PELICAN RESOURCES LIMITED

(ABN 12 063 388 821)

2013 ANNUAL REPORT


0
1000kms
PHILIPPINES
ROMBLON Nickel Project
MABUHAY Gold Project
COCKATOO ISLAND Iron Ore Project
AUSTRALIA
Western Australia
USA
Arizona
SAN MARCOS Project

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 2013.

The year under review saw the Company continue its focus on the Romblon Nickel Project in the Philippines.

The Company received notification from SNPDC that the Petition for Declaratory Relief to declare the Provincial Executive Order as contrary to the Philippine Constitution has been determined in favour of SNPDC.

The Regional Trial Court in Romblon has ruled in favour of the Applicant (SNPDC) and declared the Provincial Executive Order as unconstitutional. A motion for reconsideration was filed by the Governor of Romblon against the Order. The Court denied the Motion for Reconsideration in a Resolution dated 14 June 2013.

Pelican and Australian American Mining Corporation Limited (AusAmerican) entered into an option agreement pursuant for a farm-in and joint venture, through a USA subsidiary, on the San Marcos Gold Project in La Paz Country, Arizona, USA.

Pelican completed the incorporation of a wholly owned USA subsidiary (Dore 5 Resources Inc.) in July 2013. The services of an Arizona-based consulting geologist has been established together with the appointment of Directors and offices of Dore 5 Resources.

On Cockatoo Island, the Company continued to receive royalties from the project from Pluton Resources Limited, with shipping continuing during the reporting period.

The Company announced to the market in September 2012, 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. Cockatoo Island project was purchased from Cliffs Asia Pacific Iron Ore Pty Ltd by Pluton Resources Limited and its unincorporated joint venture partner Wise Energy. Pluton Resources is the operator and maintains management control.

Again this year, I wish to express my gratitude to our staff in Perth and the Philippines who have worked tirelessly in pursuit of the Group's objectives during the year under review.

Dated this 24th day of September, 2013

JOHN PALERMO
Chairman

REVIEW OF OPERATIONS

REPUBLIC OF THE PHILIPPINES

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

Interest: MPSA 3042009-IVB

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). There is potential for processing nickel laterite ore in the Philippines if this option can add value to the project. Several Ferro-Nickel (FeNi) Plants located within barging distance of the Romblon Project are currently idle. All options can be fully evaluated after an exploration program has been completed to define a Measured and Indicated JORC compliant Mineral Resource.

The granted Mineral Production Sharing Agreement (MPSA), on Sibuyan Island in the Romblon Province in the Philippines, covers a lateritic nickel deposit 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. The MGB report did not note any environmental or permitting violations due to work completed by the Joint Venture. It was noted by the MGB that the Joint Venture should obtain a "Social Licence" or majority support from the Local Government Officials, Organisations and Community. 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.

REVIEW OF OPERATIONS *(continued)*

Representatives of the DENR and MGB met with SNPDC representatives and SNPDC's Legal Counsel in Manila on 18 December 2012. The DENR representatives stated that the Sibuyan MPSA Contract Area is not included in the list of No-Go-Zones or restricted areas to be defined as declared in Executive Order 79 (EO 79). The DENR cannot release the list because what they submitted was a recommendation which is subject to the approval of the MGB Director and DENR Secretary. Only Mt. Guting-guting and the buffer zones outside of the MPSA were included in the recommended No-Go-Zones.

SNPDC's Legal Counsel further advised that the Sibuyan MPSA was granted on 23 December 2009 and EO 79 became effective on 26 July 2012. Hence, the provision in EO 79 which declared additional areas closed to mining applications cannot invalidate Sibuyan's MPSA and the Company's right to conduct mining activities within the MPSA Contract Area cannot be impaired pursuant to the non-impairment of contracts clause of the Constitution.

The Company received notification from SNPDC, in the Quarter ending 31 March 2013, that the Petition for Declaratory Relief to declare the Provincial Executive Order as contrary to the Philippine Constitution has been determined in favour of SNPDC.

The Regional Trial Court in Romblon has ruled in favour of the Applicant (SNPDC) and declared the Provincial Executive Order as unconstitutional. The Order will not become final and executory until the lapse of 15 days from receipt by all parties of the decision of the Court.

A motion for reconsideration was filed by the Governor of Romblon against the Order. The Court denied the Motion for Reconsideration in a Resolution dated 14 June 2013. The respondents have the option to Appeal the Court ruling.

Given the Court's ruling in favour of the Applicant, SNPDC is making representations to the Office of the President of the Philippines (OP) where its own appeal in respect of the Cease and Desist Order is still pending and advising the OP of the recent Court Resolution declaring the Executive Order unconstitutional and asking that any pending Appeal be immediately resolved. Counsel for SNPDC will also provide the Mines & Geosciences Bureau with a copy of the Resolution and keep the MGB appraised of this significant development.

The Philippine elections were held successfully on the 13 May 2013. The incumbent Mayor of San Fernando Municipality lost the re-election by a small margin. The newly elected officials were formally sworn into office on 30 June 2013. It is anticipated that there will be some tensions resulting from the elections and potential legal challenges against the election results. Little activity at the project site will be undertaken until there is acceptance of the newly elected officials and stability in the Municipality.

SNPDC will request meetings with the elected officials and appraise them on the status of the CDO and proposed exploration program when the local situation is considered as stable. The DENR and MGB have been clear in the requirement for SNPDC to obtain the support of Local Government Units including elected officials, organisations and community prior to commencing an exploration program. SNPDC is in full agreement with this requirement.

The President of the Philippines signed an Executive Order (EO) No. 79 s. 2012 (Mining) amending the country's Mining Code in July 2012 and became effective on 26 July 2012. The EO 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".

This new EO 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.

REVIEW OF OPERATIONS *(continued)*

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

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

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 $5 million 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 granting of permits.

Rugby recently informed the Company that efforts towards application for a MPSA have ceased. Rugby now intends to apply for an Exploration Permit (EP) to allow exploration drilling to commence at an earlier date. The DENR lifted the moratorium on applications for Exploration Permits (EPs) and Financial or Technical Assistance Agreements (FTAAs) effective 18 March 2013. The moratorium was imposed in January 2011 after the DENR ordered the MGB to review all pending and inactive mining projects in the country. The suspension covered applications for EPs, FTAAs and MPSAs.

An MPSA is a Mineral Agreement in which the government shares in the production of the contractor. Applications for MPSAs are still not allowed as Executive Order No. 79 stipulates that "no new Mineral Agreements shall be entered into until legislation rationalising existing revenue sharing schemes and mechanisms shall have taken effect". An FTAA is a mining right granted for large-scale operation, development and utilisation of minerals. It allows 100-percent foreign ownership of a venture, with 50-50 revenue-sharing with the government.

