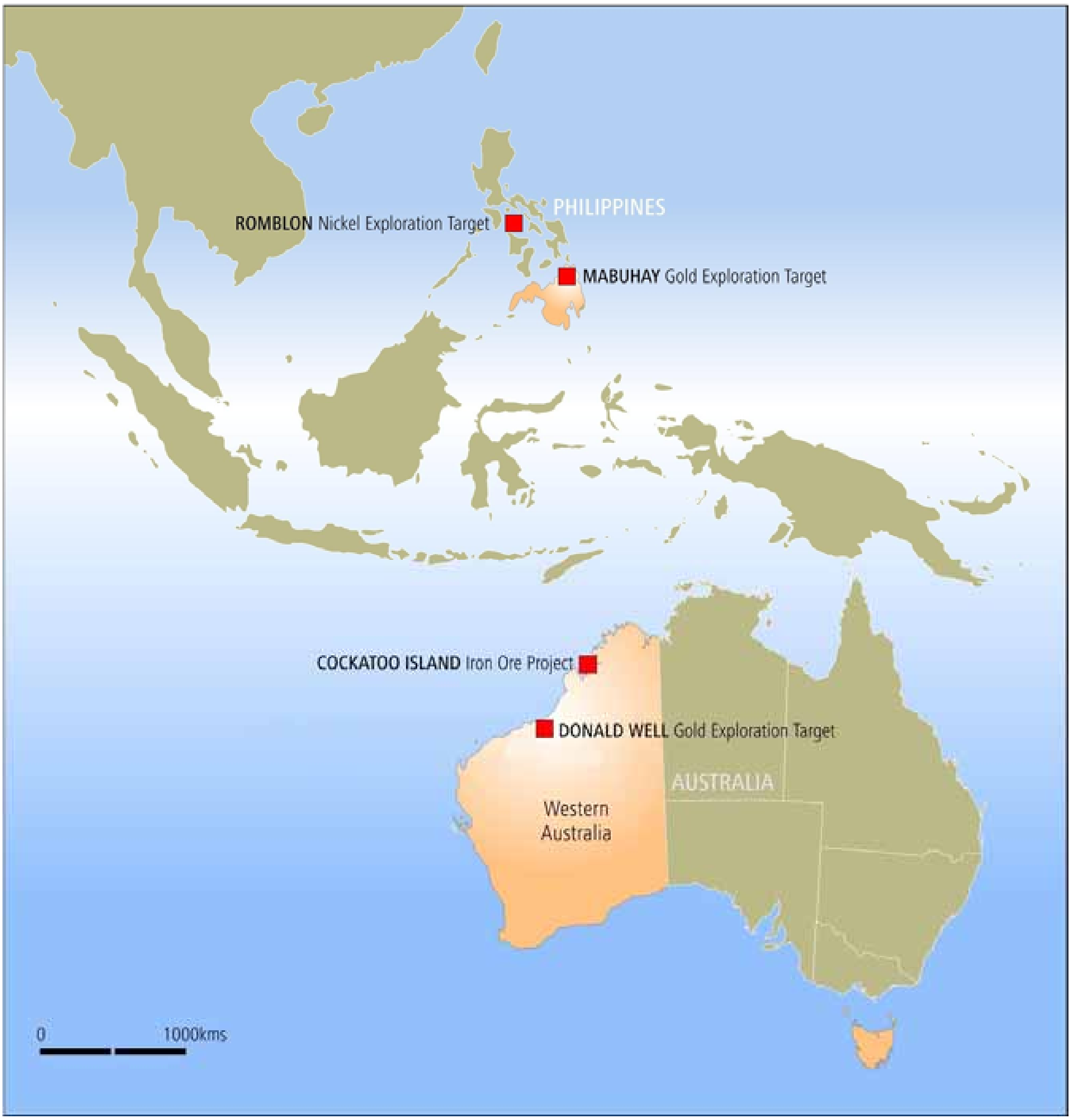
PELICAN RESOURCES LIMITED

(ABN 12 063 388 821)

2012 ANNUAL REPORT


PHILIPPINES
ROMBLON Nickel Exploration Target
MABUHAY Gold Exploration Target
COCKATOO ISLAND Iron Ore Project
DONALD WELL Gold Exploration Target
AUSTRALIA
Western Australia
0
1000kms

PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

CORPORATE DIRECTORY

BOARD OF DIRECTORS:
John Palermo (Chairman)
John Henry Hills
Mike Bue

COMPANY SECRETARY:
John Joseph Palermo
Level 1
284 Oxford Street
LEEDERVILLE, WESTERN AUSTRALIA 6007

PRINCIPAL OFFICE:
Level 1
284 Oxford Street
LEEDERVILLE, WESTERN AUSTRALIA 6007

Telephone: +61 8 9242 1166
Facsimile: +61 8 9443 9960

REGISTERED OFFICE:
Level 1
284 Oxford Street
LEEDERVILLE, WESTERN AUSTRALIA 6007

Telephone: +61 8 9242 1166
Facsimile: +61 8 9443 9960

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS, WESTERN AUSTRALIA 6153

Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

AUDITOR:
Stantons International
Level 2
1 Walker Avenue
WEST PERTH, WESTERN AUSTRALIA 6005

Telephone: +61 8 9481 3188
Facsimile: +61 8 9321 1204

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CHAIRMAN'S REPORT

On behalf of the Board, I have pleasure in presenting the Annual Report of the Company for the year ended 30 June 2012.

The year under review saw the Company principally focus again on the Romblon Nickel Project in the Philippines. Drill crews were mobilized to the site and were about to commence drilling activities to test the resource when the Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources (DENR) issued a Cease and Desist Order (CDO) in September 2011, to immediately terminate exploration and mining activities within the area covered by the MPSA.

During the reporting period, the lawyers for Sibuyan Nickel Properties Development Corporation's (SNPDC) filed responses to the Secretary of the DENR requesting the lifting of the CDO. SNPDC's legal counsel in the Philippines are looking at all legal avenues to resolve any issues and lifting the CDO to recommence drilling.

Subsequent to the end of the reporting period, the President of the Philippines signed an Executive Order (EO) No. 79 amending the country's Mining Code. The Executive Order, amongst other matters, requires local government ordinances to be consistent with the Philippine Constitution and the Mining Act. SNPDC's lawyers in the Philippines have been engaged to resolve the lifting of the CDO through the Courts.

On Cockatoo Island, the Company continued to receive royalties from the project from Cliffs Asia Pacific with shipping continuing during the reporting period.

Subsequent to the end of the reporting period, the Company announced to the market that it had entered into an agreement with Cliffs Asia Pacific Iron Ore Pty Ltd and Pluton Resources Limited on the rights relating to the Cockatoo Island Project.

The Company was able to negotiate with Pluton a review of the royalty arrangements, up-front payments and minimum royalty payments for a period of 14 months thereby guaranteeing the Company a minimum of approximately $1.2m over a 14-month period.

The Board considers this transaction to be beneficial to the Company. The transaction increases the royalty and the Company receives an up-front payment following the execution of the Agreements.

I wish to express my acknowledgements this year to our staff in the Philippines who have worked tirelessly in pursuit of the Group's objectives during the year under review. The Company also acknowledges the contribution of Dr John Hills over many years of dedicated service. Dr Hills retired from his Executive position and passed the Executive role to Mr Mike Bue, a Director of the Company.

The Company wishes John Hills well in his retirement and looks forward to his continued contribution as a Non-Executive Director.

Dated this 27th day of September, 2012

JOHN PALERMO
Chairman

REVIEW OF OPERATIONS

REPUBLIC OF THE PHILIPPINES

ROMBLON PROJECT, SIBUYAN ISLAND, ROMBLON PROVINCE (MPSA No. 3042009-IVB, SSMP ROM 167 & 168)

Interest: MPSA 3042009-IVB
SSMP ROM 167 and 168

The Romblon direct shipping lateritic nickel project remains the main focus for the Company. The Project is located on the southwest coast of Sibuyan Island in Romblon Province which is situated roughly in the centre of the Philippines. The project is being evaluated as a source of direct shipping lateritic nickel ore (DSO).

The granted Mineral Production Sharing Agreement (MPSA), on Sibuyan Island in the Romblon Province in the Philippines, covers a lateritic nickel where work was carried out by two Japanese nickel companies in 1972.

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 Sibuyan Nickel Properties Development Corporation (SNPDC). SNPDC is owned by Pelican Resources Limited in conjunction with its Joint Venture partner All-Acacia Resources Inc.

Drill crews were mobilized and about to commence drill testing the resource when the Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources (DENR) issued a Cease and Desist Order (CDO) in September 2011 against Altai Philippines Mining Corporation (Altai) to immediately terminate exploration and mining activities within the area covered by the MPSA. Sibuyan Nickel Properties Development Corporation, as attorney-in-fact of Altai, filed its comment on the CDO. SNPDC's lawyers filed a supplemental response to the comment and wrote to the Secretary of the DENR requesting the lifting of the CDO.

The MGB inspection team visited the site on Sibuyan Island to document and verify the veracity or truthfulness, if any, to the issues and complaints. To date, both the MGB and DENR have yet to issue a response to the demand for the immediate lifting of the Cease and Desist Order against Altai.

These matters, which have been initiated by Local Government Officials, are being attended to by SNPDC's Legal Counsel in the Philippines who are looking at all the legal avenues to resolve the Cease and Desist Order. A Petition for Declaration Relief was filed in April and an Application for Temporary Restraining Order was filed in June 2012 at the Regional Trial Court in Romblon Province.

The application of the Temporary Restraining Order (TRO) against the Provincial Executive Order and Resolutions are now submitted for resolution as all parties have filed their respective Memoranda of response.

In addition, the Company's legal counsel will move to resolve the Sibuyan TRO application in an effort to lift the Cease and Desist Order issued by the MGB.

Subsequent to the end of the reporting period, the President of the Philippines signed an Executive Order (EO) No. 79 s. 2012 (Mining) amending the country's Mining Code. The Executive Order is titled: Institutionalising and implementing reforms in the Philippine mining sector providing policies and guidelines to ensure environmental protection and responsible mining in the utilisation of mineral resources.

REVIEW OF OPERATIONS *(continued)*

This new Executive Order awaits implementation rules and regulations to be drafted and in the meantime, granting of new mining licenses remains unresolved. Mining contracts, agreements and concessions approved before the effective date of the order continue to be valid and the order will respect prior permits even in areas where mining will be prohibited under the current order.

The Executive Order requires local government ordinances to be consistent with the Philippine Constitution and the Mining Act.

Land was purchased on the Island to facilitate exploration activities and a field camp established to house the drilling and other contractors.

Within the MPSA area, there are three near-term projects: Bato, Binaya-an and Taclobo. No exploration work may be undertaken on an MPSA Application area until it has been granted.

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

Interest: Earning 80%
Operator: Wallaby Corporation a subsidiary of Rugby Mining Limited

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

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

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

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

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

REVIEW OF OPERATIONS *(continued)*

WESTERN AUSTRALIA

KIMBERLEYS

COCKATOO ISLAND PROJECT (M04/235)

Interest: 100%
Operator: HWE Cockatoo Pty Ltd

Cliffs Asia Pacific Iron Ore Pty Ltd, as representative for the Cockatoo Island Project, reported that production from the Cockatoo Stage 3 mining for the year ending 30 June 2012 was 1,915,281 tonnes of Premium Iron Ore Fines. Royalty payments are at the rate of 50 cents per dry metric tonne of iron ore shipped.

Subsequent to the end of the reporting period, the Company announced to the market that it had entered into an agreement with Cliffs Asia Pacific Iron Ore Pty Ltd (Cliffs) and Pluton Resources Limited (Pluton) on the rights on Cockatoo Island.

