

PELICAN RESOURCES LIMITED

ABN 12 063 388 821

PROSPECTUS

For a non-renounceable pro rata offer to Eligible Shareholders of 60,175,767 New Shares at an issue price of \$0.02 per share on the basis of one (1) New Share for every three (3) Existing Shares held and 60,175,767 free attaching New Options on the basis of one (1) free attaching New Option for every one (1) New Share subscribed for to raise up to approximately \$1.2 million before issue costs

Underwriter

CPS Securities¹

ACN 088 055 636

AFSL 294848

Important Notice

This Prospectus should be read in its entirety (including the 'Risk Factors' in **section 6**) before deciding whether to apply for the Securities being offered under this Prospectus. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus, then you should consult your professional adviser.

The Securities offered by this Prospectus should be considered speculative.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

¹ Cunningham Peterson Sharbanee Securities Pty Ltd AFSL 294848 trading as CPS Securities

An investment in the Company is not risk free and investors should consider the risk factors described below in section 6, together with information contained elsewhere in this Prospectus, before deciding whether to apply for New Securities. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for any New Securities.

IMPORTANT NOTICE

This Prospectus is dated 25 January 2012 and a copy of this Prospectus was lodged with ASIC on that date. ASIC and ASX take no responsibility for the content of this Prospectus. No New Securities 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 the ASX for the New Securities to be granted quotation on the ASX.

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. Refer to **section 2.11** for treatment of overseas shareholders. Applications for the New Securities 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.

Investors should note that past share price performance of the Company provides no guidance to its future share price performance.

Neither the Company nor any other person warrants or guarantees the future performance of the New Securities or any return on any investment made pursuant to this Prospectus.

The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements.

The forward looking statements in this Prospectus are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Directors, that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Prospectus.

Investors should specifically refer to the 'Risk Factors' in **section 6** of this Prospectus. That section refers to some but not all of the matters that may cause actual results to differ from the position stated in any forward looking statement in this Prospectus.

Cooling-off rights do not apply to a subscription for New Securities under the Offer. This means that you cannot withdraw your Application once it has been submitted except as entitled by law. Once the New Securities are issued and quotation is granted by the ASX you may sell your New Securities on the market.

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

ELECTRONIC PROSPECTUS

A copy of the Prospectus can be downloaded from the website of the Company at <http://www.pelicanresources.com.au/> or the ASX website. 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.

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Application Form

SUMMARY OF IMPORTANT DATES

Lodgment of the Prospectus with ASIC	25 January 2012
Shares quoted ex-rights	31 January 2012
Record date to determine Entitlements	6 February 2012
Opening Date and dispatch of Prospectus with Application Form	8 February 2012
Closing Date	22 February 2012
Securities quoted on a deferred settlement basis	23 February 2012
Notify ASX of under subscriptions	27 February 2012
Dispatch of holding statements and deferred settlement trading ends	1 March 2012
Trading of New Securities expected to commence on ASX	2 March 2012

This timetable is indicative only and subject to change. The Company reserves the right to vary the above dates, subject to the ASX Listing Rules and Corporations Act.

1 CHAIRMAN'S LETTER

25 January 2012

Dear Shareholder

On 20 January 2012 the Company advised that it was proceeding with a non-renounceable pro rata offer to Eligible Shareholders of 60,175,767 New Shares at an issue price of \$0.02 per share on the basis of one (1) New Share for every three (3) Existing Shares held and 60,175,767 free attaching New Options on the basis of one (1) free attaching New Option for every one (1) New Share subscribed for to raise up to approximately \$1.2 million before issue costs.

The Offer provides the opportunity for those investors who held Existing Shares as at the Record Date to participate in the Offer.

The funds raised by the Offer are to be used to assist the Company in progressing the Romblon Nickel Project, business development activities and funding working capital.

Please read this Prospectus carefully before deciding whether or not to invest. An investment in Pelican Resources Limited contains specific risks which you should consider before making that decision. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional advisor.

I look forward to your continuing support.

