



PELICAN RESOURCES LIMITED

ABN 12 063 388 821

NON-RENOUNCEABLE RIGHTS ISSUE PROSPECTUS

For a pro-rata non-renounceable Rights Issue of 1 New Share for every 8 Existing Shares held at an issue price of 4 cents per New Share to raise up to \$479,010.02 before issue costs.

Applicants should note that the Rights Issue will be partially underwritten.

UNDERWRITER CUNNINGHAM SECURITIES PTY LTD

ABN 73 088 055 636

Holder of Australian Financial Services Licence No. 294848

Level 34 Exchange Plaza

2 The Esplanade

Perth WA 6000

Important Notice

This document is important and requires your immediate attention. Applicants should read this Prospectus in its entirety before deciding whether to apply for the New Shares. The New Shares offered by this Prospectus should be considered speculative.

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KEY DATES

Announcement of Rights Issue and Prospectus	4 June 2009
Record Date to determine Entitlement to New Shares	16 June 2009
Despatch of Prospectus with Application Form	17 June 2009
Closing date for Applications	1 July 2009
Securities quoted on a deferred settlement basis	6 July 2009
Despatch of holding statements for New Shares	9 July 2009
Normal trading commences	10 July 2009

These dates are indicative only and subject to change. The Company, in conjunction with the Underwriter, reserves the right, subject to the Corporations Act and the ASX Listing Rules, to vary the above dates.

1 IMPORTANT NOTES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisers.

This Prospectus is dated 4 June 2009 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

No New Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Company will apply to ASX for Official Quotation of the New Shares.

This Prospectus does not constitute an offer in any place in which or to any person to whom it would not be lawful to make such an offer.

Applications for New Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

This Prospectus, including each of the documents attached to it and which form part of this Prospectus, is important and should be read in its entirety prior to making an investment decision. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser. In particular, it is important that you consider the risk factors (see **section 6** of this Prospectus) that could affect the performance of the Company before making an investment decision.

Some words and expressions used in this Prospectus have defined meanings which are explained in the Glossary in **section 9**.

ELECTRONIC PROSPECTUS

A copy of the Prospectus can be downloaded from the website of the Company at www.pelicanresources.com.au or the website of ASX at www.asx.com.au. Any person accessing the electronic version of the Prospectus for the purposes of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person the Application Form unless it is attached to a hard copy of the Prospectus or it accompanies the complete and unaltered version of the Prospectus. Any person may obtain a hard copy of the Prospectus free of charge by contacting the Company or the Underwriter.

2 DETAILS OF THE OFFER

2.1 Introduction

The Company is offering Eligible Shareholders the opportunity to participate in a non renounceable Rights Issue of New Shares in the Company on the basis of 1 New Share for every 8 Shares held on the Record Date, at an issue price of 4 cents per New Share to raise up to approximately \$479,010.02 before Issue costs.

2.2 Underwriting

The Issue is partially underwritten to \$300,000 by Cunningham Securities Pty Ltd. A summary of the Underwriting Agreement is set out in **section 7.4** of the Prospectus.

2.3 Entitlements to the Rights Issue

Eligible Shareholders who are on the Company's share register at the close of business on the Record Date, being 5.00 pm WST on 16 June 2009 will receive Rights to acquire 1 New Share for every 8 Existing Shares held, at an issue price of 4 cents per New Share.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares and New Options. For this purpose, holdings in the same name are aggregated for calculation of Entitlements. If the Company considers that holdings have been split to take advantage of rounding, the Company reserves the right to aggregate holdings held by associated Eligible Shareholders for the purpose of calculating Entitlements.

An Application Form setting out your Entitlement to New Shares accompanies this Prospectus.

2.4 Issue Amount

Up to approximately 11,975,251 New Shares may be issued pursuant to this Prospectus at an issue price of 4 cents per New Share to raise up to approximately \$479,010.02 before the costs of the Issue.

2.5 Timetable for the Rights Issue

Announcement of Rights Issue and Prospectus	4 June 2009
Notice sent to Shareholders	9 June 2009
"Ex" Date	10 June 2009
Record Date to determine Entitlement to New Shares	16 June 2009
Despatch of Prospectus and Application Form	17 June 2009
Rights Issue opens for receipt of Applications	17 June 2009
Closing date for Applications and payment in full	1 July 2009
Notify ASX of under subscriptions	2 July 2009
Despatch date of holding statements, New Shares entered into the holders' security holdings	9 July 2009
Trading commences for New Shares	10 July 2009

These dates are indicative only and subject to change. The Company, in conjunction with the Underwriter, reserves the right, subject to the Corporations Act and the ASX Listing Rules, to vary the above dates.