As part of the transaction, Pelican and Pluton have entered into various assignment deeds pursuant to which, among other things, Pluton has agreed to pay to Pelican $500,000. The payment to Pelican is in consideration of the Company waiving any rights claimed in respect of certain ore previously mined from Cockatoo Island, the ownership of which was in dispute. The payment is due to be made to Pelican on 1 October 2012. Pluton also paid Pelican a signing fee of $25,000 on completion of the Sale Agreement.

Following Pluton's acquisition of the Cockatoo Island Project, Pelican will continue to receive royalties in respect of ore mined and sold from the Cockatoo Island tenements (at rates of up to 1.5% depending on the grade of ore and mining process). Pluton will also be required to pay to Pelican a minimum royalty of $50,000 per month for a total period of 14 months, guaranteeing Pelican a minimum total royalty of $700,000 over the 14 month period.

Pelican has been receiving royalties from the Cockatoo Island Project at the rate of 50 cents per tonne. The renegotiated royalty arrangements for direct shipping iron ore derived from open cut mining on the Island are based on $1 per tonne or 1% – 1.5% of ore shipped (depending on the prevailing FOB sales price) whichever is the greater.

Pluton will only be relieved of its obligation to pay the minimum royalty if mining operations on Cockatoo Island permanently cease following complete exploitation of the ore resources on the island. Payment of the royalty may also be deferred in the event mining operations on Cockatoo Island are suspended due to force majeure events.

PILBARA

DONALD WELL (E45/2534)

Interest: 100%
Operator: Pelican Resources Limited

The Donald Well tenement is located approximately 45kms to the southeast of Port Hedland. The central portion of the tenement is occupied by the northeast trending Tabba Tabba Shear Zone which consists of deformed, ultramafic and mafic rocks together with banded iron formation and chert, between two granitic plutons.

REVIEW OF OPERATIONS *(continued)*

Three VTEM anomalies have previously been identified based on an airborne survey and confirmed with a detailed ground TEM survey. The VTEM anomalies are coincident with and slightly to the east or down dip from the iron formation. They are also coincident with a reduction in the magnetic signature.

The soil geochemistry reflects the ultramafic lithologies within the Tabba Tabba Shear. These data did little to elucidate the cause of the VTEM anomalies.

Mobile Metal Ion (MMI) soil samples from grids across the best two VTEM anomalies, TRC1 and 3, indicate that copper, zinc, silver and gold anomalies are coincident with the VTEM anomalies and may well reflect buried sulphides, the source of the VTEM anomalies. No outcropping mineralisation apart from thin gossanous units was located, suggesting these anomalies are blind.

Two VTEM anomalies were drill tested. The RC Percussion drilling programme comprised two inclined drill holes of 138 and 126 metres each for a total advance of 264 metres. The massive sulphide intersections of 11 and 7 metres in DWRC 1 and 6 metres in DWRC 2 respectively, are considered to account for the conductors detected by the geophysical survey. The massive sulphides are composed of pyrite and pyrrhotite and only elevated levels of zinc and nickel were detected in the drill samples.

The drill data and anomalous assay results are tabulated below:

Hole	WGS 84 Easting	WGS 84 Northing	Total Depth	From (m)	To (m)	Intersection (m)	Zinc (ppm)	Nickel (ppm)
DWRC 1	708205	7723721	138	104	115	11	197	243
				131	137	7	85	1,883
DWRC 2	706531	7720952	126	34	37	3	67	1,487
				43	46	3	1,054	236
	massive sulphide zone			97	103	6	321	280
				106	109	3	65	1,299

NOTE
Both RC Percussion holes drilled at inclination -60 degrees & azumith 270 degrees magnetic

The conductors (VTEM anomalies) associated with the banded iron formation and demonstrated by the MMI soil geochemistry were drill tested. Only low grade gold mineralisation with peak values of gold (0.3g/t), copper (0.11%), zinc (0.15%), and nickel (0.19%) associated with the iron sulphides, pyrite and pyrrhotite, were intersected.

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.

DIRECTORS' REPORT

Your directors submit their report on the Consolidated Entity consisting of Pelican Resources Limited and its controlled entities for the financial year ended 30 June 2012.

DIRECTORS

The following persons were directors of Pelican Resources Limited during the whole of the financial year and up to the date of this report:

John Palermo
John Henry Hills
Mike Bue
Douglas Burkett Green (resigned: 29 November 2011)

PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the year was mineral exploration.

OPERATING RESULTS

The consolidated loss for the year after income tax was ($2,646,345) (2011: loss of $995,524).

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or recommended for the year ended 30 June 2012.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year, the following shares and options were issued:

Date	Details	No. of Shares	Issue Price	No. of Options	Exercise Price	Exercisable By
08/03/2012	Non-renounceable rights issue	60,175,767	$0.02	60,175,767	$0.04	30/06/2014
08/03/2012	Non-renounceable rights issue	--	--	12,500,000	$0.04	30/06/2014
27/04/2012	Pursuant to general meeting of shareholders on 20/04/2012	--	--	12,500,000	$0.04	30/06/2014
02/05/2012	Pursuant to Company agreement	--	--	3,000,000	$0.04	30/06/2014

REVIEW OF ECONOMIC OPERATIONS

The Company and its controlled entities continued their exploration activities. Further details are noted in the review of operations section of the annual report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company and its controlled entities intend to continue their exploration activities.

ENVIRONMENTAL REGULATION

The Consolidated Entity 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.

PARTICULARS OF DIRECTORS

John Palermo, B.Bus, FCA, FCPA, JP
Mr Palermo is a Chartered Accountant with 29 years experience in public practice. He was the principal in a private practice from 1978 until 2006. His main areas of expertise are corporate services and company administration with his main focus in mining and exploration, and biotechnology. Mr Palermo has extensive management, corporate and directorial experience and is also Chairman and Company Secretary of other public companies, both listed and unlisted. During the past three years, Mr Palermo has also served as a director of the following other listed companies:

- Pharmanet Group Ltd *
- Consolidated Global Investments Ltd *
- Gladiator Resources Ltd *

(* denotes current directorship)

John Henry Hills, B.Sc. Hons, M.Sc, Ph.D, MAusIMM
Dr Hills is a qualified geologist with over 50 years experience in the industry, 12 years of which were spent with BP as Minerals Exploration Manager. His experience in the mineral industry spans diamond exploration in Botswana, mine geology and mineragraphic research with RST in Zambia, mineral exploration and research in the Alligator Rivers Uranium Province in the Northern Territory and the initiation of an Australia-wide minerals exploration program in 1974 for BP Group. During the past three years, Dr Hills has not served as a director of any other listed companies.

Mike Bue, B.Sc. Eng. (Mining), M.Eng (Mineral Economics), P.Eng (PEO)
Mr Bue is an experienced Mining Engineer with over 35 years experience in the mining industry. Mr Bue has a Bachelor of Science with a major in Mining Engineering. Mr Bue held a senior role with Queensland Nickel Ltd (a subsidiary of BHP Billiton) for eight years and was responsible for the purchase and supply of nickel laterite ore from mines in New Caledonia, Indonesia and the Philippines. During that period, Mr Bue also managed exploration programs and mine development and logistics operations for nickel laterite from mine ports and rail transport to the Yabulu Nickel Refinery. During the past three years, Mr Bue has not served as a director of any other listed companies.

DIRECTORS' REPORT *(continued)*

COMPANY SECRETARY

John Joseph Palermo, B.Bus, CA, ACIS
Mr Palermo is a Chartered Accountant with 16 years experience in Public Practice. Currently a director of Palermo Chartered Accountants, he has experience in public company accounting and administration. Mr Palermo is a Regional Councillor with the Institute of Chartered Accountants and sits on the Executive of the National Trust of Western Australia.

REMUNERATION REPORT (Audited)

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

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 Consolidated Entity's ability to attract and retain the best executives and directors to run and manage the Consolidated Entity.

The Board's policy for determining the nature and amount of remuneration for board members and senior executives of the Consolidated Entity 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:

Mike Bue (effective 1 July 2012) - $150,000 p.a. plus 9% superannuation, termination by either party within 3 months and no fixed term.

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.

DIRECTORS' REPORT *(continued)*

REMUNERATION REPORT (Audited) *(continued)*

Remuneration policy *(continued)*

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.

Key management personnel compensation

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

	Primary Benefits			Post Employment		Share Based	Other	TOTAL	%
	Salary & Fees	Cash Bonus	Non-Monetary	Super-annuation	Retirement Benefits	Payments Shares/Options	Benefits	$	Consisting of Options
Directors									
Palermo, J – Chairman (non-executive)									
2012	130,771	--	5,306	16,350	--	--	--	152,427	--
2011	190,851	--	2,270	16,350	--	--	--	209,471	--
Hills, J – Director (non-executive)									
2012	120,300	--	5,306	16,350	--	--	--	141,956	--
2011	147,500	--	2,270	16,350	--	--	--	166,120	--
Bue, M – Director (executive)									
2012	34,000	--	5,305	1,350	--	--	--	40,655	--
2011	15,625	--	2,270	956	--	--	--	18,851	--
Green, D – Director (non-executive) (resigned: 29/11/2011)									
2012	36,000	--	--	--	--	--	--	36,000	--
2011	--	--	2,270	--	--	--	--	2,270	--
Bell, S – CEO (resigned: 11/01/2012)									
2012	41,424	--	--	3,728	--	--	--	45,152	--
2011	87,500	--	2,270	7,875	--	--	--	97,645	--
Total Remuneration:									
2012	362,495	--	15,917	37,778	--	--	--	416,190	
2011	441,476	--	11,350	41,531	--	--	--	494,357	

Other related party transactions of key management personnel are disclosed in Note 19.

Remuneration Options

There were no options issued as part of director remuneration for the years ended 30 June 2012 and 30 June 2011.

During the year ended 30 June 2012, no remuneration options were forfeited or exercised by the directors, however 7,500,000 options did expire on 31 December 2011.

DIRECTORS' REPORT *(continued)*

DIRECTORS' INTERESTS IN SHARES, OPTIONS AND PERFORMANCE RIGHTS OF THE COMPANY

As at 30 June 2012, the directors' interests in shares, options and performance rights of Pelican Resources Limited were:

	Number of Ordinary Shares	Number of Options over Ordinary Shares	Number of Performance Rights
John Palermo	20,514,870	22,754,400	--
John Henry Hills	13,297,830	1,000,000	--
Mike Bue	--	--	500,000

DIRECTORS' MEETINGS

The following table sets out the number of meetings of the Company's directors, including directors' resolutions, held during the year ended 30 June 2012 by each director:

		Number Eligible to Attend	Number Attended
John Palermo		23	23
John Henry Hills		23	23
Mike Bue		23	23
Douglas Burkett Green	(resigned: 29 November 2011)	6	6

DIVIDENDS

No dividend is recommended nor has one been declared or paid since the formation of the Company.

SHARE OPTIONS

As at 30 June 2012, there existed the following outstanding options to acquire ordinary shares:

Listed Options

- 88,175,767 options exercisable at $0.04 on or before 30 June 2014.

Unlisted Options

- 2,500,000 options exercisable at $0.15 on or before 31 December 2012;
- 1,000,000 options exercisable at $0.15 on or before 30 September 2013; and
- 11,875,000 options exercisable at $0.10 on or before 23 December 2013.

No person entitled to exercise options had or has any right, by virtue of the option, to participate in any share issue of any other body corporate.

DIRECTORS' REPORT *(continued)*

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 or auditor 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.

Insurance of Officers

Since the end of the previous financial year, the Company has paid insurance premiums of $15,917 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.

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 56.

NON-AUDIT SERVICES

Stantons International has not provided any non-audit services to the entity as shown at Note 20.