Yours sincerely

John Palermo
Chairman

2 DETAILS OF THE OFFER

2.1 The Offer

A non-renounceable pro rata offer to Eligible Shareholders of 60,175,767 New Shares at an issue price of \$0.02 per New Share on the basis of one (1) New Share for every three (3) Existing Shares held and 60,175,767 free attaching New Options on the basis of one (1) free attaching New Option for every one (1) New Share subscribed for to raise up to approximately \$1.2 million before issue costs.

2.2 No Minimum Subscription

There is no minimum subscription for the Offer.

2.3 Underwriting

The Offer is fully underwritten by CPS Securities (**Underwriter**). A summary of the underwriting agreement is set out in **section 7.2** of the Prospectus.

2.4 Entitlement to Offer

Eligible Shareholders who are on the Company's Share Register at 5pm (WST) on the Record Date are eligible to participate in the Offer.

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 Shareholders for the purpose of calculating Entitlements.

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

2.5 No Rights Trading

The Offer is non-renounceable. This means that the Rights of Eligible Shareholders to subscribe for New Securities under this Prospectus are not transferrable and there will be no trading of the Rights on ASX. Eligible Shareholders who choose not to take up their Rights will receive no benefit and their shareholding in the Company will be diluted as a result.

2.6 Shortfall

A Shortfall will arise if the Applications received for New Shares under the Offer are less than the number of New Shares offered.

Subject to the requirements of the Listing Rules and the Corporations Act, the Underwriter has the sole right to nominate and determine (following reasonable consultation with, and due consideration of any comments provided by, the Company) who is to receive the Shortfall Shares, provided that the Shortfall Shares may only be offered to investors who are sophisticated or professional investors under the Corporations Act.

2.7 Acceptances

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

Instructions for accepting your Entitlement are set out in **section 4** and on the Application Form which accompanies this Prospectus.

2.8 Applying for Additional New Securities

Eligible Shareholders may, in addition to their Entitlement, apply for additional New Securities regardless of the size of their present holding.

Any Entitlements not taken up may become available as Additional New Securities which may be placed by the Company in conjunction with the Underwriter in accordance with the Underwriting Agreement. It is possible that there will be few or no Additional New Securities available for issue, depending on the level of take up of Entitlements by Shareholders. There is also no guarantee that in the event Additional New Securities are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

It is an express term of the Offer that applicants for Additional New Securities will be bound to accept a lesser number of Additional New Securities allocated to them than applied for. If a lesser number is allocated to them, excess application money will be refunded without interest. The Company reserves the right to scale back any applications for Additional New Securities as directed by the Underwriter in its absolute discretion.

2.9 Allotment and Application Money

New Securities will be issued only after all Application Money has been received and the ASX has granted permission for the New Securities to be quoted. It is expected that New Securities will be issued on 1 March 2012 and trading of the New Securities on the ASX is expected to commence on 2 March 2012.

All Application Money received before New Securities are issued will be held in a special purpose account. After Application Money is refunded (if required) and New Securities are issued to Applicants, the balance of funds in the account plus accrued interest will be received by the Company.

Application will be made within seven days of the date of issue of this Prospectus for the New Securities to be granted Official Quotation by the ASX. If such an application is not made within these seven days, or Official Quotation of the New Securities is not granted by the ASX within three months of the date of this Prospectus, then the Company will not allot or issue any New Securities and all Application Money received pursuant to this Prospectus will be repaid as soon as practicable, without interest.

If the New Securities are not quoted by the ASX within three months after the date of this Prospectus, the Company will refund all Application Money in full.

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

2.10 Offer Outside Australia and New Zealand

This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the Securities or the Offer or otherwise to permit an offering of the Securities in any jurisdiction outside Australia and New Zealand.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The Securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

2.11 Treatment of Overseas 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). If you are an Eligible Shareholder and have a registered address in New Zealand but are no longer a Shareholder on the Opening Date, you will have no Entitlement and may not accept the Offer being made under this Prospectus. Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any Securities.

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

2.12 Notice to nominees and custodians

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

2.13 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 being offered under this Prospectus, during the three months immediately preceding the lodgment of this Prospectus with ASIC, and the last market sale price on the date before the lodgment date of this Prospectus, are set out below.