2.6 Rights Trading

Your Rights to the New Shares pursuant to the Rights Issue are non renounceable. Accordingly, there will be no trading of these Rights. If you do not take up your Entitlement, the Offer will lapse and the New Shares will be dealt with by the Company and the Underwriter in accordance with the Underwriting Agreement.

2.7 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall. The Directors reserve the right to issue Shortfall Shares at their absolute discretion. The issue price of any Shortfall Shares shall be 4 cents, being the price at which Shares have been offered to Eligible Shareholders pursuant to this Prospectus.

2.8 Acceptances and Entitlements

This Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company and the Underwriter to extend the offer period or close the Offer early.

Instructions for completion of the acceptance of your Entitlement are set out on the Application Form which accompanies this Prospectus.

Acceptance cannot exceed your Entitlement as shown on the Application Form. If it does, acceptance will be deemed to be for your maximum Entitlement and any surplus subscription funds will be returned.

2.9 Market Prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares which are on the same terms and conditions as the New Shares offered under this Prospectus during the 3 months immediately preceding the lodgement of this Prospectus with the ASIC and the last market sale price before the lodgement date of this Prospectus is set out below.

	3 month high	3 month low	Last market sale price
Existing Shares	6.9 cents	2.6 cents	5 cents

2.10 Opening and Closing Dates

The Issue will open for receipt of Applications on 17 June 2009 and will close on 1 July 2009, subject to the right of the Company, in consultation with the Underwriter, to vary these dates.

2.11 Allotment

Application monies will be held in trust for applicants until allotment of the New Shares. The Company will be entitled to all interest paid or accrued on Application Monies.

No allotment of the New Shares will occur until ASX grants permission to quote the New Shares.

The New Shares are expected to be allotted by no later than 5.00 pm (WST) on 9 July 2009. Statements of holding of New Shares will be mailed after allotment occurs.

2.12 ASX Quotation

Application for admission of the New Shares to official quotation on ASX will be made within 7 days after the date of this Prospectus.

If such an application is not made within these 7 days, or the New Shares are not admitted to Official Quotation within 3 months after the date of this Prospectus, then the Company will not allot or issue any New Shares and all application monies received pursuant to this Prospectus will be repaid as soon as practicable, without interest.

The fact that ASX may agree to grant Official Quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares. ASX takes no responsibility for the contents of this Prospectus.

2.13 Ranking of New Shares

The New Shares will rank equally in respect of dividends and in all other respects (eg voting, bonus issues) as Existing Shares.

A summary of the rights and liabilities attaching to the New Shares is set out in **section 5** of this Prospectus.

2.14 Non-Resident Shareholders

The Offer in this Prospectus is not being extended to any Shareholder, as at the Record Date, whose registered address is not situated in Australia or New Zealand because of the small number of such Shareholders, and the cost of complying with applicable regulations in jurisdictions outside Australia and New Zealand. The Prospectus is sent to those Shareholders for information only.

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). Members of the public in New Zealand who are not Eligible Shareholders on the Record Date are not entitled to apply for any New Shares.

Recipients may not send or otherwise distribute this Prospectus or the Application Form to any person outside Australia (other than to Eligible Shareholders).

2.15 CHES

The Company participates in the Clearing House Electronic Sub-register System ("**CHES**"). ASTC, a wholly owned subsidiary of ASX, operates CHES in accordance with the ASX Listing Rules and the ASTC Settlement Rules.

Under CHES, applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASTC will send you a CHES statement.

The CHES statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

2.16 Taxation Implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the non renounceable Rights Issue or applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers do not accept any responsibility or liability for any taxation consequences to Shareholders in the Issue. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Issue.

2.17 Privacy Act

If you complete an application for New Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to accept or process your application.

2.18 Enquiries

Any questions concerning the Issue should be directed to jpalermo@pelicanresources.com.au.

3 ACTION REQUIRED BY SHAREHOLDERS

As an Eligible Shareholder, you may:

- take up all of your Entitlement (refer **section 3.1**);
- accept part of your Entitlement (refer **section 3.2**);
- apply for shortfall shares (refer **section 3.3**); and/or
- allow all or part of your Entitlement to lapse (refer **section 3.4**).