Dated at Perth this 27th day of September, 2012

Signed in accordance with a resolution of the board of directors

JOHN PALERMO
Director

PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Note	Consolidated 2012 $	Consolidated 2011 $
Revenue	2	961,455	608,637
Gain on disposal of subsidiary	3(b)	48,370	--
Net foreign exchange gains/(losses)	3(b)	251,467	(608,933)
Administration expense	3(c)	(137,368)	(141,844)
Auditor's remuneration	3(c)	(38,431)	(31,491)
Borrowing costs	3(a)	(43,336)	(86,868)
Company secretarial expenses	3(c)	(32,700)	(32,700)
Consulting fees	3(c)	(228,579)	(323,351)
Depreciation	3(a)	(13,526)	(4,881)
Decrease in value of loans and investments	3(c)	(1,860)	(465)
Directors' and CEO benefits expenses	3(c)	(94,202)	(144,247)
Exploration expenditure written off	3(c)	(356,651)	(35,610)
Impairment of assets	3(c)	(2,677,984)	--
Insurance	3(c)	(24,120)	(17,544)
Rent and outgoings	3(c)	(36,390)	(18,888)
Share register maintenance	3(c)	(39,545)	(29,455)
Travel and accommodation	3(c)	(8,611)	(15,199)
Other expenses	3(c)	(174,424)	(112,685)
Loss before income tax		(2,646,345)	(995,524)
Income tax	4	--	--
Loss for the year		(2,646,345)	(995,524)
Other comprehensive income			
Currency translation differences		(42,218)	15,418
Change in fair value of securities	15(c)	(40,716)	2,176
Other comprehensive (loss)/income for the year		(82,934)	17,594
Total comprehensive loss for the year		(2,729,279)	(977,930)
(Loss)/gain attributable to:			
Members of the parent entity		(2,569,584)	(998,756)
Non-controlling interest		(76,761)	3,232
		(2,646,345)	(995,524)
Total comprehensive (loss)/gain attributable to:			
Members of the parent entity		(2,652,027)	(983,598)
Non-controlling interest		(77,252)	5,668
		(2,729,279)	(977,930)
Basic and diluted losses per share (cents per share)	23	(1.33)	(0.60)

The above statement of comprehensive income
should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Note	Consolidated 2012 $	2011 $
Current Assets			
Cash and cash equivalents	5	1,635,694	1,133,489
Trade and other receivables	6	162,682	200,273
Other current assets	7	194,977	198,642
Total Current Assets		1,993,353	1,532,404
Non Current Assets			
Trade and other receivables	6	--	5,204
Other financial assets	8	3,253	45,829
Plant and equipment	9	54,453	26,267
Mineral exploration and evaluation expenditure	10	3,097,931	5,378,421
Total Non Current Assets		3,155,637	5,455,721
Total Assets		5,148,990	6,988,125
Current Liabilities			
Trade and other payables	11	219,225	151,409
Interest bearing liabilities	12	100,000	450,000
Total Current Liabilities		319,225	601,409
Non Current Liabilities			
Non interest bearing liabilities	13	953,822	882,719
Total Non Current Liabilities		953,822	882,719
Total Liabilities		1,273,047	1,484,128
Net Assets		3,875,943	5,503,997
Equity			
Issued capital	14(a)	13,279,121	12,320,896
Reserves	15(a)	1,350,954	1,290,397
Accumulated losses	16	(10,728,721)	(8,159,137)
Total parent entity interest		3,901,354	5,452,156
Non-controlling interest	17	(25,411)	51,841
Total Equity		3,875,943	5,503,997

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

Consolidated	Issued Capital $	Share Based Payments Reserve $	Foreign Currency Translation Reserve $	Asset Revaluation Reserve $	Accumulated Losses $	Non-Controlling Interest $	Total Equity $
Balance at 01/07/2010	9,128,394	1,303,274	(84,008)	(26,478)	(7,160,381)	46,173	3,206,974
Total comprehensive income for the year							
(Loss)/profit for the year	--	--	--	--	(998,756)	3,232	(995,524)
Other comprehensive income							
Foreign currency translation differences	--	--	12,982	--	--	2,436	15,418
Net changes in fair value of securities	--	--	--	2,176	--	--	2,176
Total other comprehensive income for the year	--	--	12,982	2,176	--	2,436	17,594
Total comprehensive income for the year	--	--	12,982	2,176	(998,756)	5,668	(977,930)
Transactions with owners recorded directly into equity							
Contributions by and distributions to owners							
Shares issued during the year	3,487,500	--	--	--	--	--	3,487,500
Options issued during the year	--	82,451	--	--	--	--	82,451
Transaction costs	(294,998)	--	--	--	--	--	(294,998)
Total contributions by / distributions to owners	3,192,502	82,451	--	--	--	--	3,274,953
Balance at 30/06/2011	12,320,896	1,385,725	(71,026)	(24,302)	(8,159,137)	51,841	5,503,997
Balance at 01/07/2011	12,320,896	1,385,725	(71,026)	(24,302)	(8,159,137)	51,841	5,503,997
Total comprehensive income for the year							
(Loss)/profit for the year	--	--	--	--	(2,569,584)	(76,761)	(2,646,345)
Other comprehensive income							
Foreign currency translation differences	--	--	(41,727)	--	--	(491)	(42,218)
Net changes in fair value of securities	--	--	--	(40,716)	--	--	(40,716)
Total other comprehensive income for the year	--	--	(41,727)	(40,716)	--	(491)	(82,934)
Total comprehensive income for the year	--	--	(41,727)	(40,716)	(2,569,584)	(77,252)	(2,729,279)
Transactions with owners recorded directly into equity							
Contributions by and distributions to owners							
Shares issued during the year	1,203,515	--	--	--	--	--	1,203,515
Options issued during the year	--	143,000	--	--	--	--	143,000
Transaction costs	(245,290)		--	--	--	--	(245,290)
Total contributions by / distributions to owners	958,225	143,000	--	--	--	--	1,101,225
Balance at 30/06/2012	13,279,121	1,528,725	(112,753)	(65,018)	(10,728,721)	(25,411)	3,875,943

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

		Consolidated	
		2012	2011
	Note	$	$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(721,413)	(921,795)
Interest received		114,889	27,792
Royalties received		955,079	346,255
Interest paid		(47,836)	(122,368)
Other		--	21,427
Net Cash Provided by/(Used in) Operating Activities	18(b)	300,719	(648,689)
Cash Flows from Investing Activities			
Payments for exploration expenditure		(409,125)	(1,952,595)
Loans from other entities		18,358	148,364
Payments for plant and equipment		(46,582)	(27,343)
Proceeds from sale of plant and equipment		--	2,600
Other		(8,514)	--
Net Cash Used in Investing Activities		(445,863)	(1,828,974)
Cash Flows from Financing Activities			
Proceeds from issue of shares and options		1,203,515	3,000,000
Costs associated with share and option issues		(120,290)	(212,547)
Advances to subsidiaries from outside shareholders		--	149,055
Repayment of borrowings		(350,000)	(122,500)
Net Cash Provided by Financing Activities		733,225	2,814,008
Net increase in cash and cash equivalents held		588,081	336,345
Cash and cash equivalents at the beginning of the financial year		1,133,489	1,056,703
Effect of exchange rate changes on cash holdings		(85,876)	(259,559)
Cash and cash equivalents at the end of the financial year	18(a)	1,635,694	1,133,489

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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 2012 comprise the Company and its subsidiaries (referred to as the Group or Consolidated Entity).

Separate financial statements for Pelican Resources Limited as an individual entity are no longer presented as a consequence of changes to the Corporations Act 2001, however required financial information for Pelican Resources Limited as an individual entity is included in Note 30.

The significant policies, which have been adopted in the preparation of this financial report, are:

(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 27 September 2012.

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

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

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

- The ability to issue additional shares under the Corporations Act 2001; and/or
- The Consolidated Entity receives royalties of $0.50 per metric tonnes of ore shipped on a monthly basis.

If the Consolidated Entity is unable to continue as a going concern then it may be required to realise its assets and extinguish its liabilities, other than in the normal course of business and at amounts different from those stated in the financial statements.

(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).

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

(c) New and Revised Accounting Standards and Interpretations

In the current year, the consolidated entity 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 annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

(d) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Pelican Resources Limited at the end of the reporting period. A controlled entity is any entity over which Pelican Resources Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 22 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (ie. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent entity shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed, in addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquirer.

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

(d) Principles of Consolidation *(continued)*

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability of equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of 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 statement of financial position 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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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

(e) Income Tax *(continued)*

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 Consolidated Entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(f) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on either a diminishing value method or prime cost method commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Plant and equipment	2.5 – 100%
Motor vehicles	22.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date and where adjusted, shall be accounted for as a change in accounting estimate. Where depreciation rates or method are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

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

(g) Exploration and Development Expenditure

Exploration, evaluation and development 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.

(h) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to entities in the Consolidated Entity are classified as finance leases. All other leases are classified as operating leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property of the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

(i) 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, profitability and sale growth 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.

(j) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out below.

Controlled Entities and Jointly Controlled Entities

Investments in controlled entities are carried at cost less, where applicable, any impairment losses.

Impairment

At each reporting date, the directors assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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

(k) 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 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.

(l) 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 Consolidated Entity's share of post acquisition reserves of its associates.

(m) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Consolidated Entity'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.

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 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 comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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

(m) Foreign Currency Transactions and Balances *(continued)*

Controlled entities

The financial results and position of foreign operations whose functional currency is different from the Consolidated Entity'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 profits 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 Consolidated Entity's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed. The functional currency of the subsidiaries incorporated in the Philippines (refer Note 22) is the Philippine PESO.

(n) 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.

(o) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Royalty revenue is recognised on an accruals basis based on tonnages shipped.

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

(p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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

(q) 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.

(r) (Loss)/Earnings per share

(i) *Basic (Loss)/Earnings per share*
Basic (loss)/earnings per share is determined by dividing the operating (loss)/profit 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 (Loss)/Earnings per Share*
Diluted (loss)/earnings per share adjusts the amounts used in the determination of basic (loss)/earnings 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.

(s) 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.

(t) New Accounting Standards and Interpretations issued but not yet effective

At the date of this financial report, the following accounting standards and interpretations have been issued but are not yet effective:

Reference	Title	Summary	Application date (financial years beginning)
AASB 9	*Financial Instruments*	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2013 (likely to be extended to 2015 by ED 215)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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

(t) New Accounting Standards and Interpretations issued but not yet effective *(continued)*

AASB 10	*Consolidated Financial Statements*	Replaces the requirements of AASB 127 and Interpretation 112 pertaining to the principles to be applied in the preparation and presentation of consolidated financial statements.	1 January 2013
AASB 11	*Joint Arrangements*	Replaces the requirements of AASB 131 pertaining to the principles to be applied for financial reporting by entities that have in interest in arrangements that are jointly controlled.	1 January 2013
AASB 12	*Disclosure of Interests in Other Entities*	Replaces the disclosure requirements of AASB 127 and AASB 131 pertaining to interests in other entities.	1 January 2013
AASB 127	*Separate Financial Statements*	Prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1 January 2013
AASB 128	*Investments in Associates and Joint Ventures*	Prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1 January 2013
AASB 13	*Fair Value Measurement*	Provides a clear definition of fair value, a framework for measuring fair value and requires enhanced disclosures about fair value measurement.	1 January 2013
AASB 119	*Employee Benefits*	Prescribes the accounting and disclosure for employee benefits. This Standard prescribes the recognition criteria when in exchange for employee benefits.	1 January 2013

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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

(t) New Accounting Standards and Interpretations issued but not yet effective *(continued)*

IFRIC Interpretation 20	*Stripping Costs in the Production Phase of a Surface Mine*	This Interpretation clarifies the requirements for accounting for stripping costs in the production phase of a surface mine, such as when such costs can be recognised as an asset and how that asset should be measured, both initially and subsequently.	1 January 2013

The Company has decided against early adoption of these accounting standards and interpretations. Furthermore, these changes in accounting standards and interpretations are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

