

**PELICAN RESOURCES LIMITED**

(ABN 12 063 388 821)

**QUARTERLY REPORT**

**FOR THE PERIOD ENDED 31 MARCH 2006**

**HIGHLIGHTS**

**PHILIPPINES**

**ROMBLON PROJECT**

The Company and its venture partner established a Philippine registered corporation Sibuyan Nickel Properties Development Corporation to be the Romblon project entity which will hold the project tenements. The shareholders of the corporation are Pelican's wholly owned subsidiary Sunshine Gold Pty Ltd (40%), Sunpacific Resources Philippines, Inc (35%) and All-Acacia Resources, Inc (25%).

The Company advised the ASX on the 20<sup>th</sup> April 2006 that the **Environmental Compliance Certificates (ECC)** for two Small-scale nickel ore mining projects on Sibuyan Island, Romblon Province, Philippines has been issued by the Environmental Management Bureau of Department of Environment and Natural Resources.

The Environmental Compliance Certificate is a major pre-requisite to the granting of the Small-scale Mining Permits.

The ECC's are to be endorsed by the Provincial Mining Regulatory Board and forwarded to the Governor of the Province to issue the two Small-scale Mining Permits.

The ECC allows the company to commence development and mining operations of the direct shipping lateritic nickel ore upon the granting of the Small-scale Mining Permits which are outside the MPSA application area.

The issue of the Small-scale Mining Permits allows the company to extract up to 100,000 tonnes of ore per annum from these two areas. More importantly, it gives the company immediate access to the project area for the commencement of operations pending the issue of the MPSA.

A drilling programme to outline the nickel resources contained within the two Small-scale Mining Permit areas is scheduled to commence in May 2006

**WESTERN AUSTRALIA**

**BELLARY SPRINGS**

The Bellary Springs tenement contains twelve mapped remnants of Robe Pisolite (now referred to as Channel Iron Deposits or CID), most abundant in the east.

A field inspection and random grab sampling of the remnant pisolite caps returned assay results that show the iron values are generally high for this style of mineralization and preparations are in hand to commence a RAB drill testing programme.

**COCKATOO ISLAND PROJECT**

Portman Iron Ore Limited, as representative for the Cockatoo Island Project, reported that for the March 2006 Quarter 278,566 wet metric tonnes of iron ore were produced and 305,200 wet metric tonnes of iron ore shipped.

## REVIEW OF OPERATIONS

### REPUBLIC OF THE PHILIPPINES

#### **ROMBLON PROJECT, SIBUYAN ISLAND, ROMBLON PROVINCE** **(MPSA APPLICATION No. AMA-IVB-025)**

Interest: Option to purchase  
Operator: Sibuyan Nickel Properties Development Corporation

Pelican Resources Limited, through its Philippine subsidiary, Sibuyan Nickel Properties Development Corporation, owned in conjunction with its Joint Venture partner All-Acacia Resources Inc. aims to establish a nickel laterite direct ore shipping operation on Sibuyan Island in the Romblon Province in the Philippines.

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A drilling programme to outline the nickel resources contained within the two Small-scale Mining Permit areas is scheduled to commence in May 2006

Additional work during the Quarter focused on pursuing approval processes required for the two MPSA tenement applications. Representatives at the Barangay, Regional and Provincial levels were consulted as part of the on-going process for the approval of the proposed open cut mining and shipping of ore.

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

Interest: Earning 80%  
Operator: Sunpacific Resources Philippines Inc.

The Mabuhay Gold Mine is located in the extreme north-east of Mindanao Island and lies some 16 kilometres south-east of Surigao City, the capital of Surigao del Norte. The mine itself is only two kilometers from the sealed highway to Surigao City.

Mineragraphic studies were run on some of the drill core but no field work was carried out during the Quarter.

**SUNSHINE GOLD PROJECT, DAVAO ORIENTAL PROVINCE,  
MINDANAO ISLAND (EP 000002-00-XI)**

Interest: 70%  
Operator: Sunshine Gold Pty Ltd (a wholly-owned subsidiary)

The Sunshine Project is located on the east side of the island of Mindanao and lies approximately 200 km south of the Mabuhay area. The project is currently held in abeyance.

**WESTERN AUSTRALIA**

**KIMBERLEYS**

**COCKATOO ISLAND PROJECT (M04/235)**

Interest: 100%  
Operator: HWE Cockatoo Pty Ltd

Portman Iron Ore Limited, as representative for the Cockatoo Island Project, reported that for the December 2005 Quarter 278,566 wet metric tonnes of iron ore were produced and 305,200 wet metric tonnes of iron ore shipped. Pelican receives royalties of \$0.50 per metric tonne shipped.

**ASHBURTON TROUGH**

**WYLOO PROJECT (E08/853, E08/854)**

Interest: 49%  
Operator: NuStar Mining Corporation Limited (earning 51%)

NuStar Mining Corporation Limited, the project operator, advised that the planned RAB drilling scheduled for the March Quarter was delayed by the unseasonably wet weather.

Rock chip sampling was undertaken at the Halley Prospect (11 samples) in the Mount DeCourcy area of E08/854. No significant gold values were returned, however several samples returned elevated pathfinder values. The maximum gold value (94ppbAu) also returned elevated As, Cu, Pb, Zn and Sb. The sample was collected within Hardy Formation sediments adjacent to the unconformable contact with Marra Mamba Iron Formation. This was an isolated sample, therefore further investigation of this area is warranted.