	3 months high	3 month low	Last market sale price
Existing Shares	\$0.038 on 7 November 2011	\$0.027 on 7 December 2011	\$0.03 on 24 January 2012

2.14 Opening and Closing Dates

The Offer will open for receipt of acceptances on 8 February 2012 and will close at 5pm WST (2 pm WST for BPAY®) on the Closing Date, subject to the right of the Company to vary these dates.

2.15 CHESS

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

Under CHESS, applicants will not receive a certificate but will receive a statement of their holding of New Securities.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of New Securities 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 Securities 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 Rights and Liabilities attaching to the New Securities

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

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

2.17 Taxation Implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Offer or Shareholders applying for New Securities 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 Offer. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

2.18 Enquiries

Any queries regarding the Offer should be directed to John Palermo, Company Secretary on +61 8 9242 1166.

Any queries regarding the Application Form should be directed to the Share Registry on +61 8 9315 2333

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

3 PURPOSE AND EFFECT OF THE ISSUE

3.1 Purpose of the Offer

The purpose of the Offer is to raise up to approximately \$1.2 million before Offer costs.

The proceeds from the Offer are planned to be used for the following purposes in accordance with the table set out below:

- progressing the Romblon Nickel Project;
- business development activities;
- funding working capital; and
- funding Offer expenses.

The table assumes that Entitlements are taken up in full and that no Options are exercised

Proceeds of the Offer	\$
Progressing the Romblon Nickel Project	\$0.5 million
Business development activities	\$0.3 million
Working capital	\$0.3 million
Expenses of the Offer	\$0.1 million
ESTIMATED TOTAL	\$1.2 million

In the event that circumstances change or other opportunities arise the Directors reserve the right to vary the proposed use of funds to maximise benefits to Shareholders.

3.2 Effect of the Offer and Pro Forma Statement of Financial Position

The effect of the Offer will be (assuming Entitlements are taken up in full and that no Options are exercised) that:

- (a) cash reserves will initially increase by approximately \$1.2 million (before costs); and
- (b) the number of Shares on issue will increase from 180,527,301 to 240,703,068.

3.3 Statement of Financial Position

Set out below is the Statement of Financial Position of the Company as at 30 September 2011 (unaudited), and the Pro-Forma Statement of Financial Position as at 30 September 2011 assuming full subscription on the basis of the assumptions detailed further. The significant accounting policies upon which the Statement of Financial Position and the Pro-Forma Statement of Financial Position are contained in the auditor reviewed financial report for twelve months ended 30 June 2011.

PELICAN RESOURCES LIMITED
STATEMENT OF FINANCIAL POSITION

	Notes	Unaudited Consolidated 30 September 2011 \$	Unaudited Consolidated Proforma \$
Current Assets			
Cash and cash equivalents	1	1,161,106	2,364,621
Trade and other receivables		46,747	46,747
Other current assets		234,739	234,739
Total Current Assets		1,442,592	2,646,107
Non Current Assets			
Trade and other receivables		5,204	5,204
Other financial assets		45,829	45,829
Plant and equipment		25,614	25,614
Mineral exploration and evaluation expenditure		5,411,666	5,411,666
Total Non Current Assets		5,488,313	5,488,313
Total Assets		6,930,905	8,134,420
Current Liabilities			
Trade and other payables		89,549	89,549
Interest bearing liabilities		450,000	450,000
Total Current Liabilities		539,549	539,549
Non Current Liabilities			
Non interest bearing liabilities		882,719	882,719
Total Non Current Liabilities		882,719	882,719
Total Liabilities		1,422,268	1,422,268
Net Assets		5,508,637	6,712,152
Equity			
Issued capital	1	12,320,896	13,524,411
Reserves		1,290,397	1,290,397
Accumulated losses		(8,154,497)	(8,154,497)
Total parent equity interest		5,456,796	6,660,311
Non-controlling interest		51,841	51,841
Total Equity		5,508,637	6,712,152

Notes to the Proforma Balance Sheet:

1. Completion of raising \$1,203,515 (before issue costs) of equity capital by the issue of 60,175,767 new shares at an issue price of \$0.02 per share.