(u) 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 Consolidated Entity. 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 10 – Mineral Exploration and Evaluation Expenditure
Note 26 – Risk Management Objectives and Policies
Note 29 – Share Based Payments

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 2: REVENUE

	Consolidated	
	2012	2011
Revenue	$	$
(Loss)/profit on sale of plant and equipment (Note 9)	(47)	(121)
Option agreement fee	--	21,427
Royalties	888,568	502,597
Interest earned	72,934	84,734
Total revenue	961,455	608,637

NOTE 3: EXPENSES AND (GAINS)/LOSSES

	2012	2011
(a) Expenses		
Depreciation of non-current assets		
Plant and equipment	13,526	4,537
Motor vehicle	--	344
Total depreciation of non-current assets	13,526	4,881
Borrowing cost expense		
Interest expense on convertible notes and loans	43,336	86,868
(b) (Gains)/losses		
Net foreign exchange (gains)/losses	(251,467)	608,933
Gain on disposal of subsidiary (Note 21)	(48,370)	--
	(299,837)	608,933
(c) Significant Items		
(Loss)/profit before income tax includes the following expenses whose disclosure is relevant in explaining the financial performance of the entity:		
Administration expenses	137,368	141,844
Auditor's remuneration	38,431	31,491
Company secretarial expenses	32,700	32,700
Consulting fees	228,579	323,351
Decrease in value of loans and investments	1,860	465
Directors' and CEO benefits expenses	94,202	144,247
Exploration expenditure written off	356,651	35,610
Impairment of assets	2,677,984	--
Insurance	24,120	17,544
Rent and outgoings	36,390	18,888
Share register maintenance	39,545	29,455
Travel and accommodation	8,611	15,199
Other expenses	174,424	112,685
	3,850,865	903,479

PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 4: INCOME TAX

The prima facie tax on loss before income tax is reconciled to the income tax as follows:	Consolidated	
	2012	**2011**
	$	**$**
Loss before income tax	(2,646,345)	(995,524)
Income tax calculated at 30%	(793,904)	(298,657)
Add back:		
Income accrued	32,540	(63,985)
Non deductible expenses	286	712
Unrealised foreign exchange (gains)/losses	(75,440)	182,680
Provisions	12,773	(2,013)
Capitalised exploration written off/(incurred)	684,147	(445,068)
Capital raising costs	(41,779)	(28,662)
Future income tax benefits not brought to account	181,377	654,993
Income tax expense	--	--
Deferred tax assets:		
Capital raising costs	114,584	97,493
Provisions	210,575	197,803
Carried forward tax losses (including foreign tax losses)	3,494,239	3,312,862
	3,819,398	3,608,158
Deferred tax liabilities:		
Capitalised exploration costs	(929,379)	(1,613,526)
Accrued income	(33,524)	(66,064)
	(962,903)	(1,679,590)

NOTE 5: CASH AND CASH EQUIVALENTS

Cash at bank	135,694	83,489
Term deposits	1,500,000	1,050,000
	1,635,694	1,133,489

NOTE 6: TRADE AND OTHER RECEIVABLES

Current		
Accrued royalties	89,831	156,342
Goods and services tax	41,867	25,824
Advances/loans – other parties	30,984	18,107
	162,682	200,273

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 6: TRADE AND OTHER RECEIVABLES *(continued)*

	Consolidated	
	2012	2011
	$	$
Non Current		
Advance/loan – other parties	--	5,204

As of 30 June 2012, trade and other receivables do not contain impaired assets and are not past due. It is expected that these amounts will be received when due. The Consolidated Entity does not hold any collateral in relation to these receivables.

NOTE 7: OTHER

	2012	2011
Current		
Deposits held	131,000	131,000
Accrued revenue	21,915	63,870
Prepayments	33,548	3,772
Other	8,514	--
	194,977	198,642

NOTE 8: OTHER FINANCIAL ASSETS

	2012	2011
Non Current		
Listed investments at fair value:		
Shares in other entities	3,100	4,960
Unlisted investments at fair value:		
Options in other entities	153	40,869
	3,253	45,829

NOTE 9: PLANT AND EQUIPMENT

	Consolidated 2012 $	Consolidated 2011 $
Plant and equipment at cost	83,008	44,954
Less: accumulated depreciation	(28,555)	(18,687)
Total plant and equipment	54,453	26,267

Reconciliation of the carrying amount for plant and equipment and motor vehicles is set out below:

	2012 $	2011 $
Plant and equipment		
Carrying amount at beginning of year	26,267	4,062
Additions	46,582	27,343
Net book value of plant and equipment disposed	(47)	(513)
Depreciation expense	(13,526)	(4,537)
Foreign exchange impact	(4,823)	(88)
Carrying amount at end of year	54,453	26,267
Motor vehicles		
Carrying amount at beginning of year	--	2,552
Depreciation expense	--	(344)
Disposal proceeds	--	(2,600)
Profit on disposal of motor vehicle	--	392
Carrying amount at end of year	--	--
Total carrying amount at end of year	--	26,267

NOTE 10: MINERAL EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 2012 $	Consolidated 2011 $
Balance at beginning of year	5,378,421	3,894,862
Exploration and mining expenditure incurred during the year	409,125	1,952,595
Foreign exchange movement	345,020	(433,426)
Expenditure written off	(356,651)	(35,610)
Impairment of exploration assets	(2,677,984)	--
Balance at end of year	3,097,931	5,378,421
Exploration expenditure carried forward in respect of areas of interest in the exploration and evaluation phase	3,097,931	5,378,421

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

(a) The continuance of the Consolidated Entity’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.

NOTE 11: TRADE AND OTHER PAYABLES

	Consolidated 2012 $	Consolidated 2011 $
Trade creditors and accrued expenses	190,017	134,729
Goods and services tax	28,970	16,553
Withholding tax	238	127
	219,225	151,409

NOTE 12: INTEREST BEARING LIABILITIES

Current

Short-term loans(i)	100,000	450,000

(i) The loans have an interest rate at 12% p.a. and no fixed repayment date.

NOTE 13: NON-INTEREST BEARING LIABILITIES

Loan – other parties	953,822	882,719

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated 2012 $	Consolidated 2011 $
NOTE 14: ISSUED CAPITAL		
(a) Issued Capital		
240,703,068 Ordinary shares fully paid (2011: 180,527,301)	13,279,121	12,320,896

(b) Movements in ordinary share capital of the Company during the last two years were as follows:

Date	Details	No. of Shares	Issue Price	$
01/07/2010	Opening balance	130,318,968		9,128,394
29/07/2010	Working capital	8,333,333	$0.06	500,000
20/09/2010	Working capital	25,000,000	$0.10	2,500,000
24/12/2010	Convertible note conversion pursuant to resolution of members on 26 November 2010	11,875,000	$0.02	237,500
24/12/2010	Convertible note conversion pursuant to resolution of members on 26 November 2010	5,000,000	$0.05	250,000
	Less: transaction costs arising on share issues	--	--	(294,998)
30/06/2011	Closing balance	180,527,301		12,320,896

Date	Details	No. of Shares	Issue Price	$
01/07/2011	Opening balance	180,527,301		12,320,896
08/03/2012	Non-renounceable rights issue	60,175,767	$0.02	1,203,515
	Less: transaction costs arising on share issues			(245,290)
30/06/2012	Closing balance	240,703,068		13,279,121

(c) Capital Risk Management

When managing capital, management's objective is to ensure the Company 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 Company.

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

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

No dividends were paid in 2012 and no dividends are expected to be paid in 2013.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 15: RESERVES

	Consolidated 2012 $	Consolidated 2011 $
(a) Composition		
Share based payments reserve	1,528,725	1,385,725
Foreign currency translation reserve	(112,753)	(71,026)
Asset revaluation reserve	(65,018)	(24,302)
	1,350,954	1,290,397

(b) Movements in share based payments reserve during the last two years were as follows:

Date	Details	Performance Rights	No. of Listed Options	No. of Unlisted Options	Fair Value of Options Issued	Exercise Price	Expiry Date
01/07/2010	Opening balance	--	--	11,000,000	$1,303,274	--	--
04/10/2010	Pursuant to Underwriting Agreement in satisfaction of underwriting fee	--	--	1,000,000	$82,451	$0.15	30/09/2013
24/12/2010	Pursuant to resolution of members on 26/11/2010	--	--	11,875,000	--	$0.10	23/12/2013
24/12/2010	Pursuant to resolution of members on 26/11/2010[i]	500,000	--	--	--	--	--
30/06/2011	Closing balance	500,000	--	23,875,000	$1,385,725		

(i) Performance Rights will convert to shares upon completion of the first shipment of ore from Sibuyan Island under the Company's Romblon Nickel Project.

The valuation of the Performance Rights will be made using 26 November 2010 (AGM Date) as the grant date. However, as there has not been a shipment to date and in view of the indefinite moratorium (purported) imposed by the local governor, the probability of this vesting condition being satisfied by the due date is considered to be remote. Therefore, the earlier valuation is discounted by 100%.

As and when the vesting condition of shipment is fulfilled, the said value shall be expensed. The Board will evaluate the relevant conditions at the next reporting date and revalue the discount rate at that time.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 15: RESERVES *(continued)*

Date	Details	Performance Rights	No. of Listed Options	No. of Unlisted Options	Fair Value of Options Issued	Exercise Price	Expiry Date
01/07/2011	Opening balance	500,000	--	23,875,000	$1,385,725	--	--
31/12/2011	Unlisted options expired	--	--	(2,500,000)	--	$0.10	31/12/2011
31/12/2011	Unlisted options expired	--	--	(2,500,000)	--	$0.25	31/12/2011
31/12/2011	Unlisted options expired	--	--	(2,500,000)	--	$0.35	31/12/2011
08/03/2012	Non-renounceable rights issue[(i)]	--	60,175,767	--	--	$0.04	30/06/2014
08/03/2012	Non-renounceable rights issue[(ii)]	--	12,500,000	--	$50,000	$0.04	30/06/2014
27/04/2012	Pursuant to general meeting of shareholders on 20/04/2012[(ii)]	--	12,500,000	--	$75,000	$0.04	30/06/2014
02/05/2012	Pursuant to Company agreement[(iii)]	--	3,000,000	--	$18,000	$0.04	30/06/2014
31/05/2012	Unlisted options expired	--	--	(1,000,000)	--	$0.10	31/05/2012
30/06/2012	Closing balance	500,000	88,175,767	15,375,000	$1,528,725		

(i) free attaching listed options exercisable at $0.04 on or before 30 June 2014.

(ii) listed options exercisable at $0.04 on or before 30 June 2014 being consideration for sub-underwriting fees totalling $50,000 and $75,000 which were determined by reference to the market value on the Australian Securities Exchange (ASX) at the grant date.

(iii) listed options exercisable at $0.04 on or before 30 June 2014 being consideration for consultant's fees totalling $18,000 which was determined by reference to the market value on the ASX at the grant date.

