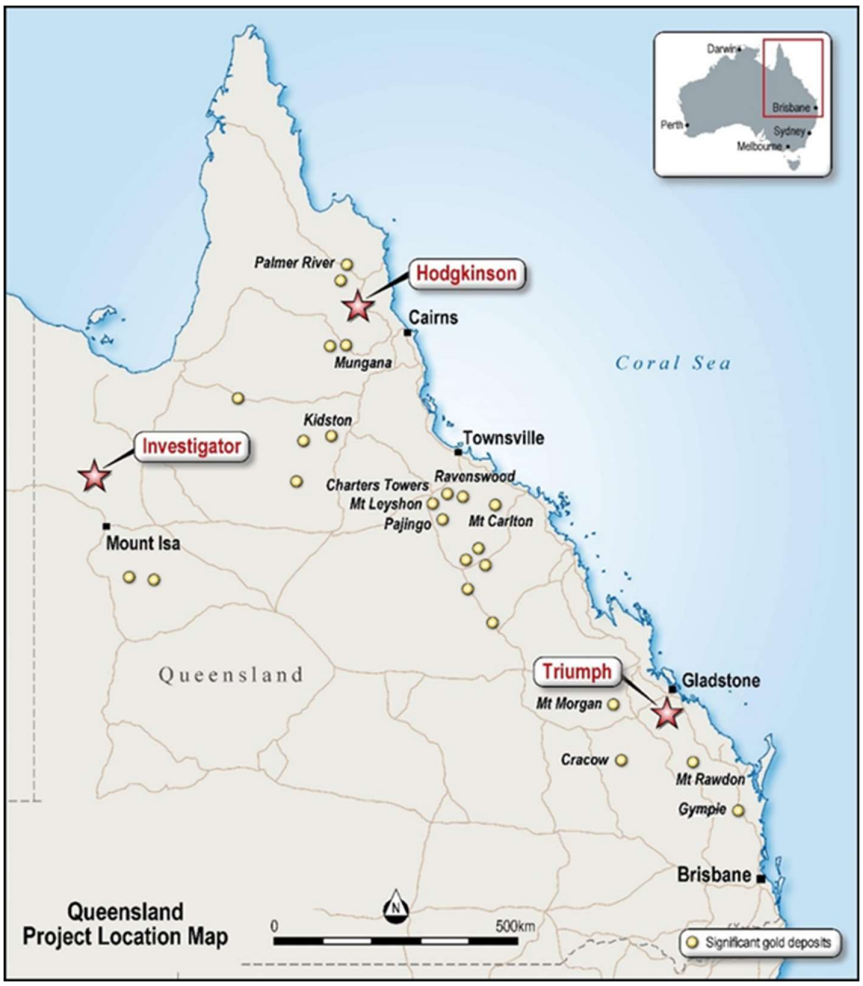


Figure 1: XXXX Gold project locations & significant gold deposits

The key commercial terms of the Transaction are as follows:

Pelican will issue to the Vendors (or their nominees) of XXXX Gold the following securities:

- 88,000,000 Pelican Shares (with a deemed issue price of $0.02 per share); and
- 40,000,000 options over Pelican Shares (each exercisable at $0.03 and expiring 30 September 2025).

In addition, Pelican will issue to the Vendors (or their nominees) the following securities on a post consolidation basis in the capital of Pelican in further consideration for the acquisition of XXXX Gold:

- 50,000,000 Pelican Shares (with a deemed issue price of $0.02 per share) on Pelican announcing to the ASX within 3 years of completion of the Transaction (**Completion**) that it has JORC 2012 Inferred Resource of 100,000 ounces of gold or gold equivalent at a minimum 1 gram per tonne cut off on tenements owned or being acquired or applied for by XXXX Gold at Completion; and
- a further 50,000,000 Pelican Shares (with a deemed issue price of $0.02 per share) on Pelican announcing to the ASX within 3 years of Completion, that it has a JORC 2012 Inferred Resource of no less than 200,000 ounces of gold or gold equivalent at a minimum 1 gram per tonne cut off on the tenements owned or being acquired or applied for by XXXX Gold at Completion.