EPs may now be issued because the MGB has completed the mapping of no-go zones; areas where mining activities are prohibited or restricted because they are dedicated solely to agriculture and tourism activities or are protected areas. EO 79 required the no-go zones to be mapped before EPs could be issued. Rugby hopes to proceed to exploration through an EP and consider application for a MPSA or an FTAA at a later date depending on the success of the exploration.

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)*

UNITED STATES OF AMERICA

SAN MARCOS GOLD PROJECT, ARIZONA USA

Interest: Option to earn up to 100%
Operator: Pelican wholly owned USA subsidiary (incorporated July 2013)

Pelican and Australian American Mining Corporation Limited (AusAmerican) entered into an option agreement pursuant to which Pelican was granted an option to enter into a farm-in and joint venture agreement, through a USA subsidiary, on the San Marcos Gold Project in La Paz Country, Arizona, USA.

Pelican has exercised the option by providing notice and a payment of AUD$25,000 to AusAmerican. The parties are now entering into a formal farm-in and joint venture agreement. A wholly owned USA subsidiary company was incorporated in July 2013. The key terms of the agreement were announced to the ASX on 14 January 2013.

A site visit and due diligence was conducted during January 2013. The Company contracted experienced consultants to generate a computer model of the data and issue a JORC compliant Mineral Resource report. This work, which is still in progress, is being undertaken to assist in formulating an ongoing gold exploration program.

The San Marcos mine and surrounding lands consist of 126 contiguous lode mining claims over 4 square miles (10.5 square kilometres).

The historic San Marcos mine was operated first in the 1890's as an underground mine, which included a shallow underlay shaft of some 500 feet (150 metres) length with drifts at four levels, and a vertical shaft 160 feet (49 metres) deep. The ore was said to average 2 ounces gold per ton and 0.3 ounce per ton silver. The mine operated intermittently until 1934. Since then, the mine has attracted industry interest at times of high gold prices. The only drilling undertaken was by Westmont during the 1980's.

AusAmerican had undertaken an evaluation of the potential of this strongly mineralised area. Work consisted of evaluation of numerous mineralised prospects, extensive sampling of outcropping mineralised zones, a total magnetic survey, and preliminary geologic mapping.

Geologic mapping has confirmed the structural control of mineralisation by both low-angle and high-angle faults. The structural setting is similar to that of the Copperstone mine, which lies some 48 miles (77.5 kilometres) to the WNW, where the regional detachment fault and associated high angle faults host nearly one million ounces of gold. The San Marcos Decline attempted to follow a similar low-angle fault. The prospect pits and the San Marcos open cut expose both a low angle fault and associated high-angle structures.

Surface sampling by AusAmerican has so far included collection of 86 samples over about 80% of the property. Analytical data received for nearly all these samples, and include fire assay for gold and a multi-element scan for numerous other metals including silver. These samples include grab, composite, continuous chip, or short channel samples depending upon the nature of each occurrence. They were analysed by ALS-Chemex, an ISO certified laboratory, in Reno, Nevada.

Pelican completed the incorporation of its wholly owned USA subsidiary Dore 5 Resources Inc. in July 2013. The services of an Arizona-based consulting geologist has been established together with the appointment of Directors and offices of Dore 5 Resources.

Statutory requirements have been completed to enable the Company (Dore 5 Resources Inc.) to now move forward with the review of the computer resource model in conjunction with geological core logging of diamond drill holes which were drilled by AusAmerican.

REVIEW OF OPERATIONS *(continued)*

Dore 5 has also contracted the services of a professional tenement company based in Tucson Arizona to manage the San Marcos group of claims.

WESTERN AUSTRALIA

KIMBERLEYS

COCKATOO ISLAND PROJECT (M04/235)

Interest:	100%
Operator:	HWE Cockatoo Pty Ltd (from 01 July to 30 September 2012)
	Pluton Resources Ltd (from 01 October 2012 to 30 June 2013)

The Company announced to the market in September 2012, 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. Cockatoo Island project was purchased from Cliffs Asia Pacific Iron Ore Pty Ltd by Pluton Resources Limited and its unincorporated joint venture partner Wise Energy during September with the asset handover date effective on the 1st October 2012. Pluton Resources will be the operator and maintain management control. Their initial open-cut mine plan forecasts monthly shipments to commence in November 2012.

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. 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 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 the FOB sales price of ore shipped (depending on the prevailing FOB sales price) whichever is the greater.

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 from 01 October 2012.

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.

Cliffs Asia Pacific Iron Ore Pty Ltd, as representative for the Cockatoo Island Project, notified the Company that their final shipment of iron ore shipped from Cockatoo Island was 348,582 tonnes. Royalty payments were at the rate of 50 cents per dry metric tonne of iron ore shipped.

Pluton, as operator of the Cockatoo Island Project, reported that shipments of iron ore in the period from 01 October 2012 to 30 June 2013 were 340,808 dry tonnes. Royalty payments were on the basis of $1.00 per dry tonnes of iron ore shipped.

RELINQUISHMENTS

Donald Well (E45/2534) October 2012

REVIEW OF OPERATIONS *(continued)*

NEW ACQUISITIONS

Option on the San Marcos gold project in Arizona, USA.

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 2013.

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

PRINCIPAL ACTIVITIES

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

OPERATING RESULTS

The consolidated profit for the year after income tax was $284,146 (2012: loss of $2,646,345).

The auditors have issued an emphasis of matter opinion on the capitalised expenditure on the exploration assets.

The Company has internally generated cashflow via a royalty stream from the Cockatoo Island operations. The continuity of development and exploration activities will, at some stage in the future, require access to new funding.

The development and exploration activities to be carried out in the future and the Company's planned discretionary expenditure may vary significantly due to a variety of factors. The Company has the ability to substantially reduce or defer actual exploration expenditure if required to better match the funds available to the Company at any point in time.

The directors are of the view that the current carrying value of the Romblon project is reasonable given the carrying value of projects of a similar nature.

The directors have prepared the financial statements on a going concern basis which contemplates the continuity of normal business activities.

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or recommended for the year ended 30 June 2013.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

Date	Details	No. of Shares	Issue Price	No. of Options	Exercise Price	Exercisable By
31/12/2012	Unlisted options expired	--	--	2,500,000	$0.15	31/12/2012
27/02/2013	Compensation for services in relation to the San Marcos Gold Project (issued for a fair value of $4,500)	500,000	--	--	--	--

DIRECTORS' REPORT *(continued)*

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 30 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 (resigned 30/11/2012)

(* 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.