	Consolidated 2012 $	Consolidated 2011 $
(c) Movements in asset revaluation reserve:		
Opening balance at 1 July 2011	(24,302)	(26,478)
Marked to market of shares and options	(40,716)	2,176
Closing balance at 30 June 2012	(65,018)	(24,302)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 16: ACCUMULATED LOSSES

	Consolidated 2012 $	Consolidated 2011 $
Balance at beginning of the year	(8,159,137)	(7,160,381)
Loss attributable to members of Pelican Resources Limited	(2,569,584)	(998,756)
Balance at end of the year	(10,728,721)	(8,159,137)

NOTE 17: NON-CONTROLLING INTEREST

Reconciliation of minority equity interest in controlled entities:

	2012	2011
Opening balance	51,841	46,173
Share of current year's (loss)/profit after income tax	(76,761)	3,232
Share of current year's translation reserve	(491)	2,436
	(25,411)	51,841

NOTE 18: NOTES TO THE STATEMENT OF CASH FLOWS

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:

	2012	2011
Cash and cash equivalents (Note 5)	1,635,694	1,133,489

b) Reconciliation of net cash and cash equivalents used in operating activities to loss for the year:

	2012	2011
Loss for the year	(2,646,345)	(995,524)
Equity settled share based payments	--	82,451
Debt conversions	18,000	(82,451)
Exploration and evaluation expenditure written off	356,651	35,610
Depreciation	13,526	4,881
Decrease in value of loans and investments	1,860	465
Impairment of exploration assets	2,677,984	--
Net loss on disposal of plant and equipment	47	121
Foreign exchange (gains)/losses	(251,467)	608,933
Movements in assets and liabilities:		
Receivables	108,466	(209,133)
Net GST receivable	(3,626)	11,910
Prepayments	(29,776)	13,986
Payables	55,399	(119,938)
Net cash provided by/(used in) operating activities	300,719	(648,689)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated 2012 $	Consolidated 2011 $
NOTE 18: NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*		
c) Acquisition of entity		
On 28 March 2011, the Company incorporated Bato Mining Resources Inc. with an issued capital of $56,879.		
Cost	--	56,879
Cash outflow	--	56,879

d) Non-cash investing and financing activities

The Company granted 25,000,000 listed options with a fair value of $125,000 in satisfaction for share placement fees and 3,000,000 listed options with a fair value of $18,000 in satisfaction of consultant's fees.

NOTE 19: KEY MANAGEMENT PERSONNEL

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

(a) Directors and Specified Executives

Names and positions held by key management personnel in office at any time during the financial year and up to the date of this report are:

Directors and CEO

John Palermo	Chairman (non-executive)	
John Henry Hills	(non-executive)	
Mike Bue	(executive)	
Douglas Green	(non-executive)	(resigned: 29/11/2011)
Stuart Bell	(CEO)	(resigned: 11/01/2012)

There are no other specified executives in position of control or exercising management authority.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 19: KEY MANAGEMENT PERSONNEL *(continued)*

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

	Primary Benefits			Post Employment		Share Based Payments	Other Benefits	TOTAL	% Consisting of Options
	Salary & Fees	Cash Bonus	Non-Monetary	Super-annuation	Retirement Benefits	Shares/Options		$	
Directors									
Palermo, J – Chairman (non-executive)									
2012	130,771	--	5,306	16,350	--	--	--	152,427	--
2011	190,851	--	2,270	16,350	--	--	--	209,471	--
Hills, J – Director (non-executive)									
2012	120,300	--	5,306	16,350	--	--	--	141,956	--
2011	147,500	--	2,270	16,350	--	--	--	166,120	--
Bue, M – Director (executive)									
2012	34,000	--	5,305	1,350	--	--	--	40,655	--
2011	15,625	--	2,270	956	--	--	--	18,851	--
Green, D – Director (non-executive) (resigned: 29/11/2011)									
2012	36,000	--	--	--	--	--	--	36,000	--
2011	--	--	2,270	--	--	--	--	2,270	--
Bell, S – CEO (resigned: 11/01/2012)									
2012	41,424	--	--	3,728	--	--	--	45,152	--
2011	87,500	--	2,270	7,875	--	--	--	97,645	--
Total Remuneration:									
2012	362,495	--	15,917	37,778	--	--	--	416,190	
2011	441,476	--	11,350	41,531	--	--	--	494,357	

(b) Compensation of Key Management Personnel

	Consolidated 2012	Consolidated 2011
Compensation by category:	$	$
Short-term	378,412	452,826
Post employment	37,778	41,531
	416,190	494,357

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 19: KEY MANAGEMENT PERSONNEL *(continued)*

(c) Transactions with Key Management Personnel

Either individually or through companies under their control, or through companies under the control of a director related entity, John Palermo, John Hills and Mike Bue received payment for the provision of geological consulting and general consultancy, management services, disbursements and sub-underwriting fees under normal commercial terms and conditions during this financial year.

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

	Consolidated	
	2012	**2011**
	$	**$**
Geological expenses (Mike Bue)	3,812	--
Geological expenses (John Hills)	514	407
Management and disbursements (John Palermo)	463	13,626
Sub-underwriting fees (John Palermo) (Note 29)	75,000	--

Amounts payable or receivable to directors and their director related party entities at balance date arising from these transactions were as follows:

	Consolidated	
	2012	**2011**
	$	**$**
Payables	31,467	41,598

(d) Shareholdings by Directors and CEO

2012	**Balance 01/07/11 (No. of Shares)**	**Received Remuneration (No. of Shares)**	**No. of Options Exercised**	**Net Other Change (No. of Shares)**	**Balance 30/06/12 (No. of Shares)**
J Palermo	8,260,470	--	--	12,254,400	20,514,870
J H Hills	14,297,830	--	--	(1,000,000)	13,297,830
M Bue	--	--	--	--	--
Total	22,558,300	--	--	11,254,400	33,812,700

2011	**Balance 01/07/10 (No. of Shares)**	**Received Remuneration (No. of Shares)**	**No. of Options Exercised**	**Net Other Change (No. of Shares)**	**Balance 30/06/11 (No. of Shares)**
J Palermo	8,260,470	--	--	--	8,260,470
J H Hills	14,297,830	--	--	--	14,297,830
M Bue	--	--	--	--	--
D Green	2,000,000	--	--	--	2,000,000
S Bell	--	--	--	--	--
Total	24,558,300	--	--	--	24,558,300

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 19: KEY MANAGEMENT PERSONNEL *(continued)*

(e) Listed Options and Rights Holdings by Directors and CEO

2012	Balance 01/07/11 (No. Options)	Granted as Remuneration (No. Options)	No. of Options Acquired	No. of Options Exercised	Net Change Other (No. Options)	Balance 30/06/12 (No. Options)	Total Vested 30/06/12 (No. Options)	Total Exercisable (No. Options)
J Palermo	--	--	24,754,400	--	(3,000,000)	21,754,400	21,754,400	21,754,400
J H Hills	--	--	--	--	--	--	--	--
M Bue	--	--	--	--	--	--	--	--
Total	--	--	24,754,400	--	(3,000,000)	21,754,400	21,754,400	21,754,400

2011	Balance 01/07/10 (No. Options)	Granted as Remuneration (No. Options)	No. of Options Acquired	No. of Options Exercised	Net Change Other (No. Options)	Balance 30/06/11 (No. Options)	Total Vested 30/06/11 (No. Options)	Total Exercisable (No. Options)
J Palermo	--	--	--	--	--	--	--	--
J H Hills	--	--	--	--	--	--	--	--
M Bue	--	--	--	--	--	--	--	--
D Green	--	--	--	--	--	--	--	--
S Bell	--	--	--	--	--	--	--	--
Total	--	--	--	--	--	--	--	--

(f) Unlisted Options and Rights Holdings by Directors and CEO

2012	Balance 01/07/11 (No. Options)	Granted as Remuneration (No. Options)	No. of Options Exercised	Net Change Other (No. Options)	Balance 30/06/12 (No. Options)	Total Vested 30/06/12 (No. Options)	Total Exercisable (No. Options)
J Palermo	4,000,000	--	--	(3,000,000)	1,000,000	1,000,000	1,000,000
J H Hills	4,000,000	--	--	(3,000,000)	1,000,000	1,000,000	1,000,000
M Bue	--	--	--	--	--	--	--
Total	8,000,000	--	--	(6,000,000)	2,000,000	2,000,000	2,000,000

2011	Balance 01/07/10 (No. Options)	Granted as Remuneration (No. Options)	No. of Options Exercised	Net Change Other (No. Options)	Balance 30/06/11 (No. Options)	Total Vested 30/06/11 (No. Options)	Total Exercisable (No. Options)
J Palermo	4,000,000	--	--	--	4,000,000	4,000,000	4,000,000
J H Hills	4,000,000	--	--	--	4,000,000	4,000,000	4,000,000
M Bue	--	--	--	--	--	--	--
D Green	--	--	--	--	--	--	--
S Bell	--	--	--	--	--	--	--
Total	8,000,000	--	--	--	8,000,000	8,000,000	8,000,000

NOTE 19: KEY MANAGEMENT PERSONNEL *(continued)*

(g) Remuneration Options

There were no options issued as part of director remuneration for the years ended 30 June 2012 and 30 June 2011.

(h) Performance Rights

On 24 December 2010, 500,000 Performance Rights were issued to Mike Bue. The rights will convert to shares upon completion of the first shipment of ore from Sibuyan Island under the Company's Romblon Nickel Project (Note 15b).

NOTE 20: REMUNERATION OF AUDITORS

	Consolidated	
	2012	2011
	$	$
Amount paid or due and payable to the auditors for:		
Audit services – Stantons International	32,109	25,714
– Overseas auditors	6,322	5,777
	38,431	31,491

NOTE 21: DISPOSAL OF SUBSIDIARY

On 31 December 2011, the Group decided to divest itself of its interest in Sunlight Resources (Philippines) Inc.

The subsidiary had an intercompany loan payable to its parent, Sunshine Gold Pty Ltd (a subsidiary of Pelican Resources Ltd), of $144,708 as at 31 December 2011. This loan which was fully provided for in prior periods in the books of Sunshine Gold is now written off and forgiven in the books of Sunlight Resources.

Loan Forgiven (Sunlight)	$144,708
Net assets deconsolidated	($96,338)
Gain on disposal of Sunlight	$48,370

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 22: CONTROLLED ENTITIES

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

	Country of Incorporation	Book Value of Shares held by Parent Entity	
		2012 $	2011 $
Sunrise Exploration Pty Ltd	AUS	1	1
Sunshine Gold Pty Ltd	AUS	950,000	950,000
Pelican Pacific Pty Ltd	AUS	1,000	1,000
Ibis Minerals Pty Ltd	AUS	100	100
Sunpacific Resources Philippines, Inc.	PHP	--	--
Sunrom Philippines Holdings Corp'n.	PHP	--	--
Sibuyan Nickel Properties Dev. Corp'n.	PHP	--	--
Bato Mining Resources, Inc.	PHP	--	--
		951,101	951,101

The Group's effective ownership interest in its subsidiaries has not changed since the prior year, apart from the Group deciding to divest itself of its interest in Sunlight Resources (Philippines) Inc. (Note 21)

NOTE 23: LOSS PER SHARE

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

	Consolidated	
	2012 $	2011 $
Loss before income tax – Group	(2,569,584)	(995,524)
Adjustments:		
Loss attributable to non-controlling interest	(76,761)	(3,232)
Loss used in calculating basic and diluted loss per share	(2,646,345)	(998,756)

NOTE 23: LOSS PER SHARE *(continued)*

	2012 Number of Shares	2011 Number of Shares
Weighted average number of ordinary shares used in calculating:		
Basic loss per share	199,270,573	166,065,543
Diluted loss per share	199,270,573	166,065,543

Diluted loss per share is the same as basic loss per share as no options are in the money and the Consolidated Entity incurred a loss for the year.

NOTE 24: COMMITMENTS FOR EXPENDITURE

In order to maintain current rights of tenure to mining tenements, the Consolidated Entity will be required to outlay in 2012/13 amounts noted below in respect of minimum tenement expenditure requirements and lease rentals. The obligations are not provided for in the accounts and are payable as follows:

	Consolidated	
	2012 $	2011 $
Not later than one year	70,000	120,000
Later than one year but not later than 2 years	70,000	120,000
Later than 2 years but not later than 5 years	210,000	360,000
	350,000	600,000

The Company has a number of avenues available to continue the funding of its current exploration program and, as and when decisions are made, the Company will disclose this information to shareholders.