3.1 To take up all of your Entitlement

Please complete the Application Form, which accompanies this Prospectus, in accordance with the instructions contained on the form. Forward your completed Application Form, together with your cheque for the amount shown to reach the Company's share registry, Computershare Investor Services Pty Limited, at either of the following addresses by 5.00 pm WST on 1 July 2009:

By hand:	By post:
Level 2, 45 St Georges Terrace Perth, Western Australia 6000	GPO Box D182 Perth, Western Australia 6840

Cheques or bank drafts in Australian dollars should be made payable to "Pelican Resources Limited – Share Application Account" and crossed "Not Negotiable". Cash will not be accepted and no receipts will be issued.

3.2 If you wish to take up part of your Entitlement and allow the balance to lapse

Please complete the Application Form, which accompanies this Prospectus, by inserting the number of New Shares for which you wish to accept (being less than as specified on the Application Form).

Forward your completed Application Form, together with your cheque for the total amount payable in respect of the New Shares accepted to reach the Company's share registry, Computershare Investor Services Pty Limited, at either of the following addresses by 5.00 pm WST on 1 July 2009:

By hand:	By post:
Level 2, 45 St Georges Terrace Perth, Western Australia 6000	GPO Box D182 Perth, Western Australia 6840

Cheques or bank drafts in Australian dollars should be made payable to "Pelican Resources Limited – Share Application Account" and crossed "Not Negotiable". Cash will not be accepted and no receipts will be issued.

3.3 Application for Shortfall Shares

The Directors, reserve the right to place any New Shares, which are not taken up by Shareholders under the Rights Issue within 3 months after the Closing Date. Those New Shares will be issued at the same issue price as offered to Shareholders under the Rights Issue. An application to

participate in any Shortfall may be made by an Eligible Shareholder except that the Directors may not participate in any Shortfall. The offer to participate in the Shortfall is also open to the public.

The offer of any Shortfall is a separate offer made pursuant to this Prospectus and will remain open for up to 3 months following the Closing Date.

If Applicants wish to participate in any Shortfall that may arise under the Rights Issue, they should complete the Shortfall Application Form attached to this Prospectus and lodge the Shortfall Application Form together with the relevant Application monies with the Share Registry at:

Computershare Investor Services Pty Ltd Level 2, 45 St Georges Terrace Perth, Western Australia 6000	Computershare Investor Services Pty Ltd GPO Box D182 Perth, Western Australia 6840
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Cheques should be made payable to "**Pelican Resources Limited – Share Application Account**" and crossed "Not Negotiable".

Priority will be given to Eligible Shareholders when dealing with Shortfall Applications and Eligible Shareholders should return their Shortfall Application Forms at the time of returning their Entitlement and Acceptance Form.

The Directors do not guarantee that any Shortfall Application will be successful. In the event a Shortfall Application is not accepted (whether in whole or in part) monies in relation to the New Shares applied for and not allocated will be refunded in full without interest within a reasonable time of notification of the Shortfall by the Company to ASX.

3.4 Entitlements not taken up

If you decide not to accept all or part of your Entitlement, then your Entitlement will lapse.

If you do not wish to take up any part of your Entitlement you are not required to take any action. You will receive no benefit or New Shares and your Entitlement will become available to Eligible Shareholders.

If you do not wish to take up any part of your Entitlement you are not required to take any action. If you have any queries concerning your Entitlement, please contact the Company's share registry, your stockbroker or professional adviser.

4 PURPOSE AND EFFECT OF THE ISSUE

4.1 Purpose of the Issue

The purpose for the Issue is to raise up to \$479,010.02 (before costs of the Issue). The proceeds from the Issue are planned to be used in accordance with the table set out below:

Proceeds of the Issue	\$
Working capital	431,010.02
Expenses of the Offer	48,000.00
Total	<u>479,010.02</u>

The funds raised from the Issue will be used:

- to fund additional exploration activity at Bellary Springs (\$100,000);
- for working capital for the Company's Romblon project (\$100,000);
- for project generation (\$100,000); and
- for general working capital (\$131,010).

4.2 Effect of the Issue and Pro Forma Balance Sheet

The principal effect of the Issue will be (assuming the issue is fully subscribed and no Options are exercised prior to the Record Date) that:

- (a) cash reserves will initially increase by \$479,010.02 before deducting expenses of the Rights Issue; and
- (b) the number of Shares on issue will increase from 95,802,005 to 107,777,256.