3.4 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below, assuming that the Offer is fully subscribed.

Capital Structure after Completion of Offer

Shares	
180,527,301	Shares quoted on ASX as at the date of this Prospectus
60,175,767	Shares issued pursuant to this Prospectus
240,703,068	Total issued Shares

Options	
1,000,000	Unlisted options exercisable at \$0.10 on or before 31 May 2012
2,500,000	Unlisted options exercisable at \$0.15 on or before 31 December 2012
11,875,000	Unlisted options exercisable at \$0.10 on or before 23 December 2013
1,000,000	Unlisted options exercisable at \$0.15 on or before 30 September 2013
500,000	Performance Rights
60,175,767	Listed New Options issued pursuant to this Prospectus exercisable at \$0.04 on or before 30 June 2014

4 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

4.1 What you may do

As an Eligible Shareholder, you may:

- subscribe for all of your Entitlement (refer **section 4.2**);
- apply for Additional New Securities (refer **section 4.3**);
- allow all or part of your Entitlement to lapse (refer **section 4.4**);

4.2 To subscribe for all of your Entitlement

If you wish to subscribe for all of your Entitlement, complete the accompanying Application Form in accordance with the instructions set out in that form. The Application Form sets out the number of New Securities you are entitled to subscribe for. The completed Application Form must be accompanied by a cheque or bank draft made payable to “**Pelican Resources Limited – Entitlement Offer**” and crossed “**Not Negotiable**” for the appropriate Application Money in Australian dollars calculated at \$0.02 per New Share accepted, and received by the Company at either of the following addresses by no later than 5.00pm (WST) on the Closing Date. The Company will present the cheque or bank draft on or around the day of receipt of the Application Form. If a cheque is not honoured upon its first presentation, the Directors reserve the right to reject the relevant Application Form.

If the amount of your cheque(s) or bank draft(s) for Application Money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Securities you have applied for in your Application Form, you may be taken to have applied for such lower number of New Securities as your cleared Application Money will pay for (and to have specified that number of New Securities in your Application Form) or your Application may be rejected.

By hand delivery:	By post:
Pelican Resources Limited C/- Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross WA 6153	Pelican Resources Limited C/-Security Transfer Registrars Pty Ltd PO Box 535 Applecross WA 6953

Alternatively, if you are paying by BPAY® payment, you do not need to mail the Application Form. Please refer to your personalised instructions on your Application Form.

It is your responsibility to ensure that your BPAY® payment is received by the Company by no later than 5.00 pm (Eastern Daylight Savings Time) (2.00 pm (WST)) on the Closing Date. You should be aware that your financial Institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration.

4.3 To apply for Additional New Securities

Eligible Shareholders may, in addition to their Entitlement, apply for Additional New Securities regardless of the size of their present holding. Refer to **section 2.8** if you wish to apply for Additional New Securities.

A single cheque should be used for the Application Money for your Entitlement and the number of Additional New Securities you wish to apply for as marked where indicated on the Application Form.

Alternatively, if you are paying by BPAY®, refer to your personalised instructions on your Application Form. Shareholders who wish to pay by BPAY® must ensure that payment is received by no later than 5.00 pm Eastern Daylight Savings Time (2.00 pm (WST)) on the Closing Date.

4.4 Entitlements not taken up

If you are a Shareholder and do not wish to accept all (or part) of your Entitlement, you are not obliged to do anything. You will receive no benefit or New Securities and your Entitlement will become available to Eligible Shareholders as Shortfall Shares to be applied for.

If you wish to receive a benefit, you must take action to accept your Entitlement in accordance with the instructions above and on the back of the accompanying Application Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

The Underwriter, following consultation with the Company, will deal with any New Securities not accepted in accordance with the Underwriting Agreement.

4.5 Application Form is binding

A completed and lodged Application Form constitutes a binding offer to acquire New Securities on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn. If the Application Form is not completed correctly, it may still be treated as a valid application for New Securities. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Application Form is final.