The commitments referred to above represent the Group's share of obligations under joint venture agreements without allowing for dilution.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 25: 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	
	2012	2011	2012	2011	2012	2011	2012	2011
Geographical Segments	$	$	$	$	$	$	$	$
Revenue								
Sales to customers outside the Consolidated Entity	888,568	502,597	--	--	--	--	888,568	502,597
Other revenues from customers outside the Consolidated Entity	72,805	104,978	82	1,062	--	--	72,887	106,040
Total segment revenue	961,373	607,575	82	1,062	--	--	961,455	608,637
Results								
Segment result	(768,256)	(3,023,883)	58,270	(144,310)	(1,936,359)	2,169,437	(2,646,345)	(998,756)
Assets								
Segment assets	7,544,022	6,907,211	4,936,793	4,452,922	(7,331,825)	(4,372,008)	5,148,990	6,988,125
Liabilities								
Segment liabilities	8,280,911	7,936,353	4,734,771	4,467,214	(11,742,635)	(10,919,439)	1,273,047	1,484,128

NOTE 26: RISK MANAGEMENT OBJECTIVES AND POLICIES

The Consolidated Entity'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 Consolidated Entity's operations. The Consolidated Entity 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 Consolidated Entity's policy that trading in financial instruments may be undertaken.

The main risks arising from the Consolidated Entity'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 14 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 Consolidated Entity's exposure to the risks of changes in market interest rates relates primarily to the Consolidated Entity's short-term deposits with a floating interest rate. These financial assets with variable rates expose the Consolidated Entity to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Consolidated Entity does not engage in any hedging or derivative transactions to manage interest rate risk.

The following tables set out the carrying amount by maturity of the Consolidated Entity's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 26: RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

	Non Interest Bearing $		Weighted Average Effective Interest Rate %		Floating Interest Rate $		Fixed Interest Rate $		Total $	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Financial Assets										
- Cash and cash equivalents	135,694	83,489	5.62	6.07	1,500,000	1,050,000	--	--	1,635,694	1,133,489
- Deposits held	--	--	5.26	5.86	131,000	131,000	--	--	131,000	131,000
- Receivable other parties	30,984	23,311	--	--	--	--	--	--	30,984	23,311
- GST	41,867	25,824	--	--	--	--	--	--	41,867	25,824
- Accrued royalties	89,831	156,342	--	--	--	--	--	--	89,831	156,342
- Accrued revenue	21,915	63,870	--	--	--	--	--	--	21,915	63,870
- Investments at fair value	3,253	45,829	--	--	--	--	--	--	3,253	45,829
Total Financial Assets	323,544	398,665			1,631,000	1,181,000	--	--	1,954,544	1,579,665
Financial Liabilities										
- Trade creditors and accrued expenses	190,017	134,729	--	--	--	--	--	--	190,017	134,729
- Withholding tax payable	238	127	--	--	--	--	--	--	238	127
- Loan – other parties	953,822	882,719	--	--	--	--	--	--	953,822	882,719
- GST	28,970	16,553	--	--	--	--	--	--	28,970	16,553
- Short-term loans	--	--	12.00	12.00	--	--	100,000	450,000	100,000	450,000
Total Financial Liabilities	1,173,047	1,034,128			--	--	100,000	450,000	1,273,047	1,484,128
Net Financial (Liabilities)/Assets	(849,503)	(635,463)			1,631,000	1,181,000	(100,000)	(450,000)	681,497	95,537

Interest Rate Sensitivity

At 30 June 2012, if interest rates had changed by 10% during the entire year with all other variables held constant, profit for the year and equity would have been $7,293 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% increase sensitivity would move short term interest rates at 30 June 2012 from around 5.44% to 5.98% (10% decrease: 4.90%) representing a 54 basis points shift. This would represent two to three increases 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 up than down 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.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, to recognised financial assets is the carrying amount net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Consolidated Entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 26: RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Liquidity Risk

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

	Consolidated	
	2012	**2011**
	$	**$**
Contracted maturities of liabilities at 30 June		
Payables		
- less than 30 days	190,255	134,856
- less than 12 months	28,970	16,553
Short-term loans		
- less than 12 months	100,000	450,000
Loans other parties		
- greater than 12 months	953,822	882,719
	1,273,047	1,484,128

Foreign Exchange Risk

The Consolidated Entity is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the PESO and USD.

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 currency. The risk is measured using sensitivity analysis.

Foreign Currency Risk Sensitivity Analysis

At 30 June, the effect on consolidated profit and equity as a result of changes in the value of the Australian Dollar to the foreign currencies, with all other variables remaining constant is as follows:

	2012 Change in equity with a 10% change in exchange rates		**2011** Change in equity with a 10% change in exchange rates	
	Increase 10%	**Decrease 10%**	**Increase 10%**	**Decrease 10%**
	$	**$**	**$**	**$**
Financial assets	(242,493)	296,381	(248,124)	303,263
Financial liabilities	339,638	(415,113)	324,587	(396,719)

The Company is not exposed to foreign exchange risk as all financial assets and liabilities of the Company are in Australian dollars.

NOTE 26: RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Market Price Risk

The Consolidated Entity is exposed to market price risk arising from investments in other companies carried at fair value.

At 30 June 2012, if share/option values had changed by 25% based on the 30 June 2012 fair values with all other variables held constant, the Consolidated Entity's profit for the year and equity would have been $813 lower/higher.

A sensitivity of 25% has been selected as this is considered reasonable given the recent movements in prices of the companies the Consolidated Entity holds investments in.

Reconciliation of Net Financial Assets to Net Assets

	Consolidated	
	2012	**2011**
	$	**$**
Net financial assets/(liabilities)	681,497	95,537
Other financial assets		
Prepayments and other	42,062	3,772
Plant and equipment	54,453	26,267
Mineral exploration and evaluation expenditure	3,097,931	5,378,421
Net assets	3,875,943	5,503,997

Net Fair Values

For assets and other liabilities the net fair value approximates their carrying value. The Consolidated Entity has no financial liabilities but does have financial assets that are readily traded on organised markets at balance date 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.

Fair Value Hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly as prices or indirectly (ie. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2012	**2011**
	$	**$**
Available for sale financial assets - Level 1	3,100	4,960
Available for sale financial assets - Level 2	153	40,869
Available for sale financial assets - Level 3	--	--
	3,253	45,829

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 27: EVENTS SUBSEQUENT TO REPORTING PERIOD

Subsequent to the end of the financial year ended 30 June 2012, the following event had occurred:

- On 10 September 2012, the Company announced that it had reached agreement with Cliffs Asia Pacific Iron Ore Pty Ltd and Pluton Resources Limited in relation to mining operations at Cockatoo Island (refer to further details in Review of Operations).

NOTE 28: CONTINGENT LIABILITIES

Pelican Resources Limited has no known material contingent liabilities at the end of the financial year.

NOTE 29: SHARE BASED PAYMENTS

(2012)
On 8 March 2012, the following options were granted in consideration for sub-underwriting fees:

- 12,500,000 listed options exercisable at $0.04 on or before 30 June 2014.

Fair value of options granted
The fair value totalling $50,000 (12,500,000 options x $0.004) was determined by reference to the market value on the Australian Stock Exchange (ASX) at the grant date.

On 20 April 2012, the following options were granted in consideration for sub-underwriting fees:

- 12,500,000 listed options exercisable at $0.04 on or before 30 June 2014.

Fair value of options granted
The fair value totalling $75,000 (12,500,000 options x $0.006) was determined by reference to the market value on the ASX at the grant date.

On 2 May 2012, the following options were granted in consideration for consultant’s fees:

- 3,000,000 listed options exercisable at $0.04 on or before 30 June 2014.

Fair value of options granted
The fair value totalling $18,000 (3,000,000 options x $0.006) was determined by reference to the market value on the ASX at the grant date.

During the year, no options were issued to directors of the Consolidated Entity as part of their remuneration.

The shared-based payment expense for the 2012 year was $143,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 29: SHARE BASED PAYMENTS *(continued)*

(2011)
On 4 October 2010, the following options were granted to a consultant of the Consolidated Entity:

Azure Capital Investments Pty Ltd
- 1,000,000 unlisted options exercisable at $0.15 on or before 30 September 2013.

During the year, no options were issued to directors of the Consolidated Entity as part of their remuneration.

Fair value of options granted
The fair value at grant date is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 30 June 2011 included:
(a) options are granted for no consideration
(b) exercise price: $0.15
(c) grant date: 4 October 2010
(d) expiry date: 30 September 2013
(e) share price at grant date: $0.16
(f) expected price volatility of the Company's shares: 70%
(g) risk-free interest rate: 5.32%

The shared-based payment expense for the 2011 year was $82,451.

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

	Weighted average exercise price 2012	Number of Options 2012	Weighted average exercise price 2011	Number of Options 2011
Outstanding at 1 July	$0.1714	23,875,000	$0.2023	11,000,000
Forfeited during the year	--	--	--	--
Exercised during the year	--	--	--	--
Expired during the year	$0.20	(8,500,000)	--	--
Granted during the year	$0.04	28,000,000	$0.15	1,000,000
Issued during the year	$0.04	60,175,767	$0.10	11,875,000
Outstanding at 30 June	$0.11	103,550,767	$0.1714	23,875,000
Exercisable at 30 June	$0.11	103,550,767	$0.1714	23,875,000

The options outstanding at 30 June 2012 have an exercise price in the range of $0.04 to $0.15 and a weighted average remaining contractual life of 1.3 years (2011: 1.2 years).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 30: PARENT ENTITY DISCLOSURES

(a) Financial Position

	2012 $	2011 $
Current Assets		
Cash and cash equivalents	1,554,319	1,074,575
Trade and other receivables	121,501	173,921
Other current assets (i)	158,280	177,869
Total Current Assets	1,834,100	1,426,365
Non Current Assets		
Plant and equipment	3,396	5,925
Other financial assets (ii)	954,354	996,930
Total Non Current Assets	957,750	1,002,855
Total Assets	2,791,850	2,429,220
Current Liabilities		
Trade and other payables	168,560	134,806
Interest bearing liabilities	100,000	450,000
Total Current Liabilities	268,560	584,806
Total Liabilities	268,560	584,806
Net Assets	2,523,290	1,844,414
Equity		
Issued capital	13,279,121	12,320,896
Reserves	1,463,707	1,361,423
Accumulated losses	(12,219,538)	(11,837,905)
Total Equity	2,523,290	1,844,414

(b) Financial Performance

	2012 $	2011 $
Loss for the year	(381,633)	(2,355,826)
Other comprehensive (loss)/income	(40,716)	2,176
Total Comprehensive Loss	(422,349)	(2,353,650)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 30: PARENT ENTITY DISCLOSURES *(continued)*

	2012	2011
(i) Other current assets	**$**	**$**
Deposits held	114,000	114,000
Accrued revenue	21,725	63,836
Prepayments	22,555	33
	158,280	177,869

	2012	2011
(ii) Other financial assets		
Investments in controlled entities	951,101	951,101
Loans to controlled entities	7,676,380	7,028,529
Provision for non recovery	(7,676,380)	(7,028,529)
Investments in other entities	3,253	45,829
	954,354	996,930

(c) Guarantees

Pelican Resources Limited has not entered into any guarantees in relation to the debts of its subsidiaries.

(d) Other Commitments and Contingencies

Pelican Resources Limited has no commitments to acquire property, plant and equipment and has no contingent liabilities.

DIRECTORS' DECLARATION

The directors of the Company declare that the financial statements and notes set out on 7 to 52 and remuneration disclosures set out in the Remuneration Report are in accordance with the Corporations Act 2001, including:

1. (a) complying with Accounting Standards;

   (b) are in accordance with International Financial Reporting Standards; and

   (c) giving a true and fair view of the financial position as at 30 June 2012 and the performance for the financial year ended on that date of the Consolidated Entity.

2. The director acting in place of the Chief Financial Officer has declared that:

   (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

   (b) the financial statements and notes for the financial year comply with the Accounting Standards; and

   (c) the financial statements and notes for the financial year give a true and fair view.

3. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors.