Set out below are:

- (a) a reviewed balance sheet of the Company as at 31 December 2008; and
- (b) an unaudited pro forma balance sheet of the Company as at 31 December 2008, incorporating the effect of the Issue, assuming full subscription of \$479,010.02 after allowance of respective subscription costs.

4.3 Balance Sheet

The reviewed balance sheet as at 31 December 2008 and unaudited pro forma balance sheet shown in the table below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

		Reviewed Consolidated 31 December 2008 \$	Unaudited Consolidated Proforma \$
	Assumptions		
Current Assets			
Cash and cash equivalents	1, 2 & 3	637,397	894,407
Trade and other receivables	3	266,286	264,286
Other		142,628	142,628
Total Current Assets		<u>1,046,311</u>	<u>1,301,321</u>
Non-Current Assets			
Other financial assets		54,580	54,580
Plant and equipment		16,458	16,458
Mineral exploration and evaluation expenditure	3	3,789,810	3,843,810
Total Non-Current Assets		<u>3,860,848</u>	<u>3,914,848</u>
Total Assets		<u>4,907,159</u>	<u>5,216,169</u>
Current Liabilities			
Trade and other payables	3	101,657	59,511
Interest bearing liabilities	4	850,000	750,000
Non interest bearing liabilities		903,042	903,042
Total Current Liabilities		<u>1,854,699</u>	<u>1,712,553</u>
Total Liabilities		<u>1,854,699</u>	<u>1,712,553</u>
Net Assets		<u><u>3,052,460</u></u>	<u><u>3,503,616</u></u>
Equity			
Contributed equity	1, 2 & 4	7,603,270	8,134,280
Reserves	3	1,105,163	1,105,163
Accumulated losses		-5,713,598	-5,793,452
Total parent equity interest		2,994,835	3,445,991
Minority equity interest		57,625	57,625
Total Equity		<u><u>3,052,460</u></u>	<u><u>3,503,616</u></u>

Assumptions: See following page

Assumptions for Unaudited Proforma Balance Sheet

The unaudited proforma balance sheet has been prepared on the basis that there have been no material movements in the assets and liabilities of the entity between 31 December 2008 and the date of the Prospectus other than:

1. the issue of a maximum 11,975,251 New Shares at 4 cents each pursuant to the Prospectus to raise gross proceeds of \$479,010.02; and
2. the payment of additional share issue costs totalling an estimated \$48,000.
3. a reduction in the cash at bank of \$174,000 as reported in the Company's March 2009 quarter cash flow report Appendix 5B and referred to in Section 7.3 of this prospectus.
4. a reduction in the interest bearing liabilities of \$100,000 being the conversion of convertible notes into 2,500,000 Shares at 4 cents.

4.4 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Issue is set out below, assuming that the Issue is fully subscribed and alternatively, a minimum subscription to \$300,000.

Capital Structure after Completion of Issue:

	Maximum subscription	Minimum subscription
SHARES		
Shares on issue at the date of this Prospectus	95,802,005	95,802,005
New Shares issued pursuant to this Prospectus	11,975,251	7,500,000
Total Shares Issued	107,777,256	103,302,005
OPTIONS		
\$0.25 Options expiring 31 December 2011	2,500,000	2,500,000
\$0.35 Options expiring 31 December 2011	2,500,000	2,500,000
\$0.10 Options expiring 31 December 2011	2,500,000	2,500,000
\$0.15 Options expiring 31 December 2012	2,500,000	2,500,000
Total Options Issued	10,000,000	10,000,000

Holders of the Company's existing Options may participate in the Issue by exercising any or all of their Options prior to the Record Date. If all the existing Options which are capable of exercise before the Record Date were exercised 10,000,000 Shares would be issued raising \$2,125,000. Accordingly, an additional 1,250,000 New Shares would be offered under the Issue and if taken up, would raise an additional \$50,000, before costs. The underwriting arrangements do not extend to any rights associated with Shares arising from the exercise of Options.

5 RIGHTS AND LIABILITIES ATTACHING TO NEW SHARES

The New Shares issued under this Prospectus will be fully paid ordinary shares in the capital of the Company and will rank equally with the Existing Shares.

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights attaching to the shares of the Company. Full details are contained in the Constitution, and in certain circumstances, are regulated by the Corporations Act, the ASX Listing Rules, the ASTC Settlement Rules and the common law. The Company's Constitution is available for inspection free of charge at the Company's registered office.

