

**PELICAN RESOURCES LIMITED**

(ABN 12 063 388 821)

**FOR THE PERIOD ENDED 31<sup>st</sup> DECEMBER 2007**

**HIGHLIGHTS**

**PHILIPPINES**

**Romblon Project**

The Company is still awaiting the pending approval of the Mineral Production Sharing Agreement (MPSA) located on Sibuyan Island in the Province of Romblon, Philippines following the appointment of a new Secretary of the Department of Environment (DENR) in mid 2007.

**WESTERN AUSTRALIA**

**Cockatoo Island Project**

Portman Iron Ore Limited, as representative for the Cockatoo Island Project, reported that for the Quarter ended 31<sup>st</sup> December 2007 417,471 wet metric tonnes of iron ore were produced and 382,413 wet metric tonnes of iron ore shipped. Pelican receives royalties of \$0.50 per metric tonne shipped.

**Bellary Springs Project**

Pelican Resources Limited released an announcement to the ASX after the close of the Quarter to inform the market that its wholly owned subsidiary Sunrise Exploration Pty Ltd (Sunrise) recorded interesting iron ore results from a field sampling programme on Mesas 3 and 4 at Bellary Springs located about 20 km from Paraburdoo and straddling the Paraburdoo – Tom Price railway line.

The sampling was undertaken as follow-up to earlier sampling programmes of the pisolite capped mesas numbers 1 and 2 within the Bellary Springs tenement covering a total area of 196 km<sup>2</sup>. The sampling concentrated on pisolite-capped mesas numbered 3 and 4 with a few check samples collected from Mesa No 2.

A total of 25 rock chip samples, collected from outcrop and a few old costeans, returned values of up to 60.8% Fe with acceptable alumina and silica values and low phosphorous. This sampling results are consistent with iron values expected from pisolitic Channel Iron Deposits (CID).

The next step in the exploration programme will be to drill test the CID capped mesas. Considering the proximity of the mineralisation to established infrastructure (within 2km to 4km of the Paraburdoo to Tom Price railway line) in a major iron ore province it is reasonable to assume that a deposit could be commercially exploited.

## **REVIEW OF OPERATIONS**

### **REPUBLIC OF THE PHILIPPINES**

#### **ROMBLON PROJECT, SIBUYAN ISLAND, ROMBLON PROVINCE (MPSA APPLICATION No. AMA-IVB-025, SSMP ROM 167 & 168)**

Interest: MPSA Application AMA-IVB-025 (Option to purchase)  
SSMP ROM 167 and 168  
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.

The Company is still awaiting the pending approval of the Mineral Production Sharing Agreement (MPSA) located on Sibuyan Island in the Province of Romblon, Philippines following the appointment of a new Secretary of the Department of Environment (DENR) in mid 2007.

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

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

No field work was carried out during the Quarter.

### **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 Quarter ended 31<sup>st</sup> December 2007 417,471 wet metric tonnes of iron ore were produced and 382,413 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: Intrepid Mines Limited

Intrepid Mines Limited, the project operator, has not advised of any field work carried out during the Quarter.

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

Interest: 28%  
Operator: Newcrest Operations Limited (71% interest)

Newcrest Operations Limited, the project operator, advised the company that during the Quarter a review of the drilling completed at Big Bend was completed to provide a clearer understanding on the relationship between gold mineralization, geology and structure. As a result of this work a 500m core drilling programme has been planned to assess this structure some 350m below surface. The diamond drilling is likely to occur in March/April 2008, depending on rig availability.

Rehabilitation of drill pads and access tracks for the exploration undertaken in the last 12 months was completed during the period.

## **PILBARA**

### **BELLARY SPRINGS (E47/1268)**

Interest: 100%  
Operator: Sunrise Exploration Pty Ltd

The Bellary Springs tenement 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 Company previously reported the interesting iron ore results from a field sampling programme of Mesa 1 at Bellary Springs in the June Quarter.

Subsequent to the end of the reporting period the Company announced that its wholly owned subsidiary Sunrise Exploration Pty Ltd (Sunrise) recorded interesting iron ore results from a field sampling programme at its Bellary Springs project, 20 km northeast of Paraburdoo in the Pilbara region of Western Australia.

The sampling was undertaken as follow-up to earlier sampling programmes of the pisolite capped mesas numbers 1 and 2 within the Bellary Springs tenement covering a total area of 196 km<sup>2</sup>. The sampling concentrated on pisolite-capped mesas numbered 3 and 4 with a few check samples collected from Mesa No 2.

A total of 25 rock chip samples, collected from outcrop and a few old costeans, returned values of up to 60.8% Fe with acceptable alumina and silica values and low phosphorous. These sampling results are consistent with iron values expected from pisolitic Channel Iron Deposits (CID). Actual thickness is difficult to ascertain but, based on the old trenching, is likely to average about 2 to 4 metres deep.

The mineralisation sampled lies within 2km to 4km of Rio Tinto's Paraburdoo to Tom Price railway line.