Dated this 27th day of September, 2012

JOHN PALERMO
Director

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PELICAN RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Pelican Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1(b), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of Pelican Resources Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(b).

Report on the Remuneration Report

We have audited the remuneration report included in pages 10 to 12 of the directors' report for the year ended 30 June 2012. 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

Auditor's opinion
In our opinion the remuneration report of Pelican Resources Limited for the year ended 30 June 2012 complies with section 300 A of the *Corporations Act 2001.*

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

Stantons International

Samir Tirodkar
Director

West Perth, Western Australia
27 September 2012

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

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

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

27 September 2012

Board of Directors
Pelican Resources Limited
Level 1, 284 Oxford Street
Leederville, WA 6007

Dear Directors

RE: PELICAN RESOURCES LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Pelican Resources Limited.

As the Audit Director for the audit of the financial statements of Pelican Resources Limited for the year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

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

Samir Tirodkar
Director

ASX ADDITIONAL INFORMATION

QUOTED SECURITIES

(a) ORDINARY FULLY PAID SHARES

(i) DISTRIBUTION OF SHAREHOLDERS AS AT 20 SEPTEMBER 2012:

SPREAD OF HOLDINGS	NO. OF HOLDERS	NO. OF SHARES	PERCENTAGE OF ISSUED CAPITAL %
1 – 1,000	330	159,593	0.07
1,001 - 5,000	648	1,469,898	0.61
5,001 - 10,000	205	1,426,944	0.59
10,001 - 100,000	345	12,192,968	5.07
100,001+	194	225,453,665	93.66
	1,722	240,703,068	100.00

The number of shareholdings held in less than marketable parcels is 1,391.

(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.	Finebase Hldgs PL	11,990,000	4.98
2.	Welch Bryan	11,000,000	4.57
3.	Veltox PL	10,666,197	4.43
4.	Mainview Hldgs PL	9,191,817	3.82
5.	Topaze Entps PL	9,030,334	3.75
6.	Nefco Nom PL	8,299,112	3.45
7.	D F Lynton-Brown PL	8,028,459	3.34
8.	Monarch Corp PL	7,750,000	3.22
9.	Surfboard PL	7,266,667	3.02
10.	J P Morgan Nom Aust Ltd	5,925,000	2.46
11.	Sharbanee Paul	5,750,000	2.39
12.	JP Morgan Nom Aust Ltd	5,029,568	2.09
13.	Primelane PL	4,882,365	2.03
14.	PAJ Inv PL	4,500,000	1.87
15.	Mulloway PL	4,377,330	1.82
16.	Mulloway PL	4,000,000	1.66
17.	Leuzzi Joe & Sally	3,500,000	1.45
18.	Cunningham Peterson Sharbanee	3,000,000	1.25
19.	Green Douglas	3,000,000	1.25
20.	Celtic Cap PL	2,698,609	1.12
		129,885,458	53.97

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

(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.	%
Finebase Holdings Pty Ltd	20,514,870	8.52

(b) OPTIONS

As at 20 September 2012, there existed the following quoted options:

88,175,767 OPTIONS EXERCISABLE AT $0.04 EACH ON OR BEFORE 30 JUNE 2014

(i) DISTRIBUTION OF OPTIONHOLDERS:

SPREAD OF HOLDINGS	NO. OF HOLDERS	NO. OF OPTIONS	PERCENTAGE OF QUOTED OPTIONS %
1 - 1,000	24	13,286	0.01
1,001 - 5,000	42	115,058	0.13
5,001 - 10,000	13	96,789	0.11
10,001 - 100,000	58	2,059,681	2.34
100,001+	65	85,890,953	97.41
	202	88,175,767	100.00

ASX ADDITIONAL INFORMATION *(continued)*

(b) OPTIONS *(continued)*

(ii) TOP 20 HOLDERS OF QUOTED OPTIONS:-

The names of the twenty largest optionholders are listed below:

	NAME	NO. OF OPTIONS HELD	PERCENTAGE OF QUOTED OPTIONS %
1.	Finebase Hldgs PL	21,490,000	24.37
2.	Celtic Cap Pte Ltd	8,750,000	9.92
3.	Mainview Hldgs PL	8,357,666	9.48
4.	Mulloway PL	6,337,412	7.19
5.	Cunningham Peterson Sharbanee	5,750,000	6.52
6.	Mulloway PL	4,000,000	4.54
7.	Sharbanee Paul	3,750,000	4.25
8.	Topaze Entps PL	2,257,584	2.56
9.	Taycol Nom PL	2,000,000	2.27
10.	Surfboard PL	1,816,667	2.06
11.	Bimedent PL	1,500,000	1.70
12.	Stonehurst Wa PL	1,400,000	1.59
13.	JP Morgan Nom Aust Ltd	1,254,832	1.42
14.	De Vita Grace	1,000,000	1.13
15.	McLean Maria	1,000,000	1.13
16.	Green Douglas	1,000,000	1.13
17.	Darlot Inv PL	816,667	0.93
18.	Monslit PL	683,334	0.77
19.	Virtus Cap PL	545,000	0.62
20.	Jones Chad	516,667	0.59
		74,225,829	84.17

(iii) VOTING RIGHTS

Holders of options are not entitled to vote at a General Meeting of Members in person, by proxy or upon a poll, in respect of their option shareholding.

ASX ADDITIONAL INFORMATION *(continued)*

UNQUOTED SECURITIES

(a) OPTIONS

As at 20 September 2012, there existed the following unquoted options:

(i) 2,500,000 OPTIONS EXERCISABLE AT $0.15 EACH ON OR BEFORE 31 DECEMBER 2012

Name	Options	%
Dolphin Technology Pty Ltd <The Dolphin A/c>	1,000,000	40.00
Veltox Pty Ltd <The Hills Super Fund A/c>	1,000,000	40.00
D F Lynton-Brown Pty Ltd <Superannuation A/c>	500,000	20.00
	2,500,000	100.00

(ii) 1,000,000 OPTIONS EXERCISABLE AT $0.15 EACH ON OR BEFORE 30 SEPTEMBER 2013

Name	Options	%
Azure Capital Investments Pty Ltd	1,000,000	100.00

(iii) 11,875,000 OPTIONS EXERCISABLE AT $0.10 EACH ON OR BEFORE 23 DECEMBER 2013

Name	Options	%
LJM Capital Corporation Pty Ltd	625,000	5.26
Domenal Enterprises Pty Ltd	1,250,000	10.53
Monarch Corporation Pty Ltd	4,250,000	35.79
Topaze Enterprises Pty Ltd	5,750,000	48.42
	11,875,000	100.00

(b) PERFORMANCE RIGHTS

As at 20 September 2012, there existed the following performance rights:

Name	Rights	%
Mike Bue	500,000	100.00

CORPORATE GOVERNANCE STATEMENT

Pelican Resources Limited ("the Company") is committed to implementing and maintaining the highest standards of corporate governance. The primary responsibility of the Board of the Company ("the Board") is to represent and advance the Company's shareholders' ("the Shareholders") interests and to protect the interests of all stakeholders. To fulfill this role, the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for its employees and monitoring achievement of these goals.

The Company adopts the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* released in 2007 ("the Recommendations") to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines.

The Company's compliance with the Revised Corporate Governance Principles and Recommendations is summarised in the table below:

	ASX P & R[1]	If not, why not[2]		ASX P & R[1]	If not, why not[2]
Recommendation 1.1	✓		Recommendation 4.3		✓
Recommendation 1.2	✓		Recommendation 4.4		✓
Recommendation 1.3	✓		Recommendation 5.1	✓	
Recommendation 2.1		✓	Recommendation 5.2	✓	
Recommendation 2.2	✓		Recommendation 6.1		✓
Recommendation 2.3	✓		Recommendation 6.2		✓
Recommendation 2.4		✓	Recommendation 7.1	✓	
Recommendation 2.5	✓		Recommendation 7.2		✓
Recommendation 2.6	✓		Recommendation 7.3	✓	
Recommendation 3.1	✓		Recommendation 7.4	✓	
Recommendation 3.2	✓		Recommendation 8.1		✓
Recommendation 3.3	✓		Recommendation 8.2	✓	
Recommendation 4.1		✓	Recommendation 8.3		✓
Recommendation 4.2		✓			

[1] Indicates where the Company has followed the Principles & Recommendations and summarised those practices below.
[2] Indicates where the Company has provided an "if not, why not" disclosure below.

In acknowledging the Key Messages of the first review of the corporate governance reporting under the Revised Corporate Governance Principles and Recommendations by ASX Markets Supervision ("ASXMS"), the Company has provided additional disclosure for each of the 27 recommendations. Where the Company has departed from a recommendation, the Company has provided substantive reasons and refers to material containing additional disclosure, as relevant.

The "if not, why not" disclosure of the Company is summarised in the table below:

CORPORATE GOVERNANCE STATEMENT *(continued)*

Recommendation	Explanation of Departure from Recommendation
2.1	The majority of the Board is not independent. However, the Directors consider that the Board as a whole is nevertheless capable of exercising independent judgment in effectively discharging its role in managing and overseeing Company performance.
2.4	Owing to the size and composition of the Board, it is not appropriate to establish an independent nomination committee, or to establish a formal nomination policy.
4.1, 4.2, 4.3, 4.4	Owing to the size and composition of the Board, it is not appropriate to establish an independent audit committee, or to establish a formal audit policy.
6.1, 6.2	Owing to the size and composition of the Board, it is not appropriate to establish a formal policy to promote effective communication with Shareholders and encourage their participation at meetings.
7.2	As the Company has not appointed senior management, the Board assumes responsibility for the design and implementation of risk management and internal control systems.
8.1, 8.3	Owing to the size and composition of the Board, it is not appropriate to establish an independent remuneration committee. Details of the Company's remuneration policy are set out in the Remuneration Report in the Directors' Report.

It is noted that as the Company's activities develop in size, nature and scope, the Company's corporate governance policies and processes will continue to be reviewed and improved as resources permit.

1. BOARD OF DIRECTORS

1.1. Role of Board

The Board is responsible for setting the strategic direction and establishing and overseeing the policies and financial position of the Company, and monitoring the business and affairs on behalf of its Shareholders, by whom the directors of the Company ("the Directors") are elected and to whom they are accountable.

Further, the Board takes specific responsibility for:

- Protecting and enhancing Shareholder value;
- Formulating, reviewing and approving the objectives and strategic direction of the Company;
- Approving all significant business transactions including acquisitions, divestments and capital expenditure;
- Monitoring the financial performance of the Company by reviewing and approving budgets and monitoring results;

CORPORATE GOVERNANCE STATEMENT *(continued)*

1. BOARD OF DIRECTORS *(continued)*

1.1. Role of Board *(continued)*

- Ensuring that adequate internal control systems and procedures (including financial, risk management, occupational health and safety, environmental management systems and procedures) exist and that compliance with these systems and procedures is maintained;
- Identifying significant business risks and ensuring that such risks are adequately managed;
- Appointing Directors to the Board;
- Monitoring and reviewing the performance and remuneration of Directors;
- Monitoring and evaluating the Company Secretary's performance;
- Establishing and maintaining appropriate ethical standards; and
- Evaluating and, where appropriate, adopting with or without modification, the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.

The Board is responsible for establishing a culture and framework that supports corporate governance, including creating the strategic direction for the Company, establishing goals for employees and the Company Secretary and monitoring the achievement of these goals.

The Company has a formal Board Charter, which is available from the Company on request. In broad terms, the Board is accountable to the Shareholders and must ensure that the Company is properly managed to protect and enhance shareholders' wealth and other interests. The Board Charter sets out the role and responsibilities of the Board within the governance structure of the Company and its related bodies corporate (as defined in the Corporations Act).

As at the date of this Annual Report, the Company has not employed any senior executives; therefore, disclosure under Recommendations 1.2 and 1.3 is not required.