By completing and returning your Application Form with the requisite Application Money, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- agree to be bound by the terms of the Offer;
- declare that all details and statements in the Application Form are complete and accurate;
- declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Securities to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Application Form;
- declare that you are the current registered holder of Shares and are an Australian or New Zealand resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Securities are suitable for you given your investment objectives, financial situation or particular needs; and
- acknowledge that the New Securities have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the New Securities may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

If you have any queries concerning your entitlement or allocation, please contact:

John Palermo, Chairman

Tel: +61 8 9242 1166 Fax: +61 8 9443 9960

or contact your stockbroker or professional adviser.

5 RIGHTS AND LIABILITIES ATTACHING TO NEW SECURITIES

The following is a summary of the more significant rights and liabilities attaching to New Securities to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

The rights attaching to the New Securities arise from a combination of the Constitution, the Corporations Act, the Listing Rules and general law. A copy of the Constitution is available for inspection free of charge during business hours at the Company's registered office.

5.1 Rights attaching to New Shares

The New Shares to be issued pursuant to this Prospectus are ordinary shares and will, as from their allotment, rank equally in all respects with all Existing Shares.

A summary of the rights attaching to the New Shares is set out below.

(a) Voting Rights

Subject to the Constitution and any rights or restrictions at the time being attached to a class of Shares, at a general meeting of the Company every Shareholder present in person, or by proxy, attorney or representative, has one vote on a show of hands, and upon a poll, one vote for each Share and a fraction of a vote for each partly paid Share equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable on the Share held by the Shareholder. In the case of an equality of votes, the Chairman will have a casting vote in addition to the Chairman's deliberative vote (if any).

(b) Dividends

Subject to any rights or restrictions attached to a class of Shares, the Company may from time to time pay dividends as the Directors resolve out of profits of the Company. All dividends must be declared and paid to Shareholders according to the amounts paid (not credited) on the Shares as a proportion of the total amount paid and not payable (not credited) on the Shares.

(c) Winding up

Subject to any rights or restrictions attached to a class of shares and a special resolution of the Company's Shareholders in general meeting, on a winding up of the Company any surplus may be divided among Shareholders.

(d) Transfer of Shares

Generally, shares are freely transferable, subject to satisfying the requirements of the ASX Listing Rules, ASX Settlement Operating Rules and the Corporations Act. The Directors may decline to register any transfer of Shares but only where permitted to do so by the ASX Listing Rules, the ASX Settlement Operating Rules, or under the Company's Constitution.

(e) Further Increases in Capital

Subject to the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and any rights attached to a class of Shares, the Company (under the control of the Directors) may allot and issue Shares and grant Options, on any terms, at any time and for any consideration, as the Directors resolve.

(f) Variation of Rights

Subject to the Constitution and the rights and privileges attached to any class of Shares (unless otherwise provided by the terms of issue of Shares in a particular class), if at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class may be varied by a special resolution passed at a separate meeting of the holders of the Shares of that class. If a quorum is not present at any such separate meeting or if such special resolution is not passed by the necessary majority, all or any of such rights may be varied with the consent in writing of the holders of at least 75% of the issued Shares of that class, within 2 calendar months from the date of such meeting.

(g) Meetings and Notices

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 the ASX Listing Rules.

5.2 Rights attaching to New Options

The New Options issued pursuant to this Prospectus will be issued on the following terms and conditions:

- (a) Each New Option will entitle the holder to subscribe for one Share at an exercise price of \$0.04.
- (b) The New Options are exercisable at any time on or before 30 June 2014 wholly or in part by delivering a duly completed form of notice of exercise to the Company, accompanied by payment of the exercise moneys.
- (c) All Shares allotted on exercise of the New Options will rank equally in all respects with the Company's then Existing Shares.
- (d) The New Options are freely transferable.
- (e) Application will be made to the ASX for official quotation of the New Options not later than 7 business days after the date of this Prospectus. Application will be made to ASX for official quotation by ASX of all Shares allotted pursuant to the exercise of New Options not later than 10 business days after the date of allotment.
- (f) Holders of New Options may only participate in new issues of securities as holders of Shares if a New Option has been exercised and Shares have been allotted in respect of the New Option before the record date for determining entitlements to the issue. The Company must give at least 6 business days' notice to holders of any New Options before the record date for determining entitlements to the issue in accordance with the Listing Rules of ASX.
- (g) There will be no change to the exercise price of a New Option or the number of Shares over which a New Option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares (other than for a Bonus Issue).
- (h) If there is a bonus issue ("**Bonus Issue**") to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the New Option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares of that class at the date of issue of the Bonus Shares.