COMPANY SECRETARY

John Joseph Palermo, B.Bus, FCA, ACIS
Mr Palermo is a Chartered Accountant with 17 years experience in Public Practice. His areas of expertise are in corporate transaction execution, strategic business management and business structuring. Currently a director of Palermo Chartered Accountants, he has experience in public company accounting and administration. Mr Palermo serves as Chairman of the Regional Council of the Institute of Chartered Accountants and the National Public Practice Advisory Committee. Mr Palermo is also a member of 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 - $150,000 p.a. plus 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 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)									
2013	126,250	--	--	20,438	--	--	--	146,688	--
2012	130,771	--	5,306	16,350	--	--	--	152,427	--
Hills, J – Director (non-executive)									
2013	37,000	--	--	--	--	--	--	37,000	--
2012	120,300	--	5,306	16,350	--	--	--	141,956	--
Bue, M – Director (executive)									
2013	150,000	--	--	13,500	--	--	--	163,500	--
2012	34,000	--	5,305	1,350	--	--	--	40,655	--
Green, D – Director (non-executive) (resigned: 29/11/2011)									
2013	--	--	--	--	--	--	--	--	--
2012	36,000	--	--	--	--	--	--	36,000	--
Bell, S – CEO (resigned: 11/01/2012)									
2013	--	--	--	--	--	--	--	--	--
2012	41,424	--	--	3,728	--	--	--	45,152	--
Total Remuneration:									
2013	313,250	--	--	33,938	--	--	--	347,188	
2012	362,495	--	15,917	37,778	--	--	--	416,190	

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 2013 and 30 June 2012.

During the year ended 30 June 2013, no remuneration options were forfeited or exercised by the directors, however 2,500,000 unlisted options did expire on 31 December 2012.

DIRECTORS' REPORT *(continued)*

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

At the date of this report, 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	20,822,928	21,754,400	--
John Henry Hills	11,883,839	--	--
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 2013 by each director:

	Number Eligible to Attend	Number Attended
John Palermo	27	27
John Henry Hills	27	27
Mike Bue	27	27

DIVIDENDS

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

SHARE OPTIONS

As at 30 June 2013, 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

- 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 $14,930 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 59.

NON-AUDIT SERVICES

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

Dated at Perth this 24th day of September, 2013

Signed in accordance with a resolution of the board of directors

JOHN PALERMO
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

		Consolidated	
		2013	**2012**
	Note	**$**	**$**
Revenue	2	1,304,052	961,455
Gain on deconsolidation of subsidiary	3(b)	100	48,370
Net foreign exchange gains	3(b)	20,125	251,467
Loss on disposal of investment	3(b)	(65,271)	--
Administration expense	3(c)	(137,841)	(137,368)
Auditor's remuneration	3(c)	(33,809)	(38,431)
Borrowing costs	3(a)	(2,632)	(43,336)
Company secretarial expenses	3(c)	(32,700)	(32,700)
Consulting fees	3(c)	(220,000)	(228,579)
Depreciation	3(a)	(8,765)	(13,526)
Diminution in value of investments	3(c)	(2,480)	(1,860)
Directors' and CEO benefits expenses	3(c)	(198,319)	(94,202)
Exploration expenditure written off	3(c)	(92,571)	(356,651)
Impairment of assets	3(c)	--	(2,677,984)
Insurance	3(c)	(23,357)	(24,120)
Legal expenses	3(c)	(34,067)	(12,222)
Public relations and marketing	3(c)	(42,030)	(24,250)
Rent and outgoings	3(c)	(1,230)	(36,390)
Share register maintenance	3(c)	(27,265)	(39,545)
Travel and accommodation	3(c)	(17,024)	(8,611)
Other expenses	3(c)	(100,770)	(137,952)
Profit/(loss) before income tax		284,146	(2,646,345)
Income tax	4	--	--
Profit/(loss) for the year		284,146	(2,646,345)
Other comprehensive income			
Currency translation differences		161,187	(42,218)
Change in fair value of securities	15(c)	65,018	(40,716)
Income tax on other comprehensive income		--	--
Other comprehensive income/(loss) for the year		226,205	(82,934)
Total comprehensive income/(loss) for the year		510,351	(2,729,279)
Gain/(loss) attributable to:			
Members of the parent entity		646,185	(2,569,584)
Non-controlling interest		(362,039)	(76,761)
		284,146	(2,646,345)
Total comprehensive gain/(loss) attributable to:			
Members of the parent entity		912,751	(2,652,027)
Non-controlling interest		(402,400)	(77,252)
		510,351	(2,729,279)
Basic and diluted earnings/(loss) per share (cents per share)	23	0.12	(1.33)

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

PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

		Consolidated	
		2013	**2012**
	Note	**$**	**$**
Current Assets			
Cash and cash equivalents	5	1,265,184	1,635,694
Trade and other receivables	6	508,087	162,682
Other current assets	7	159,995	194,977
Total Current Assets		1,933,266	1,993,353
Non Current Assets			
Other financial assets	8	620	3,253
Plant and equipment	9	35,776	54,453
Mineral exploration and evaluation expenditure	10	3,600,929	3,097,931
Total Non Current Assets		3,637,325	3,155,637
Total Assets		5,570,591	5,148,990
Current Liabilities			
Trade and other payables	11	163,282	219,225
Interest bearing liabilities	12	--	100,000
Non interest bearing liabilities	13	13,339	3,642
Total Current Liabilities		176,621	322,867
Non Current Liabilities			
Non interest bearing liabilities	13	1,003,176	950,180
Total Non Current Liabilities		1,003,176	950,180
Total Liabilities		1,179,797	1,273,047
Net Assets		4,390,794	3,875,943
Equity			
Issued capital	14(a)	13,283,621	13,279,121
Reserves	15(a)	1,617,520	1,350,954
Accumulated losses	16	(10,082,536)	(10,728,721)
Total parent entity interest		4,818,605	3,901,354
Non-controlling interest	17	(427,811)	(25,411)
Total Equity		4,390,794	3,875,943

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

PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

Consolidated	Issued Capital $	Options Reserve $	Foreign Currency Translation Reserve $	Asset Revaluation Reserve $	Accumulated Losses $	Non-Controlling Interest $	Total Equity $
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
Balance at 01/07/2012	13,279,121	1,528,725	(112,753)	(65,018)	(10,728,721)	(25,411)	3,875,943
Total comprehensive income for the year							
Profit/(loss) for the year	--	--	--	--	646,185	(362,039)	284,146
Other comprehensive income							
Foreign currency translation differences	--	--	201,548	--	--	(40,361)	161,187
Net changes in fair value of securities	--	--	--	65,018	--	--	65,018
Total other comprehensive income for the year	--	--	201,548	65,018	--	(40,361)	226,205
Total comprehensive income for the year	--	--	201,548	65,018	646,185	(402,400)	510,351
Transactions with owners recorded directly into equity							
Contributions by and distributions to owners							
Shares issued during the year	4,500	--	--	--	--	--	4,500
Options issued during the year	--	--	--	--	--	--	--
Transaction costs	--	--	--	--	--	--	--
Total contributions by / distributions to owners	4,500	--	--	--	--	--	4,500
Balance at 30/06/2013	13,283,621	1,528,725	88,795	--	(10,082,536)	(427,811)	4,390,794