(a) **Share Capital**

All issued ordinary shares rank equally in all respects.

(b) **Voting Rights**

At a general meeting of the Company, every holder of shares present in person, by an attorney, representative or proxy has one vote on a show of hands and on a poll, one vote for every fully paid share held, and for every contributing share held, a fraction of a vote equal to the proportion which the amount paid up bears to the total issue price of the contributing share.

(c) **Dividend Rights**

Subject to the rights of holders of shares issued with any special or preferential rights (at present there are none), the profits of the Company which the Directors may from time to time determine to distribute by way of dividend are divisible among the shareholders in proportion to the shares held by them respectively, according to the amount paid up or credited as paid up on the shares.

(d) **Rights on Winding-Up**

Subject to the rights of holders with shares with special rights in a winding-up (at present there are none), on a winding-up of the Company all assets which may be legally distributed amongst the members will be distributed in proportion to the shares held by them respectively, according to the amount paid up or credited as paid up on the share.

(e) **Transfer of Shares**

Shares in the Company may be transferred by instrument in any form which complies with the Constitution, the Corporations Act, Listing Rules and SCH Business Rules.

Shares may be transferred by such means in accordance with Listing Rules and the SCH Business Rules. The Directors may refuse to register a transfer of shares only in those circumstances permitted by Listing Rules and SCH Business Rules.

(f) **Calls on Shares**

Shares issued as fully paid are not subject to any calls for payment by the Company and will not therefore become liable for forfeiture.

(g) Further Increases in Capital

The allotment and issue of any new shares is under the control of the Directors and, subject to any restrictions on the allotment of shares imposed by the Constitution, Listing Rules or the Corporations Act, the Directors may allot, issue or grant options over or otherwise dispose of those shares to such persons, with such rights or restrictions as they may from time to time determine.

(h) Variation of Rights Attaching to Shares

Where shares of different classes are issued, the rights attaching to the shares of a class can thereafter only be varied by a special resolution passed at a separate general meeting of the holders of those shares of that class, or with the written consent of the holders of at least three quarters of the issued shares of that class.

(i) General Meeting

Each shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to shareholders under the Constitution, the Corporations Act and Listing Rules.

6 RISK FACTORS

6.1 General

An investment in the Company is not risk free and investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for New Shares. Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and future production activities, as well as on its ability to fund those activities. The short and medium term impacts of the global financial crisis are uncertain.

6.3 Market conditions

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities and in particular, resources stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

The market price of the New Shares when quoted on the ASX will be influenced by international domestic factors affecting conditions in equity and financial markets. These factors may affect the prices for the securities of minerals exploration companies quoted on the ASX, including Pelican Resources Limited.

The stock market has in the past and may in the future be affected by a number of matters including:

- commodity prices;
- market confidence;
- supply and demand for money; and
- currency exchange rates.

6.4 Security Investments

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of the Company's performance.

Mineral exploration and mining are speculative operations that may be hampered by circumstances beyond the control of the Company. Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management.

Exploration in itself is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

6.5 Exploration and Evaluation Risks

The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration on the Company's existing exploration and mining tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the exploration and mining tenements.

6.6 Ability to Exploit Successful Discoveries

It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as Pelican Resources'. Such further work may require the Company to meet or commit to financing obligations for which it may not have planned.

Exploitation may require the Company to obtain sale agreements with third parties with the risk to both supply volume and pricing.

6.7 Country Risk

The Company has projects located in the Philippines which is less developed with associated political, economic, legal and social risks. Consideration should be given to the risks associated with operating in the Philippines as the economy and legal system may be different from that of most developed countries. There can be no assurance that the systems of government and the political system will remain stable. There can be no guarantee that government regulations relating to foreign investment, repatriation of foreign currency, taxation and the mining industry in the Philippines will not be amended or replaced in the future to the detriment of the Company's business and or projects. The Directors are unaware of any such proposals at the date of this Prospectus. Outcomes before courts in the Philippines may be less predictable than in Australia, which could affect the enforceability of contracts entered into by the Company in this country. There can be no guarantee that civil, ethnic or military unrest will not break out in Indonesia in the near future.

6.8 Commodity Price and Exchange Rate Risks

To the extent the Company is involved in mineral production the revenue derived through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of

exchange between the United States dollar and the Australian dollar as determined in international markets.