- (i) If, prior to the expiry of any New Options, there is a reorganisation of the issued capital of the Company, the New Options shall be reorganised in the manner set out in the Listing Rules.

6 RISK FACTORS

6.1 Overview

The New Securities offered under this Prospectus should be regarded as speculative due to the inherent risks associated with the Company's activities. Neither the Company nor the Directors warrant the future performance of the Company or any investment made pursuant to this Prospectus. An investment in the New Securities offered by this Prospectus should be considered speculative.

The Directors recommend that Shareholders and potential investors examine the contents of this document together with previous ASX disclosures and public documents of the Company, including its most recent audited financial statements, and rely on advice of their professional advisers before deciding whether or not to apply for New Securities pursuant to this document.

The following summary, which is not exhaustive, represents some of the major risk factors of which potential investors need to be aware.

6.2 Economic risks

General economic conditions in Australia and internationally, movements in interest, inflation and currency exchange rates, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws and changes to dividend imputation in Australia 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.

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.

6.4 General economic risks and business climate

Share market conditions may affect the listed securities regardless of operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- movements in or outlook on interest rates and inflation rates;
- currency fluctuations;
- commodity prices;
- changes in investor sentiment towards particular market sectors; and
- the demand and supply for capital.

6.5 Commodity prices

The Company expects to derive any future revenue from the sale of commodities.

Consequently, the Company's expected earnings will be closely related to the price of these commodities together with any terms of the off-take agreement(s) under which these metals will be sold.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for the specific commodity, commodity trading on the futures markets, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global

basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

6.6 Currency

The Company's expects that any future revenue will be in US\$ while its cost base will be in other currencies (including A\$), consequently prevailing exchange rates will have an impact on the Company's expected earnings in A\$.

Exchange rates are affected by numerous factors beyond the control of the Company.

These factors include economic conditions and the outlook for interest rates, inflation and other economic factors. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

6.7 Exploration, development, mining and processing risks

The business of mineral exploration, project development and mining by its nature contains elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- the discovery and/or acquisition of economically recoverable ore reserves;
- successful conclusions to bankable feasibility studies;
- access to adequate capital for project development;
- design and construction of efficient mining and processing facilities within capital expenditure budgets;
- securing and maintaining title to tenements and compliance with the terms of those tenements;
- obtaining consents and approvals necessary for the conduct of exploration and mining; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Adverse weather conditions over a prolonged period can adversely affect exploration and mining operations and the timing of revenues.

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.

Whether or not income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

Mining is an industry which has become subject to increasing legislative regulation including but not limited to environmental responsibility and liability. The potential for liability is an ever present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation. The introduction of new laws and regulations or changes to underlying policy may adversely impact on the operations of the Company.

6.8 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 and volume pricing.

6.9 Country risk

The Company has projects located in the Philippines which is a less developed country 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 the Philippines. There can be no guarantee that civil, ethnic or military unrest will not break out in the Philippines in the near future.

The granted Mineral Production Sharing Agreement ("**MPSA**") covering the Romblon Project in Sibuyan Island, Philippines, is in the process of being transferred from the original applicant, Altai Resources Philippines Inc ("**Altai**") to Sibuyan Nickel Properties Development Corporation ("**SNPDC**"), the Company's joint venture company. SNPDC is owned by Pelican and its joint venture partner, All-Acacia Resources Inc.