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

PELICAN RESOURCES LIMITED AND CONTROLLED ENTITIES

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Consolidated 2013 $	Consolidated 2012 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		(980,290)	(721,413)
Interest received		(2,632)	114,889
Royalties received		358,901	955,079
Settlement proceeds		525,000	--
Interest paid		84,802	(47,836)
Other		500	--
Net Cash (Used in)/Provided by Operating Activities	18(b)	(13,719)	300,719
Cash Flows from Investing Activities			
Payments for exploration expenditure		(364,986)	(409,125)
Loans (to)/from other entities		(29,830)	18,358
Payments for plant and equipment		(181)	(46,582)
Other		8,514	(8,514)
Net Cash Used in Investing Activities		(386,483)	(445,863)
Cash Flows from Financing Activities			
Proceeds from issue of shares and options		--	1,203,515
Costs associated with share and option issues		--	(120,290)
Repayment of borrowings		(100,000)	(350,000)
Net Cash (Used in)/Provided by Financing Activities		(100,000)	733,225
Net (decrease)/increase in cash and cash equivalents held		(500,202)	588,081
Cash and cash equivalents at the beginning of the financial year		1,635,694	1,133,489
Effect of exchange rate changes on cash holdings		129,692	(85,876)
Cash and cash equivalents at the end of the financial year	18(a)	1,265,184	1,635,694

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 2013

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 2013 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 24 September 2013.

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

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 $1.00 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).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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

(c) New and Amended Accounting Standards adopted by the Group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, amendments made to AASB 101 *Presentation of Financial Statements effective* 1 July 2012 now require the statement of comprehensive income to show the items of comprehensive income grouped into those that are not permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

(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 profit or loss and other 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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 profit or loss and other 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 profit or loss and other 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 profit or loss and other comprehensive income.

(e) Income Tax

The charge for current income tax is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the rates that have been enacted or are substantively enacted by the 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 profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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 profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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 profit or loss and other comprehensive income.

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 profit or loss and other comprehensive income.

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

(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 profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

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

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 profit or loss and other comprehensive income in the period in which the operation is disposed. The functional currency of the subsidiaries incorporated in the Philippines (refer Note 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 2013

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 for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group.

At the date of the authorisation of the financial statements, the Accounting Standards and Interpretations listed below were in issue but not yet effective.

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

(t) New Accounting Standards and Interpretations for Application in Future Periods *(continued)*

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)', and AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'	1 January 2015	30 June 2016
AASB 10 'Consolidated Financial Statements'	1 January 2013	30 June 2014
AASB 11 'Joint Arrangements'	1 January 2013	30 June 2014
AASB 12 'Disclosure of Interests in Other Entities'	1 January 2013	30 June 2014
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 19 (2011)'	1 January 2013	30 June 2014
AASB 127 'Separate Financial Statements (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 128 'Investments in Associates and Joint Ventures' (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 2012-2 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 7)	1 January 2013	30 June 2014
AASB 2012-3 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 132)	1 January 2014	30 June 2015
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements cycle'	1 January 2013	30 June 2014
AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'	1 January 2013	30 June 2014
Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'.	1 January 2013	30 June 2014

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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

(t) New Accounting Standards and Interpretations for Application in Future Periods *(continued)*

The Group has decided not to early adopt any of the new and amended pronouncements. Of the above new and amended Standards and Interpretations, the Group's assessment of those new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

- *AASB 9: Financial Instruments (December 2010) and AASB 2010-7 and AASB 2012-6: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).* These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

  The key changes made to accounting requirements include:

  - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
  - simplifying the requirements for embedded derivatives;
  - removing the tainting rules associated with held-to-maturity assets;
  - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
  - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
  - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
  - requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

  The Group has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

- *AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).*

  AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation - Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Group has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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

(t) New Accounting Standards and Interpretations for Application in Future Periods *(continued)*

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or 'joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the 'special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will only affect disclosures and is not expected to significantly impact the Group.

To facilitate the application of AASB's 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Group.

- *AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).*

  AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

  AASB 13 requires:

  - inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
  - enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

  These Standards are not expected to significantly impact the Group.

- *AASB 2011-4: Amendments to Australian Accounting Standards to remove the individual key management Personnel Disclosure Requirements (applicable for annual reporting periods commencing on or after 1 January 2013).*

  This standard makes amendments to AASB 124: Related Party Disclosures to remove the individual key management personnel disclosure requirements (including para's Aus 29.1 to Aus 29.9.3). These amendments serve a number of purposes, including furthering the trans-Tasman conversion, removing differences from IFRS's, and avoiding any potential confusion with the equivalent Corporations Act 2001 disclosure requirements.

  This standard is not expected to significantly impact the Group's financial report as a whole.

- *AASB 119 (September 2011) includes changes to the accounting for termination benefits.*

  The Group has not yet been able to reasonably estimate the impact of these changes to AASB 119.

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

(t) New Accounting Standards and Interpretations for Application in Future Periods *(continued)*

- *AASB 2012-2 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 7); AASB 2012-3 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 132); AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements cycle'; AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'; and Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'.*

  These standards are not expected to impact the Group.

(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 2013

NOTE 2: REVENUE

	Consolidated	
	2013	**2012**
Revenue	**$**	**$**
Settlement with Pluton Resources Ltd	525,000	--
(Loss)/profit on sale of plant and equipment (Note 9)	(2,157)	(47)
Royalties	703,760	888,568
Interest earned	76,949	72,934
Other income	500	--
Total revenue	1,304,052	961,455

NOTE 3: EXPENSES AND (GAINS)/LOSSES

(a) Expenses		
Depreciation of non-current assets		
Plant and equipment	8,765	13,526
Borrowing cost expense		
Interest expense on convertible notes and loans	2,632	43,336
(b) (Gains)/losses		
Net foreign exchange (gains)	(20,125)	(251,467)
Gain on disposal of subsidiary (Note 21)	(100)	(48,370)
Loss on disposal of investment	65,271	--
	45,046	(299,837)

(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	137,841	137,368
Auditor's remuneration	33,809	38,431
Company secretarial expenses	32,700	32,700
Consulting fees	220,000	228,579
Decrease in value of loans and investments	2,480	1,860
Directors' and CEO benefits expenses	198,319	94,202
Exploration expenditure written off	92,571	356,651
Impairment of assets	--	2,677,984
Insurance	23,357	24,120
Legal expenses	34,067	12,222
Public relations and marketing	42,030	24,250
Rent and outgoings	1,230	36,390
Share register maintenance	27,265	39,545
Travel and accommodation	17,024	8,611
Other expenses	100,770	137,952
	963,463	3,850,865