6.9 Environmental Risks

The operations and proposed activities of the Company are subject to State and Federal laws and regulation concerning the environment. In the Philippines, the Company's operations and activities are subject to the environmental laws and regulations of the Philippines. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company's attempts to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

6.10 Native Title and Title Risks

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected.

The Directors closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

6.11 Joint Venture Parties, Agents and Contractors

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

6.12 Future Capital Requirements

The Company's activities will require substantial expenditures. There can be no guarantees that the funds raised through the Issue will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Issue there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to shareholders and any debt financing if available may involve restrictive covenants, which limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

6.13 Potential Acquisitions

As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies or resource projects.

6.14 Resource Estimations

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should the company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

6.15 Reliance on Key Personnel

The Company's success depends largely on the core competencies of its Directors and management, and their familiarisation with, and ability to operate, in the metals and mining industry and the Company's ability to retain its key executives.

7 ADDITIONAL INFORMATION

7.1 Nature of this Prospectus

This Prospectus is a prospectus to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to offers of securities in a class which has been continuously quoted by ASX for the three months prior to the date of this prospectus.

7.2 Continuous Disclosure Obligations

The Company is a "disclosing entity" (as defined in section 111 AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's Shares. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus". In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

7.3 Availability of other documents

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of this Prospectus and the Closing Date:
- (i) the financial statements of the Company for the financial year ended 30 June 2008 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
 - (ii) the half-year financial report of the Company for the half-year ended 31 December 2008, being the half-year financial report of the Company lodged with the ASIC after lodgement of the financial statements referred to in paragraph (i) above and before the issue of this Prospectus; and
 - (iii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the 2008 audited financial statements:

Date	Description of Announcement
04/06/2009	Appendix 3B
30/04/2009	Appendix 5B and Quarterly Report
16/03/2009	Interim Financial Report
28/01/2009	Quarterly Activities and Cashflow Report
11/12/2008	Change of Director's Interest Notice
11/12/2008	Change of Director's Interest Notice
11/12/2008	Change of Director's Interest Notice
11/12/2008	Appendix 3B
02/12/2008	Options Expiry Notice
25/11/2008	Results of Annual General Meeting
31/10/2008	Quarterly Reports
24/10/2008	Notice of AGM 2008 and Proxy
24/10/2008	Annual Report 2008

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

7.4 Material Contracts

The following are summaries of the significant terms of the material agreements which relate to the business of the Company.

Underwriting Agreement

The Company entered into an underwriting agreement ("**Underwriting Agreement**") with Cunningham Securities Pty Ltd ("**Underwriter**") whereby the Underwriter has agreed to partially underwrite the Offer to \$300,000. The Underwriter has the right under the Underwriting Agreement to appoint sub-underwriters.

Pursuant to the Underwriting Agreement, the Company will pay the Underwriter an underwriting fee equal to 5% of the Underwritten Amount.

The Underwriter may, by notice to the Company, terminate the Underwriting Agreement at any time prior to the allotment of the New Shares, if the Underwriter becomes aware of the happening or, in the reasonable opinion of the Underwriter, the threat of the happening of any one or more of the following events:

- (a) the Company is in default of any of its obligations under the Underwriting Agreement or breaches any warranty, representation or undertaking given under the Underwriting Agreement which in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the Offer and which is incapable of remedy or is not remedied by the date the Underwriter is required to subscribe for any shortfall.
- (b) a material and adverse change occurs in the financial position of the Company or a subsidiary of the Company or in the industry in which the Company or a subsidiary operates.
- (c) the Company contravenes any of the following which in the reasonable opinion of the Underwriter has a material adverse effect on the Offer:
 - (i) any law, regulation, authorisation, ruling, consent, judgment, order or decree of any government agency;
 - (ii) its Constitution or another constituent document; or
 - (iii) an encumbrance or document which is binding on or relates to a material asset to the Company or a subsidiary.
- (d) any of the following events occurs:
 - (i) the Company is dissolved, wound up or placed into bankruptcy or an order is made by a court or a resolution is passed that the Company be dissolved, wound up or placed into bankruptcy;
 - (ii) a liquidator, provisional liquidator or trustee in bankruptcy is appointed in respect of the Company or any property of the Company;
 - (iii) a controller is appointed in respect of the Company or any property of the Company or takes possession or gains control of any property of the Company;
 - (iv) except to reconstruct or amalgamate while solvent, the Company enters into, or resolves to enter into, a scheme of arrangement, administration, deed of company arrangement, or composition with, or assignment for the benefit of, all or any class of its creditors or it proposes a reorganisation, moratorium or other administration involving any of them;
 - (v) the Company is or states that it is insolvent or an insolvent under administration (each as defined in the Corporations Act);
 - (vi) the Company takes steps to obtain protection or is granted protection from its creditors under any applicable legislation; or
 - (vii) anything analogous or having a substantial similar effect to any of the events specified above happens under the law of any applicable jurisdiction.
- (e) an outbreak of new hostilities or a state of war, whether declared or not, arises after the date of this Agreement or an escalation of hostilities already in existence occurs involving Australia, Japan, any member of the European Community, the United States of America,