In conjunction with the Transaction, Pelican is proposing to consolidate its capital on a 5:8 basis and complete an underwritten capital raising of $2,027,000 (Capital Raising) comprising a 1:4 entitlement offer ($1,277,000) and a broker offer ($750,000). Shaw & Partners Limited have been engaged as Lead Manager and Underwriter to Capital Raising. The Company lodged a Prospectus on 25 September 2020 to raise the funds under the Capital Raising and for the purpose of re-complying with the admission requirements under Chapters 1 and 2 of the Listing Rules, as a consequence of the change to the nature and scale of the Company's activities arising from the Transaction. The Prospectus contains more detailed information on the Transaction and Projects.

Pelican will be holding its Annual General Meeting on 26 October 2020, where shareholder approval will be sought for (among other matters):

(a) the change of the Company's name to "Sunshine Gold Limited";
(b) the issue of 88,000,000 Consideration Shares, 40,000,000 Consideration Options and 100,000,000 Deferred Shares to the Vendors in consideration for the Acquisition;
(c) the issue of 37,500,000 Shares under the Broker Offer;
(d) the issue of 10,000,000 Underwriter Options to the Underwriter;
(e) the implementation of the Equity Incentive Plan;
(f) the issue of 17,000,000 Performance Rights to the Proposed Directors under the Equity Incentive Plan;
(g) the issue of 21,000,000 Incentive Options to the Directors and certain employees and consultants of the Company for past services and/or a reduction in fees for the period from 1 January 2020 to completion of the Acquisition; and
(h) the election of Damien Keys, Paul Chapman and Leslie Davis as Directors with effect from completion of the Acquisition.

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 further executed a Revenue Sharing Agreement ("RSA"), whereby Pelican is entitled to receive up to a maximum of $500,000 per annum of gross revenue received by Cockatoo Iron and its subsidiary Pearl Gull Pty Ltd (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.

During the September quarter, Pelican executed a Deed of Settlement and Termination ("Deed") with Cockatoo Iron and its subsidiary Pearl Gull, terminating the RSA been the parties.

In consideration for terminating the RSA, Cockatoo Iron has agreed to pay to Pelican $225,000.

The consideration shall be payable by or on behalf of Cockatoo Iron prior to 31 December 2020.

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RELINQUISHMENTS

Nil

NEW ACQUISITIONS

Nil

CORPORATE

Pelican's securities remain suspended from official quotation until the Company demonstrates to ASX that the requirements of Listing Rule 12.1 are satisfied.

The acquisition of XXXX Gold will satisfy these requirements.

SHAREHOLDER INFORMATION

As at 22 October 2020 the Company had 336 shareholders and 408,591,140 ordinary fully paid shares on issue with the top 20 shareholders holding 69.04% of the total issued capital.

PAYMENTS TO RELATED PARTIES

A description of and explanation for payments to related parties and their associates per Section 6.1 of the Appendix 5B following this Quarterly Activities Report is set out in the below table.

Item	Current Quarter (A$)	Previous Quarter (A$)
Directors' Remuneration		
Executive Director Fees	23,100	23,100
Non-Executive Director Fees	13,200	13,200
Company Secretarial Fees	6,600	6,600
Total payments to related parties of the entity and their associates	**42,900**	**42,900**

BUSINESS DEVELOPMENT

The directors believe that existing cash reserves combined with the additional funding from the Capital Raising, leave the Company with sufficient working capital to carry out its objective of assessing the open-pit potential of the XXXX Gold Projects whilst testing for large-scale mineralisation. The Company will maintain an ongoing program of assessing projects that meet its acquisition strategy.

This Quarterly Report is authorised for release to the market by the Board of Pelican Resources Limited.

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Competent Person's Statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information compiled by Dr Damien Keys, a Competent Person who is a Member of the Australian Institute of Geoscientists (AIG). Dr Keys has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Dr Keys consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.