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 4: INCOME TAX

The prima facie tax on profit/(loss) before income tax is reconciled to the income tax as follows:	Consolidated 2013 $	Consolidated 2012 $
Profit/(loss) before income tax	284,146	(2,646,345)
Income tax calculated at 30%	85,244	(793,904)
Add back:		
Income accrued	(101,102)	32,540
Non deductible expenses	373	286
Unrealised foreign exchange (gains)/losses	(6,038)	(75,440)
Provisions	(18,761)	12,773
Capitalised exploration (recouped)/written off	(150,899)	684,147
Capital raising costs	(41,119)	(41,779)
Future income tax benefits not brought to account	232,302	181,377
Income tax expense	--	--
Deferred tax assets:		
Capital raising costs	88,182	129,301
Provisions	191,814	210,575
Carried forward tax losses (including foreign tax losses)	3,726,541	3,494,239
	4,006,537	3,834,115
Deferred tax liabilities:		
Capitalised exploration costs	(1,080,278)	(929,379)
Accrued income	(134,626)	(33,524)
	(1,214,904)	(962,903)

NOTE 5: CASH AND CASH EQUIVALENTS

Cash at bank	65,184	135,694
Term deposits	1,200,000	1,500,000
	1,265,184	1,635,694

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 6: TRADE AND OTHER RECEIVABLES

	Consolidated 2013 $	Consolidated 2012 $
Current		
Accrued royalties	434,690	89,831
Goods and services tax	28,246	41,867
Advances/loans – other parties	45,151	30,984
	508,087	162,682

As of 30 June 2013, 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

	2013 $	2012 $
Current		
Deposits held	131,000	131,000
Accrued revenue	14,062	21,915
Prepayments	14,933	33,548
Other	--	8,514
	159,995	194,977

NOTE 8: OTHER FINANCIAL ASSETS

	2013 $	2012 $
Non Current		
Listed investments at fair value:		
Shares in other entities	620	3,100
Unlisted investments at fair value:		
Options in other entities	--	153
	620	3,253

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	Consolidated	
	2013	2012
	$	$
NOTE 9: PLANT AND EQUIPMENT		
Plant and equipment at cost	77,476	83,008
Less: accumulated depreciation	(41,700)	(28,555)
Total plant and equipment	35,776	54,453

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

Plant and equipment		
Carrying amount at beginning of year	54,453	26,267
Additions	181	46,582
Net book value of plant and equipment disposed	(2,157)	(47)
Depreciation expense	(8,765)	(13,526)
Foreign exchange impact	(7,936)	(4,823)
Carrying amount at end of year	35,776	54,453

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 10: MINERAL EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 2013 $	Consolidated 2012 $
Balance at beginning of year	3,097,931	5,378,421
Exploration and mining expenditure incurred during the year	364,986	409,125
Foreign exchange movement	230,583	345,020
Expenditure written off	(92,571)	(356,651)
Impairment of exploration assets	--	(2,677,984)
Balance at end of year	3,600,929	3,097,931
Exploration expenditure carried forward in respect of areas of interest in the exploration and evaluation phase	3,600,929	3,097,931

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 2013 $	Consolidated 2012 $
Trade creditors and accrued expenses	123,301	190,017
Goods and services tax	39,587	28,970
Withholding tax	394	238
	163,282	219,225

NOTE 12: INTEREST BEARING LIABILITIES

Current

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

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

NOTE 13: NON-INTEREST BEARING LIABILITIES

Current

Loans – other parties	13,339	3,642

Non current

Loans – other parties	1,003,176	950,180

	Consolidated 2013 $	Consolidated 2012 $

NOTE 14: ISSUED CAPITAL

(a) Issued Capital

	2013 $	2012 $
241,203,068 Ordinary shares fully paid (2012: 240,703,068)	13,283,621	13,279,121

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

Date	Details	No. of Shares	Issue Price	$
01/07/2011	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

Date	Details	No. of Shares	Issue Price	$
01/07/2012	Opening balance	240,703,068		13,279,121
27/02/2013	Compensation for services in relation to the San Marcos Gold Project	500,000	$0.009	4,500
	Less: transaction costs arising on share issues			--
30/06/2013	Closing balance	241,203,068		13,283,621

(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 2013 and no dividends are expected to be paid in 2014.

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 2013

NOTE 15: RESERVES

	Consolidated 2013 $	Consolidated 2012 $
(a) Composition		
Share based payments reserve	1,528,725	1,528,725
Foreign currency translation reserve	88,795	(112,753)
Asset revaluation reserve	--	(65,018)
	1,617,520	1,350,954

(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
01/07/2011	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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 15: RESERVES *(continued)*

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

Date	Details	Performance Rights	No. of Listed Options	No. of Unlisted Options	Fair Value of Options Issued	Exercise Price	Expiry Date
01/07/2012	Opening balance	500,000	88,175,767	15,375,000	$1,528,725		
31/12/2012	Unlisted options expired	--	--	(2,500,000)	--	$0.15	31/12/2012
30/06/2013	Closing balance	500,000	88,175,767	12,875,000	$1,528,725		

(c) Movements in asset revaluation reserve:

	Consolidated 2013 $	Consolidated 2012 $
Opening balance at 1 July 2012	(65,018)	(24,302)
Marked to market of shares and options	65,018	(40,716)
Closing balance at 30 June 2013	--	(65,018)

NOTE 16: ACCUMULATED LOSSES

	2013 $	2012 $
Balance at beginning of the year	(10,728,721)	(8,159,137)
Profit/(loss) attributable to members of Pelican Resources Limited	646,185	(2,569,584)
Balance at end of the year	(10,082,536)	(10,728,721)

NOTE 17: NON-CONTROLLING INTEREST

Reconciliation of minority equity interest in controlled entities:

	2013 $	2012 $
Opening balance	(25,411)	51,841
Share of current year’s (loss)/profit after income tax	(362,039)	(76,761)
Share of current year’s translation reserve	(40,361)	(491)
	(427,811)	(25,411)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 18: NOTES TO THE STATEMENT OF CASH FLOWS

	Consolidated 2013 $	Consolidated 2012 $
a) Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:		
Cash and cash equivalents (Note 5)	1,265,184	1,635,694
b) Reconciliation of net cash and cash equivalents used in operating activities to profit/(loss) for the year:		
Profit/(loss) for the year	284,146	(2,646,345)
Profit on deconsolidation of subsidiary	(100)	--
Debt conversions	4,500	18,000
Exploration and evaluation expenditure written off	92,571	356,651
Depreciation	8,765	13,526
Decrease in value of loans and investments	2,480	1,860
Impairment of exploration assets	--	2,677,984
Net loss on disposal of plant and equipment	2,157	47
Foreign exchange (gains)/losses	(112,696)	(251,467)
Net loss on disposal of investment	65,171	--
Movements in assets and liabilities:		
Receivables	(337,006)	108,466
Net GST receivable	24,238	(3,626)
Prepayments	18,615	(29,776)
Payables	(66,560)	55,399
Net cash (used in)/provided by operating activities	(13,719)	300,719

c) Non-cash investing and financing activities

2013

The Company issued 500,000 ordinary fully paid shares with a fair value of $4,500 in compensation for services in relation to the San Marcos Gold Project.