Firestone Prospect is located at the northeastern portion of E08/854. A total of four samples were collected from a relatively large continuous quartz vein (~2m by 100m) trending 130-160° with steep SW to vertical dip. The quartz vein was massive with minor selvages of gossanous material.

The samples were collected to confirm several high gold assays recorded in the database (to 20ppm Au). Results returned included a maximum of 1.86ppm Au and 16.4ppm Ag collected from an iron rich, slightly brecciated selvedge.

**XANADU PROJECT (M52/83, M52/84, M52/105, E52/812)**

Interest: 28%  
Operator: Newcrest Operations Limited.

Newcrest Operations Limited, the project operator, advised the company that no field work was completed during the Quarter with the time spent planning and preparing for the upcoming field season.

**PILBARA**

**BELLARY SPRINGS (E47/1268)**

Interest: 100%  
Operator: Sunrise Exploration Pty Ltd

The Bellary Springs tenement, E 47/1268, is located 20 km to the north east of Paraburdoo and is cut by both the sealed Paraburdoo to Tom Price road, and the Hamersley Iron (now Pilbara Iron) railway line with its associated maintenance tracks.

The Bellary Springs tenement contains several mesas capped with relatively iron-rich Robe pisolite (now referred to as Channel Iron Deposits or CID). A field inspection and random grab sampling of the remnant pisolite caps returned assay results that show the iron values are generally high for this style of mineralization. About half the samples collected containing over 56% iron.

Preparations are in hand to commence a RAB drilling programme.

**DONALD WELL (E45/2534)**

Interest: 100%  
Operator: Sunrise Exploration Pty Ltd

The Donald Well tenement is located approximately 45km to the south east of Port Hedland. The central portion of the tenement is occupied by the rock of the Tabba Tabba Shear Zone which trends northeast through the project for 8.3 km.

The Tabba Tabba Shear contains the Cleaverville Formation consisting mainly of cherts and BIF. The Cleaverville Formation host a number of epigenetic gold prospects that form part of De Grey Mining Ltd Turner River Gold Project. Platinum Group Elements (PGE) have been discovered in the region. The Ranger River Gold NL Indee Project is also located in the region.

The company plans to carry out an airborne magnetic survey over the tenement in the coming Quarter.

## **EASTERN GOLDFIELDS**

### **PADDINGTON WEST PROJECT (MLA 24/496)**

Interest: 100%  
Operator: Pelican Resources Limited

The grant of the tenement is pending.

### **MT MONGER PROJECT (M26/637)**

Interest: 100%  
Operator: Pelican Resources Limited

No field work was completed during the Quarter.

## **RELINQUISHMENTS**

Nil

## **NEW ACQUISITIONS**

Nil

## **EXPLORATION EXPENDITURE**

Exploration expenditure during the quarter was \$40,000.

Signed on behalf of the Board of Pelican Resources Limited

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

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# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

PELICAN RESOURCES LIMITED

ABN

12 063 388 821

Quarter ended ("current quarter")

31 MARCH 2006

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	--	--
1.2 Payments for (a) exploration and evaluation	(40)	(310)
(b) development	--	--
(c) production	--	--
(d) administration	(116)	(409)
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	11	32
1.5 Interest and other costs of finance paid	--	--
1.6 Income taxes paid	--	--
1.7 Other (Royalties & GST)	162	461
<b>Net Operating Cash Flows</b>	<b>17</b>	<b>(226)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	--	--
(b)equity investments	(14)	(61)
(c)other fixed assets	--	(5)
1.9 Proceeds from sale of: (a)prospects	--	--
(b)equity investments	--	--
(c)other fixed assets	--	--
1.10 Loans to other entities	--	(7)
1.11 Loans repaid by other entities	--	--
1.12 Other (provide details if material)	--	--
<b>Net investing cash flows</b>	<b>(14)</b>	<b>(73)</b>
1.13 Total operating and investing cash flows (carried forward)	3	(299)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	3	(299)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	1,650	1,650
1.15	Proceeds from sale of forfeited shares	--	--
1.16	Proceeds from borrowings	--	--
1.17	Repayment of borrowings	(1)	(7)
1.18	Dividends paid	--	--
1.19	Other (costs of capital raising)	--	--
<b>Net financing cash flows</b>		1,649	1,643
<b>Net increase (decrease) in cash held</b>		1,652	1,344
1.20	Cash at beginning of quarter/year to date	560	868
1.21	Exchange rate adjustments to item 1.20	--	--
1.22	<b>Cash at end of quarter</b>	2,212	2,212

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	85
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

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

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

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

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

+ See chapter 19 for defined terms.

**Estimated cash outflows for next quarter**

		\$A'000
4.1	Exploration and evaluation	100
4.2	Development	--
<b>Total</b>		<b>100</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	1,682	30
5.2	Deposits at call	530	530
5.3	Bank overdraft	--	--
5.4	Other (provide details)	--	--
<b>Total: cash at end of quarter</b> (item 1.22)		<b>2,212</b>	<b>560</b>

**Changes in interests in mining tenements**

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

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	83,301,626	83,301,626		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	10,000,000	10,000,000		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	79,868,044	67,868,044	<i>Exercise price</i> \$0.20	<i>Expiry date</i> 8 April 2006
7.8 Issued during quarter	10,000,000	10,000,000	\$0.20	8 April 2006
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 27 April 2006  
(Company Secretary)

Print name: JOHN PALERMO

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.