The analytical results are tabulated below:

Sample Number	AMG 84 Easting	AMG 84 Northing	Fe %	Al %	P %	Si %
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#### MESA 2

505762	598351	7444748	58.6	2.39	0.0518	1.745
505763	598357	7444829	50.9	5.06	0.0519	2.36
505764	598344	7444894	57.9	2.09	0.0486	1.675
505765	598089	7444948	55.2	3.20	0.0320	2.69

#### MESA 3

505774	596172	7444236	51.5	1.52	0.4400	5.57
505775	596168	7444255	59.2	1.41	0.0513	1.975
505776	596169	7444270	52.0	3.70	0.1155	2.95
505777	596218	7444329	49.9	4.76	0.0701	3.13
505778	596210	7444328	58.6	1.83	0.0770	2.05
505779	596104	7445656	59.2	1.06	0.0329	2.26
505780	596097	7445529	60.8	0.93	0.0425	1.72
505781	596011	7445209	57.7	1.44	0.0346	2.59
505782	595965	7445170	57.2	1.44	0.0351	3.47
505783	595982	7445034	58.8	1.03	0.0415	2.65
505784	596058	7444935	58.1	1.83	0.0415	2.34
505785	596110	7444635	59.6	1.74	0.0476	2.23
505786	596134	7444471	59.5	1.46	0.0503	1.945

#### MESA 4

505766	591298	7446218	56.0	1.64	0.0976	1.815
505767	591300	7446252	55.7	0.99	0.0650	3.3
505768	591311	7446266	57.5	1.03	0.0879	2.43
505769	591330	7446299	56.9	1.21	0.0844	2.17
505770	591367	7446266	52.1	1.84	0.0693	4.63
505771	591445	7446291	54.4	2.62	0.0682	2.31
505772	591556	7446443	37.3	8.35	0.0878	7.87
505773	591534	7446510	58.1	1.05	0.0554	1.66

The next step in the exploration programme will be to drill test the CID capped mesas. Considering the proximity of the mineralisation to established infrastructure (within 2km to 4km of the Paraburdoo to Tom Price railway line) in a major iron ore province it is reasonable to assume that a deposit could be commercially exploited.

#### DONALD WELL (E45/2534)

Interest: 100%  
Operator: Sunrise Exploration Pty Ltd

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

The tenement is located to the northeast and along strike from the De Grey Mining Ltd tenements where significant base metal results have been reported. Three drill ready TEM targets have been established on the tenement and the company is awaiting the availability of a suitable drill rig in the area to test the targets.

## **TASMANIA**

### **TASMIN PROJECT (EL22/2005)**

Interest: 100%  
Operator: Sunrise Exploration Pty Ltd

This project area with potential for heavy mineral sands is located immediately north of Strahan on the west coast of Tasmania.

A consultant geologist completed an assessment of E22/2005 utilizing available geological and geophysical data followed by a brief perusal of Open File company reports.

The major outcome of the study was that the airborne magnetic image showed a pronounced magnetic response which straddles the present Ocean Beach and is around 1.2 km in width and continuous over at least 35 km of coast adjacent to E22/2005. It is offset and at least 60% of its width occurs seaward of the waterline and 15-20% within the tenement, the boundary of which excludes Ocean Beach.

The response overlies the known heavy mineral concentration along Ocean Beach which has a significant magnetic content (magnetite, ilmenite and chromite) and was interpreted as probably due to a large heavy mineral deposit, the bulk of which lies offshore.

### **RELINQUISHMENTS**

Paddington West MLA24/496

### **NEW ACQUISITIONS**

Nil

### **EXPLORATION EXPENDITURE**

Exploration expenditure during the quarter was \$158,000.  
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 DECEMBER 2007

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	--	--
1.2 Payments for (a) exploration and evaluation	(158)	(449)
(b) development	--	--
(c) production	--	--
(d) administration	(146)	(317)
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	24	51
1.5 Interest and other costs of finance paid	(26)	(51)
1.6 Income taxes paid	--	--
1.7 Other (Royalties & GST)	132	341
<b>Net Operating Cash Flows</b>	<b>(174)</b>	<b>(425)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	--	--
(b)equity investments	--	(1)
(c)other fixed assets	--	(2)
1.9 Proceeds from sale of: (a)prospects	--	--
(b)equity investments	--	--
(c)other fixed assets	--	--
1.10 Loans to other entities	--	--
1.11 Loans repaid by other entities	--	--
1.12 Other (provide details if material)	--	--
<b>Net investing cash flows</b>	<b>--</b>	<b>(3)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(174)</b>	<b>(428)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(174)	(428)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	--	1
1.15	Proceeds from sale of forfeited shares	--	--
1.16	Proceeds from borrowings	--	--
1.17	Repayment of borrowings	--	--
1.18	Dividends paid	--	--
1.19	Other (costs of capital raising)	--	--
	<b>Net financing cash flows</b>	--	1
	<b>Net increase (decrease) in cash held</b>	(174)	(427)
1.20	Cash at beginning of quarter/year to date	1,419	1,672
1.21	Exchange rate adjustments to item 1.20	--	--
1.22	<b>Cash at end of quarter</b>	1,245	1,245

**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	94
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	45	69
5.2	Deposits at call	1,200	1,350
5.3	Bank overdraft	--	--
5.4	Other (provide details)	--	--
<b>Total: cash at end of quarter</b> (item 1.22)		1,245	1,419

**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)		

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+ 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>	93,302,005	93,302,005		
7.4 Changes during quarter (a) Increases through issues  (b) Decreases through returns of capital, buy-backs				
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>	6,000,000 83,867,665 2,500,000 2,500,000	-- 83,867,665 -- --	<i>Exercise price</i> \$0.10 \$0.20 \$0.25 \$0.35	<i>Expiry date</i> 31/12/2008 31/12/2008 31/12/2011 31/12/2011
7.8 Issued during quarter	2,500,000 2,500,000	-- --	\$0.25 \$0.35	31/12/2011 31/12/2011
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.

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+ 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: January 2008  
(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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