2012

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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
John Palermo — Chairman (non-executive)
John Henry Hills — (non-executive)
Mike Bue — (executive)

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

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)									
2013	126,250	--	--	20,438	--	--	--	146,688	--
2012	130,771	--	5,306	16,350	--	--	--	152,427	--
Hills, J – Director (non-executive)									
2013	37,000	--	--	--	--	--	--	37,000	--
2012	120,300	--	5,306	16,350	--	--	--	141,956	--
Bue, M – Director (executive)									
2013	150,000	--	--	13,500	--	--	--	163,500	--
2012	34,000	--	5,305	1,350	--	--	--	40,655	--
Green, D – Director (non-executive) (resigned: 29/11/2011)									
2013	--	--	--	--	--	--	--	--	--
2012	36,000	--	--	--	--	--	--	36,000	--
Bell, S – CEO (resigned: 11/01/2012)									
2013	--	--	--	--	--	--	--	--	--
2012	41,424	--	--	3,728	--	--	--	45,152	--
Total Remuneration:									
2013	313,250	--	--	33,938	--	--	--	347,188	
2012	362,495	--	15,917	37,778	--	--	--	416,190	

(b) Compensation of Key Management Personnel

Compensation by category:	Consolidated 2013 $	Consolidated 2012 $
Short-term	313,250	378,412
Post employment	33,938	37,778
	347,188	416,190

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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	
	2013	**2012**
	$	**$**
Geological expenses (Mike Bue)	33,550	3,812
Geological expenses (John Hills)	--	514
Management and disbursements (John Palermo)	178	463
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	
	2013	**2012**
	$	**$**
Payables	21,142	31,467

(d) Shareholdings by Directors

2013	**Balance 01/07/12 (No. of Shares)**	**Received Remuneration (No. of Shares)**	**No. of Options Exercised**	**Net Other Change (No. of Shares)**	**Balance 30/06/13 (No. of Shares)**
J Palermo	20,514,870	--	--	5,380,256	25,895,126
J H Hills	13,297,830	--	--	(1,486,538)	11,811,292
M Bue	--	--	--	--	--
Total	33,812,700	--	--	3,893,718	37,706,418

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 19: KEY MANAGEMENT PERSONNEL *(continued)*

(e) Listed Options and Rights Holdings by Directors

2013	Balance 01/07/12 (No. Options)	Granted as Remuneration (No. Options)	No. of Options Acquired	No. of Options Exercised	Net Change Other (No. Options)	Balance 30/06/13 (No. Options)	Total Vested 30/06/13 (No. Options)	Total Exercisable (No. Options)
J Palermo	21,754,400	--	--	--	--	21,754,400	21,754,400	21,754,400
J H Hills	--	--	--	--	--	--	--	--
M Bue	--	--	--	--	--	--	--	--
Total	21,754,400	--	--	--	--	21,754,400	21,754,400	21,754,400

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

(f) Unlisted Options and Rights Holdings by Directors

2013	Balance 01/07/12 (No. Options)	Granted as Remuneration (No. Options)	No. of Options Exercised	Net Change Other (No. Options)	Balance 30/06/13 (No. Options)	Total Vested 30/06/13 (No. Options)	Total Exercisable (No. Options)
J Palermo	1,000,000	--	--	(1,000,000)	--	--	--
J H Hills	1,000,000	--	--	(1,000,000)	--	--	--
M Bue	--	--	--	--	--	--	--
Total	2,000,000	--	--	(2,000,000)	--	--	--

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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 2013 and 30 June 2012.

(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).

	Consolidated	
NOTE 20: REMUNERATION OF AUDITORS	**2013**	**2012**
	$	**$**
Amount paid or due and payable to the auditors for:		
Audit services – Stantons International	30,124	32,109
– Overseas auditors	3,685	6,322
	33,809	38,431

NOTE 21: DECONSOLIDATION OF SUBSIDIARIES

2013

On 18 February 2013, Ibis Minerals Pty Ltd (a subsidiary of Pelican Resources Limited) was deregistered.

The subsidiary had an intercompany loan payable to its parent, Pelican Resources Limited, of $15,937 as at 18 February 2013. This loan which was fully provided for in the books of Pelican Resources is now written off.

Loss on write off of loan	($15,937)
Gain	$16,037
Gain on deconsolidation of Ibis	$100

2012

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 deconsolidation of Sunlight	$48,370

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	
		2013 $	2012 $
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
Sunpacific Resources Philippines, Inc.	PHP	--	--
Sunrom Philippines Holdings Corp'n.	PHP	--	--
Sibuyan Nickel Properties Dev. Corp'n.	PHP	--	--
Bato Mining Resources, Inc.	PHP	--	--
		951,001	951,001

The Group's effective ownership interest in its subsidiaries has not changed since the prior year, apart from Ibis Minerals Pty Ltd being deregistered on 18 February 2013 (refer 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	
	2013 $	2012 $
Profit/(loss) before income tax – Group	646,185	(2,569,584)
Adjustments:		
Loss attributable to non-controlling interest	(362,039)	(76,761)
Profit/(loss) used in calculating basic and diluted loss per share	284,146	(2,646,345)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 23: LOSS PER SHARE *(continued)*

	2013 Number of Shares	2012 Number of Shares
Weighted average number of ordinary shares used in calculating:		
Basic loss per share	240,871,561	199,270,573
Diluted loss per share	240,871,561	199,270,573

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 2013/14 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	
	2013 $	2012 $
Not later than one year	98,175	70,000
Later than one year but not later than 2 years	98,175	70,000
Later than 2 years but not later than 5 years	294,525	210,000
	490,875	350,000

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.