any of the member states of the former Union of Soviet Socialist Republics, Indonesia, Peoples' Republic of China; New Zealand, Hong Kong, Taiwan, Singapore or Malaysia, which in the reasonable opinion of the Underwrite has or is likely to have a material and adverse effect on the Offer.

- (f) a Director of the Company or a subsidiary commits or is convicted of a criminal offence or becomes a bankrupt which in the reasonable opinion of the Underwriter has or is likely to have a material and adverse effect on the Offer.
- (g) despite using reasonable endeavours, the Underwriter does not enter into sub-underwriting arrangements for all of the underwritten shares.

As set out in **section 2.7**, the Directors reserve the right to issue Shortfall Shares at their absolute discretion. The issue of Shortfall Shares by the Directors by 5.00pm on the date which is 3 Business Days after the Closing Date will go towards relieving the Underwriter of its liability to subscribe for New Shares under the Underwriting Agreement.

7.5 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of New Shares pursuant to this Prospectus; or
- (c) the Offer of New Shares pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or the Offer of New Shares pursuant to this Prospectus.

7.6 Directors' Holdings of the Company's securities

Directors' direct and indirect interests in securities of the Company at the date of this Prospectus are:

Name	Security	Number
John Palermo	Ordinary Shares	5,061,313
	\$0.25 Options expiring 31 December 2011	1,000,000
	\$0.35 Options expiring 31 December 2011	1,000,000
	\$0.10 Options expiring 31 December 2011	1,000,000
	\$0.15 Options expiring 31 December 2012	1,000,000
Darryl Lynton-Brown	Ordinary Shares	6,034,784
	\$0.25 Options expiring 31 December 2011	1,000,000
	\$0.35 Options expiring 31 December 2011	1,000,000
	\$0.10 Options expiring 31 December 2011	500,000
	\$0.15 Options expiring 31 December 2012	500,000
John Hills	Ordinary Shares	11,203,403
	\$0.25 Options expiring 31 December 2011	1,000,000
	\$0.35 Options expiring 31 December 2011	1,000,000
	\$0.10 Options expiring 31 December 2011	1,000,000
	\$0.15 Options expiring 31 December 2012	1,000,000

The Directors may participate in the Offer to the extent that they are Eligible Shareholders as at the Record Date.

7.7 Directors' Remuneration

The Constitution of the Company provides that the Directors may be paid for their services as Directors. Non-Executive Directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Non-Executive Directors and in default of agreement then in equal Shares.

In the two years before the date of this Prospectus, \$786,980 (excluding GST where applicable) has been paid by the Company by way of remuneration for services provided by all Directors, companies associated with the Directors or their associates in their capacity as Directors, employees, consultants or advisers.

Directors, companies associated with the Directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

7.8 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.9 Consents of Experts and Advisers

(a) Cunningham Securities Pty Ltd

Cunningham Securities Pty Ltd has given and has not, before lodgement of this Prospectus with the ASIC, withdrawn its consent to be named in this Prospectus as underwriter to the Offer in the form and context in which it is named in the Prospectus.

(b) Pullinger Readhead Lucas

Pullinger Readhead Lucas has given and has not, before lodgement of this Prospectus with the ASIC, withdrawn its consent to be named in this Prospectus as solicitors to the Company in the form and context in which it is named in the Prospectus.

(c) Stantons International

Stantons International has given and has not, before lodgement of this Prospectus with the ASIC, withdrawn its consent to be named in this Prospectus as auditor in the form and context in which it is named in the Prospectus and to the inclusion of the reviewed balance sheet in this Prospectus in the form and context in which it appears.

(d) Computershare Investor Services Pty Limited

Computershare Investor Services Pty Limited has not been involved in the preparation of this Prospectus and references to Computershare Investor Services Pty Limited are for information purposes only.