1.2. Terms of Office of Directors

The constitution of the Company ("the Constitution") specifies that one third of the Directors, excluding the Managing Director, shall rotate on an annual basis. It is noted that, as at the date of this Annual Report, the Company has not appointed a Managing Director.

1.3. Composition of the Board and Independence

The Directors in office at the date of this Annual Report are:

Name	Position	Independent	Expertise
Mr John Palermo	Non-executive Director	No	Refer to Directors' Report
Dr John Henry Hills	Non-executive Director	No	Refer to Directors' Report
Mr Mike Bue	Executive Director	Yes	Refer to Directors' Report

1. BOARD OF DIRECTORS *(continued)*

1.3. Composition of the Board and Independence *(continued)*

The majority of Directors are not independent, departing from Recommendation 2.1. Mr Mike Bue is considered to be independent, as he is not engaged with the Company on any basis other than serving as an executive Director. John Palermo is not considered to be independent, owing to his relationship with the Company. Further, Dr John Hills is not considered to be independent, owing to the nature of his substantial shareholding and position as a non-executive with the Company.

Owing to the size and structure of the Company, the roles of the Chairperson and CEO equivalent are now occupied by the same Director.

The role of Company Secretary is performed by Mr John Joseph Palermo, who is also independent.

The Company has not established a formal policy for the nomination and appointment of Directors. However, the composition of the Board is determined using the following principles:

- The Board comprises three (3) Directors; however, this number may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified; and
- The Board should comprise Directors with a broad range of expertise.

The Board reviews its composition on an annual basis to ensure that the Board has the appropriate mix of expertise and experience. When a vacancy exists, for whatever reason, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board selects a panel of candidates with the appropriate expertise and experience. Potential candidates are identified by the Board with advice from an external consultant, if necessary. The Board then appoints the most suitable candidate who must stand for election at a general meeting of Shareholders.

1.4. Monitoring of Board Performance

In accordance with Recommendation 2.5, the Directors' performance is reviewed by the Chairperson on an ongoing basis. In the event that any Director's performance is considered to be unsatisfactory, that Director will be asked to retire from the Board. The Chairperson's performance is reviewed by the remaining two Board members.

The Company has established firm guidelines to identify the measurable and qualitative indicators of the Directors' performance during the course of the year ("the Guidelines"). Those Guidelines include minimum requirements for attendance at all Board and Shareholder meetings, whereby the non-attendance of a Director at more than three consecutive meetings without reasonable excuse will result in that Director's position being reviewed.

CORPORATE GOVERNANCE STATEMENT *(continued)*

1. BOARD OF DIRECTORS *(continued)*

1.5. Independent Professional Advice

Each Director has the right, in connection with his/her duties and responsibilities as a Director, to seek independent professional advice at the Company's expense. However, prior approval of the Chairperson is required, which will not be unreasonably withheld.

1.6. CEO and CFO Attestations

As at the date of this Annual Report, the Company has not appointed a CEO or a chief financial officer ("the CFO"). Due to the size and scale of the Company's operations, those roles are currently performed by the Board, specifically Mr John Palermo who is primarily responsible for financial matters in relation to the Company.

In lieu of the CEO and CFO's attestations, Mr John Palermo certifies to the Board that:

- The Company's financial statements are complete and present a true and fair view, in all material aspects, of the financial condition and operational results of the Company and are in accordance with relevant accounting standards ("the Executive Director's Statement"); and
- The Executive Director's Statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control is operating effectively and efficiently in all material aspects.

2. BOARD COMMITTEES

2.1. Nomination Committee

Owing to its size and composition, the Company has not established a separate nomination committee in accordance with Recommendation 2.4.

The Board considers that the selection and appointment of Directors should be the responsibility of the full Board and that no benefits or efficiencies are to be gained by delegating this function to a separate committee. In any event, the Board consists of only three members, which is the minimum composition recommended for a nomination committee pursuant to Recommendation 2.4.

The Board does not have a separate charter for its nomination and succession planning functions; however, the responsibilities of the Board ordinarily include the nomination functions described in section 1.3 of this Corporate Governance Statement.

2.2. Audit Committee

Owing to its size and composition, the Company has not established a separate audit committee in accordance with Recommendation 4.1.

The Board considers that the selection and appointment of Directors should be the responsibility of the full Board and that no benefits or efficiencies are to be gained by delegating this function to a separate committee.

CORPORATE GOVERNANCE STATEMENT *(continued)*

2. BOARD COMMITTEES *(continued)*

2.2. Audit Committee *(continued)*

In any event, the Board consists of only three members, which is the minimum number recommended for an audit committee pursuant to Recommendation 4.2.

The Directors are all financially literate. Mr John Palermo, Director, and Mr John Joseph Palermo, Company Secretary, hold financial qualifications and are chartered accountants. The Directors have, together, accumulated sufficient technical expertise in other directorships to provide valuable insight and technical knowledge, allowing the Board to verify and safeguard the integrity of the Company's financial statements.

Preserving the spirit of Principle 4, the external auditor has full access to the Board throughout the year.

The Board does not have a separate charter for its audit functions; however, the responsibilities of the Board (as set out in section 1.1of this Corporate Governance Statement) ordinarily include:

- Reviewing internal controls and recommending enhancements;
- Monitoring compliance with Corporations Act 2001, Securities Exchange Listing Rules, matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investment Commission and financial institutions;
- Improving the quality of the accounting function;
- Reviewing external audit reports to ensure that, where major deficiencies or breakdowns in controls or procedures have been identified, appropriate and prompt remedial action is taken by the Company; and
- Liaising with the external auditors and ensuring that the annual audit and half-year review are conducted in an effective manner.

The Board reviews the performance of the external auditors on an annual basis and nomination of auditors is as the discretion of the Board.

2.3. Remuneration Committee

Owing to its size and composition, the Company has not established a separate remuneration committee in accordance with Recommendation 8.1.

The Board considers that the responsibility for the selection and appointment of Directors can be adequately discharged by the Board and that no benefits or efficiencies are to be gained by delegating this function to a separate committee. In any event, the Board consists of only three members, which is the minimum composition recommended for an audit committee pursuant to Recommendation 8.1.

The Board does not have a separate charter for its remuneration functions; however, the Board is vested with the responsibility to review remuneration packages and policies (including remuneration, incentives, termination policies, and superannuation arrangements) applicable to each of the Directors and the Company Secretary. Remuneration levels are competitively set to attract the most qualified and experienced Directors for the benefit of the Company and Shareholders. The Board obtains independent advice on the appropriateness of remuneration packages.

CORPORATE GOVERNANCE STATEMENT *(continued)*

2. BOARD COMMITTEES *(continued)*

2.3. Remuneration Committee *(continued)*

In making decisions with respect to appropriate remuneration and incentive policies for executive Directors and the Company Secretary, the Board's objectives are to:

- Motivate executive Directors and the Company Secretary to pursue the long term growth and success of the Company within an appropriate control framework;
- Demonstrate a clear correlation between key performance and remuneration; and
- Align the interests of key leadership with the long-term interests of the Company's Shareholders.

Shareholder approval is also required to determine the maximum aggregate remuneration for non-executive Directors. The maximum aggregate remuneration approved for non-executive Directors is currently set at $250,000 per annum. Non-executive Directors are not provided with retirement benefits other than statutory superannuation entitlements and are not entitled to participate in equity-based remuneration schemes of the Company.

Full disclosure of the Company's remuneration philosophy and framework, and the remuneration received by Directors in the current period, is set out in the remuneration report, which is contained within the Directors' Report ("the Remuneration Report"). This Remuneration Report clearly distinguishes the remuneration provided for non-executive Directors and executive Directors.

3. ETHICAL STANDARDS

The Company has established a formal Code of Conduct ("the Code") as per Recommendation 3.1, which is available from the Company on request.

The Code outlines the Company's expectations of Directors, the Company Secretary and employees and its related bodies corporate in relation to their behaviour and the way business is conducted in the workplace on a range of issues. Directors, the Company Secretary and employees are committed to acting with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company. Directors, the Company Secretary and employees must conduct themselves in a manner consistent with the expectations of its stakeholders, commensurate with prevailing community and corporate standards, and must take responsibility for upholding the Company's legal obligations. In addition, the Board subscribes to the Statement of Ethical Standards as published by the Australian Institute of Company Directors.

4. DIRECTORS' DEALINGS IN COMPANY SHARES

The Company has implemented a formal trading policy as required by Recommendation 3.2 entitled *Guidelines for Dealing in Securities*. This policy applies to Directors, the Company Secretary, employees and contractors of the Company, and is available from the Company on request.

In addition, Directors must notify the Australian Securities Exchange of any acquisition or disposal of shares by lodgment of a Notice of Director's Interests. Board policy is to prohibit Directors, the Company Secretary and employees from dealing in shares of the Company whilst in possession of price sensitive information.

CORPORATE GOVERNANCE STATEMENT *(continued)*

5. CONTINUOUS DISCLOSURE AND SHAREHOLDER COMMUNICATION

The Company has implemented a formal Continuous Disclosure and Information Policy as suggested in Recommendation 5.1, which is available from the Company on request. This policy was introduced to ensure the Company achieves compliance with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules.

The Board aims to ensure that the Shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the Directors. Information is communicated to Shareholders through:

- The Annual Report which is distributed to all Shareholders;
- Half-yearly reports, quarterly reports and all ASX announcements which are posted on the Company's website;
- The Annual General Meeting and other meetings so called to obtain Shareholder approval for Board action as appropriate; and
- Compliance with the continuous disclosure requirements of the ASX Listing Rules.

The Company's auditor is required to be present, and be available to Shareholders, at the Annual General Meeting.

6. RESPECT THE RIGHTS OF SHAREHOLDERS

The Company has a formal privacy policy ("the Privacy Policy"), which is available from the Company on request. The Company is committed to respecting the privacy of Shareholders' personal information. The Privacy Policy sets out the Company's personal information management practices and covers the application of privacy laws, personal information collection, the use and disclosure of personal information, accessing and updating Shareholders' information and the security of that information.

The Board has not adopted any additional codes of conduct or communications policies to promote effective communication with Shareholders and encourage their participation at general meetings in accordance with Recommendation 6.1. This is because the Board considers, in the context of the size and nature of the Company, that a communications policy would not improve the effective exercise of the Shareholders' rights at general meetings.

Nevertheless, the Company informally adopts several of the suggestions in Recommendation 6, including communicating to Shareholders electronically, and uploading its formal codes and policies to the Company's website.

7. RECOGNISE AND MANAGE RISK

Due to the size and scale of the Company and the Board, a separate committee has not been established to oversee risk management. However, the Board has established a formal risk management policy to recognise and manage risk, as recommended by Recommendation 7.1. This risk management policy is available from the Company on request.

Risk management is a priority for the Board who remains vigilant in creating a culture, processes and structures directed to optimising the Company's opportunities whilst minimising and managing potential material business risks.

CORPORATE GOVERNANCE STATEMENT *(continued)*

7. RECOGNISE AND MANAGE RISK *(continued)*

Risk oversight, management and internal control are dealt with on a continuous basis by the Board, with differing degrees of involvement from various Directors and the Company Secretary, depending upon the nature and materiality of the matter.

The Board continuously reviews material business risks to identify whether the system for identifying and reporting risks is being managed effectively. Determined areas of risk which are regularly considered include:

- Performance and funding of research and development activities;
- Budget control and asset protection;
- Status of intellectual property;
- Compliance with government laws and regulations;
- Safety and the environment;
- Continuous disclosure obligations; and
- Sovereign risk.

As the Company has not appointed a CFO (or equivalent), an assurance under s295A of the Corporations Act has been made by Mr John Palermo, who performs the function of the CFO for this purpose.

The Annual Report sets out the categories of financial risk applicable to the Company, which are contained in Note 26 in the Notes to the Financial Statements in the Annual Report.