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	
	2013	2012	2013	2012	2013	2012	2013	2012
Geographical Segments	$	$	$	$	$	$	$	$
Revenue								
Sales to customers outside the Consolidated Entity	1,228,760	888,568	--	--	--	--	1,228,760	888,568
Other revenues from customers outside the Consolidated Entity	75,239	72,805	53	82	--	--	75,292	72,887
Total segment revenue	1,303,999	961,373	53	82	--	--	1,304,052	961,455
Results								
Segment result	818,932	(768,256)	(1,379,076)	58,270	844,290	(1,936,359)	284,146	(2,646,345)
Assets								
Segment assets	7,630,328	7,544,022	3,425,603	4,936,793	(5,485,340)	(7,331,825)	5,570,591	5,148,990
Liabilities								
Segment liabilities	8,549,698	8,280,911	5,936,797	4,734,771	(13,306,698)	(11,742,635)	1,179,797	1,273,047

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 2013

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

	Non Interest Bearing $		Weighted Average Effective Interest Rate %		Floating Interest Rate $		Fixed Interest Rate $		Total $	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Financial Assets										
- Cash and cash equivalents	65,184	135,694	4.34	5.62	1,200,000	1,500,000	--	--	1,265,184	1,635,694
- Deposits held	--	--	4.00	5.26	131,000	131,000	--	--	131,000	131,000
- Receivable other parties	45,151	30,984	--	--	--	--	--	--	45,151	30,984
- GST	28,246	41,867	--	--	--	--	--	--	28,246	41,867
- Accrued royalties	434,690	89,831	--	--	--	--	--	--	434,690	89,831
- Accrued revenue	14,062	21,915	--	--	--	--	--	--	14,062	21,915
- Investments at fair value	620	3,253	--	--	--	--	--	--	620	3,253
Total Financial Assets	587,953	323,544			1,331,000	1,631,000	--	--	1,918,953	1,954,544
Financial Liabilities										
- Trade creditors and accrued expenses	123,301	190,017	--	--	--	--	--	--	123,301	190,017
- Withholding tax payable	394	238	--	--	--	--	--	--	394	238
- Loan – other parties	1,016,515	953,822	--	--	--	--	--	--	1,016,515	953,822
- GST	39,587	28,970	--	--	--	--	--	--	39,587	28,970
- Short-term loans	--	--	--	12.00	--	--	--	100,000	--	100,000
Total Financial Liabilities	1,179,797	1,173,047			--	--	--	100,000	1,179,797	1,273,047
Net Financial (Liabilities)/Assets	(591,844)	(849,503)			1,331,000	1,631,000	--	(100,000)	739,156	681,497

Interest Rate Sensitivity

At 30 June 2013, 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 $7,694 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 2013 from around 4.17% to 4.59% (10% decrease: 3.75%) representing a 42 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 2013

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	
	2013 $	2012 $
Contracted maturities of liabilities at 30 June		
Payables		
- less than 30 days	123,695	190,255
- less than 12 months	39,587	28,970
Short-term loans		
- less than 12 months	--	100,000
Loans other parties		
- less than 12 months	13,339	3,642
- greater than 12 months	1,003,176	950,180
	1,179,797	1,273,047

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:

	2013 Change in equity with a 10% change in exchange rates		2012 Change in equity with a 10% change in exchange rates	
	Increase 10% $	Decrease 10% $	Increase 10% $	Decrease 10% $
Financial assets	(312,586)	382,049	(242,493)	296,381
Financial liabilities	461,896	(564,540)	339,638	(415,113)

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 2013, if share/option values had changed by 25% based on the 30 June 2013 fair values with all other variables held constant, the Consolidated Entity's profit for the year and equity would have been $155 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	
	2013	**2012**
	$	**$**
Net financial assets/(liabilities)	739,156	681,497
Other financial assets		
Prepayments and other	14,933	42,062
Plant and equipment	35,776	54,453
Mineral exploration and evaluation expenditure	3,600,929	3,097,931
Net assets	4,390,794	3,875,943

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).

	2013	**2012**
	$	**$**
Available for sale financial assets - Level 1	620	3,100
Available for sale financial assets - Level 2	--	153
Available for sale financial assets - Level 3	--	--
	620	3,253

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 27: EVENTS SUBSEQUENT TO REPORTING PERIOD

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

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

2013
On 27 February 2013, the Company issued 500,000 ordinary fully paid shares with a fair value of $4,500 in compensation for services in relation to the San Marcos Gold Project.

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 payments expense for the 2012 year was $143,000.

NOTE 29: SHARE BASED PAYMENTS *(continued)*

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

	Weighted average exercise price 2013	Number of Options 2013	Weighted average exercise price 2012	Number of Options 2012
Outstanding at 1 July	$0.11	103,550,767	$0.1714	23,875,000
Forfeited during the year	--	--	--	--
Exercised during the year	--	--	--	--
Expired during the year	$0.15	(2,500,000)	$0.20	(8,500,000)
Granted during the year	--	--	$0.04	28,000,000
Issued during the year	--	--	$0.04	60,175,767
Outstanding at 30 June	$0.10	101,050,767	$0.11	103,550,767
Exercisable at 30 June	$0.10	101,050,767	$0.11	103,550,767

The options outstanding at 30 June 2013 have an exercise price in the range of $0.04 to $0.15 and a weighted average remaining contractual life of 0.6 years (2012: 1.3 years).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 30: PARENT ENTITY DISCLOSURES

(a) Financial Position

	2013 $	2012 $
Current Assets		
Cash and cash equivalents	1,217,494	1,554,319
Trade and other receivables	450,224	121,501
Other current assets (i)	133,379	158,280
Total Current Assets	1,801,097	1,834,100
Non Current Assets		
Plant and equipment	650	3,396
Other financial assets (ii)	1,023,082	954,354
Total Non Current Assets	1,023,732	957,750
Total Assets	2,824,829	2,791,850
Current Liabilities		
Trade and other payables	134,413	168,560
Interest bearing liabilities	--	100,000
Total Current Liabilities	134,413	268,560
Total Liabilities	134,413	268,560
Net Assets	2,690,416	2,523,290
Equity		
Issued capital	13,283,621	13,279,121
Reserves	1,528,725	1,463,707
Accumulated losses	(12,121,930)	(12,219,538)
Total Equity	2,690,416	2,523,290

(b) Financial Performance

	2013 $	2012 $
Profit/(loss) for the year	97,608	(381,633)
Other comprehensive income/(loss)	65,018	(40,716)
Total Comprehensive Income/(Loss)	162,626	(422,349)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 30: PARENT ENTITY DISCLOSURES *(continued)*

	2013	2012
(i) Other current assets	**$**	**$**
Deposits held	114,000	114,000
Accrued revenue	13,916	21,725
Prepayments	5,463	22,555
	133,379	158,280
(ii) Other financial assets		
Investments in controlled entities	951,001	951,101
Loans to controlled entities	8,165,469	7,676,380
Provision for non recovery	(8,094,008)	(7,676,380)
Investments in other entities	620	3,253
	1,023,082	954,354

(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 15 to 55 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 2013 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 24th day of September, 2013

____

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 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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 2013 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).