Each of Cunningham Securities Pty Ltd, Pullinger Readhead Lucas, Stantons International and Computershare Investor Services Pty Limited:

- (a) did not authorise or cause the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus nor is any statement in this Prospectus based on any statement by any of those parties other than as specified in this section; and
- (c) to the maximum extent permitted by law, expressly disclaim any responsibility or liability for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with consent of that party as specified in this section.

7.10 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, the Underwriter and all other persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus do not have, and have not had in the two years before the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of New Shares pursuant to this Prospectus; or
- the Offer of New Shares pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the Offer of New Shares pursuant to this Prospectus.

Cunningham Securities Pty Ltd is acting as Underwriter to the Offer and for this is being paid the fees detailed in **section 7.4** of this Prospectus.

Pullinger Readhead Lucas has acted as solicitors to the Company in relation to the Offer and is entitled to be paid up to \$5,000 (plus GST) in respect of advice and assistance in relation to

certain aspects of the Prospectus, and assisting the Company in relation to its due diligence regime and enquiries. In addition, Pullinger Readhead Lucas has been paid \$22,110 (excluding GST where applicable) for the provision of professional services to the Company in the two years since the date of this Prospectus.

Stantons International has been paid \$46,252 (excluding GST where applicable) for the provision of professional services to the Company in the two years since the date of this Prospectus.

7.11 Estimated Expenses of Issue

The expenses of the Issue are estimated to be \$48,000.

7.12 Governing Law

This Prospectus and the contracts formed on acceptance of Applications are governed by the laws applicable in Western Australia, Australia. Each applicant for New Ordinary Shares submits to the exclusive jurisdiction of the courts of Western Australia, Australia.

8 DIRECTORS' CONSENT

Each Director has consented to the lodgement of this Prospectus with the ASIC.

Signed on behalf of the Directors pursuant to a resolution of the Board.

John Palermo
Chairman

9 GLOSSARY

"A\$", "\$" and **dollars** means Australian dollars, unless otherwise stated.

Application means an application for New Shares made pursuant to an Application Form.

Application Form means the application form attached to or accompanying this Prospectus.

Application Money means money received from Eligible Shareholders in respect of their Applications.

ASIC means the Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532).

ASTC Settlement Rules means the settlement rules of ASTC.

ASX means ASX Limited (ABN 98 008 624 691).

Board means the board of Directors.

Business Day has the meaning given in the ASX Listing Rules.

CHESS means ASX Clearing House Electronic Sub-register System.

Closing Date means 1 July 2009 or such other date as may be determined by the Directors and the Underwriters under this Prospectus.

Company or **Pelican Resources** means Pelican Resources Limited (ABN 12 063 388 821) and its controlled entities.

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means directors of the Company at the date of this Prospectus.

Eligible Shareholder means a Shareholder, as at the Record Date other than a Non-qualifying Foreign Shareholder.

Entitlement or **Right** means a Shareholder's entitlement (or right) to subscribe for New Shares under this Prospectus.

Existing Share means a Share issued before the Record Date.

Listing Rules or **ASX Listing Rules** means the Listing Rules of ASX.

New Share means a fully paid ordinary share in the capital of the Company to be issued under this Prospectus.

Non-Qualifying Foreign Shareholder means a Shareholder whose registered address is not situated in Australia or New Zealand.

Official List means the Official List of ASX.

Official Quotation means official quotation on ASX.

Offer means the offer of New Shares under this Prospectus.

Option means an option to acquire a Share.

Prospectus means the prospectus constituted by this document.

Record Date means 5 pm WST on 16 June 2009.

Rights Issue or **Issue** means the non renounceable pro rata issue pursuant to this Prospectus by the Company of 1 New Share for every 8 Existing Shares held at an issue price of 4 cents per New Share.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

Shortfall will occur if the Company does not hold successful valid Applications for all the New Shares offered by the Company under this Prospectus by the Closing Date.

Shortfall Shares means New Shares for which successful valid Applications have not been received by the Closing Date.

Underwriter means Cunningham Securities Pty Ltd.

Underwriting Agreement means the underwriting agreement between the Underwriter and the Company.

WST means Western Australian Standard Time.

Directors

Mr John Palermo (Chairman, Director)
Mr John Hills (Director)
Mr Darryl Lynton-Brown (Director)

Company Secretary

Mr John J Palermo

Underwriter

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PEL

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Web Address

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ABN

ABN 12 063 388 821