Emphasis of Matter Regarding Carrying Values of Non-current Assets

Without qualification to the opinion expressed above, attention is drawn to the following matters:

At 30 June 2013, the entity had Mineral exploration and valuation expenditure of $3,600,929.The recoverability of the Group's carrying value of capitalised exploration and acquisition costs is dependent on the successful commercial exploitation of the assets and/or sale of the assets to generate profits at amounts in excess of the book values. In the event that the Group is not successful in commercial exploitation and/or sale of the assets, the realisable value of the consolidated entity's assets may be significantly different than their current carrying values.

Report on the Remuneration Report

We have audited the remuneration report included in pages 11 to 14 of the directors' report for the year ended 30 June 2013. 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 2013 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
24 September 2013

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

24 September 2013

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 2013, 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

Samir Tirodkar
Director

ASX ADDITIONAL INFORMATION

QUOTED SECURITIES

(a) ORDINARY FULLY PAID SHARES

(i) DISTRIBUTION OF SHAREHOLDERS AS AT 10 SEPTEMBER 2013:

SPREAD OF HOLDINGS	NO. OF HOLDERS	NO. OF SHARES	PERCENTAGE OF ISSUED CAPITAL %
1 – 1,000	329	158,569	0.07
1,001 - 5,000	639	1,443,246	0.60
5,001 - 10,000	200	1,381,925	0.57
10,001 - 100,000	323	11,198,532	4.64
100,001+	185	227,020,796	94.12
	1,676	241,203,068	100.00

The number of shareholdings held in less than marketable parcels is 1,290.

(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 HldgsPL	16,812,670	6.97
2.	Mainview Hldgs PL	13,165,029	5.46
3.	Veltox PL	11,883,837	4.93
4.	DF Lynton-Brown PL	8,028,459	3.33
5.	Leuzzi Joe & Sally	8,000,000	3.32
6.	Monarch Corp PL	7,750,000	3.21
7.	Nefco Nom PL	7,672,445	3.18
8.	Surfboard PL	7,266,667	3.01
9.	Topaze Entps PL	6,322,699	2.62
10.	Monslit PL	6,000,000	2.49
11.	Sharbanee Paul Gabriel	5,341,544	2.21
12.	RFID System PL	5,100,000	2.11
13.	Finebase Hldgs PL	5,072,198	2.10
14.	JP Morgan Nom Aust Ltd	5,029,568	2.09
15.	Energy-Saving Technology	4,468,001	1.85
16.	Energy-Saving Technology	4,000,000	1.66
17.	Green Douglas Burkett	3,000,000	1.24
18.	Darlot Inv PL	2,700,000	1.12
19.	Coastpark PL	2,581,847	1.07
20.	Winkara PL	2,500,000	1.04
		132,694,964	55.01

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	21,884,868	9.07
Mainview Holdings Pty Ltd	13,165,029	5.46

(b) OPTIONS

As at 10 September 2013, 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	41	112,058	0.13
5,001 - 10,000	14	104,548	0.12
10,001 - 100,000	56	1,999,681	2.27
100,001+	66	85,946,194	97.47
	201	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	21,754,400	24.67
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.	Mulloway PL	4,000,000	4.54
6.	Lawrence Crowe Cons PL	2,500,000	2.84
7.	Goffacan PL	2,328,609	2.64
8.	Topaze Entps PL	2,257,584	2.56
9.	Sharbanee Paul Gabriel	1,916,667	2.17
10.	Albatross Pass PL	1,916,667	2.17
11.	Wicklow Cap PL	1,916,666	2.17
12.	Surfboard Pl	1,816,667	2.06
13.	Dejul Trading PL	1,500,000	1.70
14.	Stonehurst WA PL	1,400,000	1.59
15.	JP Morgan Nom Aust Ltd	1,254,832	1.42
16.	Sharp Raymond	1,250,000	1.42
17.	De Vita Grace	1,000,000	1.13
18.	McLean Maria	1,000,000	1.13
19.	Green Douglas Burkett	1,000,000	1.13
20.	Darlot Inv PL	816,667	0.93
		73,073,837	82.86

(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 10 September 2013, there existed the following unquoted options:

(i) 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

(ii) 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 10 September 2013, 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 4.2		✓
Recommendation 1.2	✓		Recommendation 4.3		✓
Recommendation 1.3	✓		Recommendation 4.4		✓
Recommendation 2.1		✓	Recommendation 5.1	✓	
Recommendation 2.2	✓		Recommendation 5.2	✓	
Recommendation 2.3	✓		Recommendation 6.1		✓
Recommendation 2.4		✓	Recommendation 6.2		✓
Recommendation 2.5	✓		Recommendation 7.1	✓	
Recommendation 2.6	✓		Recommendation 7.2		✓
Recommendation 3.1	✓		Recommendation 7.3	✓	
Recommendation 3.2	✓		Recommendation 7.4	✓	
Recommendation 3.3	✓		Recommendation 8.1		✓
Recommendation 3.4	✓		Recommendation 8.2	✓	
Recommendation 3.5		✓	Recommendation 8.3		✓
Recommendation 4.1		✓			

[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 29 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.
3.5	Given the Company's small size and stage of development as an exploration company, it is not appropriate to establish a formal gender diversity 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

CORPORATE GOVERNANCE STATEMENT *(continued)*

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.

The Company does not currently have a formal gender diversity policy in place. However, its recruitment is fundamentally driven by identifying the best candidate for all positions regardless of gender. Based on the current scale of activities of the Company, there is no set objective to achieve a certain percentage of female employees in the workforce.

The Board does not currently believe that the adoption of a formal gender diversity policy would significantly improve the functions currently performed by the Board.

Given the Company's small size and stage of development as an exploration company, the Board considers it impractical at this time to set measurable diversity objectives and adopt a formal gender diversity policy.

The Company currently has 3 employees, of which 3 are male and none are female. There are no women in senior executive positions or on the Board. However, while the Board considers this to be appropriate at this stage of the Company's development, the Company will review this requirement annually as the circumstances of the Company change.

The Company does not have a formal gender diversity policy at this stage of development, and consequently, did not provide the information indicated in the Guide to reporting on Principle 3.

CORPORATE GOVERNANCE STATEMENT *(continued)*

1. BOARD OF DIRECTORS *(continued)*

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.

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.

2. BOARD COMMITTEES *(continued)*

2.1. Nomination Committee *(continued)*

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

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

2. BOARD COMMITTEES *(continued)*

2.3. Remuneration Committee *(continued)*

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.

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.

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.

CORPORATE GOVERNANCE STATEMENT *(continued)*

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.

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.