On 22 September 2011 the Company announced to the market that Altai was served with a Cease and Desist Order ("**CDO**") by the Region IV Mines and Geoscience Bureau ("**Bureau**") following a complaint from the local Mayor relating to environmental and other issues. SNPDC responded to the CDO within the prescribed time period. The matters raised by the Mayor have previously been addressed during the approval process prior to the issue of the MPSA to SNPDC. However, the Bureau is yet to release the CDO and the Company is not certain whether the CDO will be released or if it is released, when it will be released.

6.10 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 attempts to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a

material adverse impact on the Company and cause increases in exploration expenses, capital expenditures, or production costs, or reduction in levels of production at producing properties, or require abandonment or delays in development of new mining properties.

6.11 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.

6.12 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.

6.13 Title risk

Interests in tenements the Company holds are governed by the respective legislation in the country where the tenements are held and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and may carry 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.

The exploration licences comprising some of the tenements which the Company holds or in which it has an interest may be the subject of applications for extension or renewal in the future. Although the Company believes that exploration licences and tenements will be extended or renewed (as the case may be) according to applicable laws, there can be no assurance that they will be extended or renewed or as to the terms of any such extension or renewal.

If an exploration licence or a tenement is not extended or renewed, the Company may suffer significant damage through loss of the opportunity to discover and/or develop any mineral resources on that tenement.

In addition, the Company cannot guarantee that those tenements that are applications for tenements will ultimately be granted in whole or in part.

6.14 Native Title

The Native Title Act 1993 (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans.

Native title can be extinguished by valid grants of land or waters to people other than the native title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost their connection with the relevant land or waters. Native title is not extinguished by the grant of mining licences, as they are not considered to be grants of exclusive possession. A valid mining lease prevails over native title to the extent of any inconsistency for the duration of the title.

All tenements granted prior to 1 January 1994 are valid or validated.

Tenements granted between 1 January 1994 and 23 December 1996 may be invalid if they fail to comply with the Native Title Act or for certain other reasons because of native title. However, such invalid tenements may be validated if certain statutory criteria are met.

For tenements to be validly granted (or renewed) after 23 December 1996 the special “right to negotiate” regime established by the Native Title Act must be followed.

It is important to note that the existence of a native title claim is not an indication that native title in fact exists to the land covered by the claim, as this is a matter ultimately determined by the Federal Court.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining operations.

6.15 Future capital requirements

The Company's activities will require substantial expenditures. There can be no guarantees that the funds raised through the Offer 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 Offer 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 may 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.

6.16 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.

6.17 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.

6.18 Insurance and uninsured risks

The business of the Company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons.

Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. Losses from these events may cause the Company to

incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

6.19 Government regulation

The mining, processing, development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people, and other matters. Although the exploration and development activities of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

6.20 Other risks

Other risk factors include those normally found in conducting business, including litigation through breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel and other matters that may interfere with the Company's business or trade.

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 securities. The New Shares which will be issued pursuant to this Prospectus and the Shares issued upon the exercise of the New Options 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" 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 an offer of securities in a class which has been continuously quoted by the ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Securities on the Company and the rights attaching to the New Securities. 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 the 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 the ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify the ASX of information about specified events or matters as they arise for the purpose of the ASX making that information available to the stock market conducted by the 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.

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 issue of this Prospectus and the Closing Date:
 - (i) the annual financial report of the Company for the financial year ended 30 June 2011, being the most recent annual financial report of the Company lodged with ASIC before the issue of this Prospectus; and
 - (ii) any documents used to notify the ASX of information relating to the Company in the period from lodgment 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 lodgment of the 2011 Annual Report on 30 September 2011:

Date	Description of Announcement
27 October 2011	Activities / Appendix 5B Sept Quarter
27 October 2011	Notice of Annual General Meeting
29 October 2011	Results of Annual General Meeting
20 January 2012	Shareholder Update
20 January 2012	Non-renounceable Rights Issue

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

7.2 Material Contracts

The following is a summary 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 dated 25 January 2012 with CPS Securities ("**Underwriting Agreement**"), pursuant to which the Company engaged CPS Securities to underwrite the Offer up to the amount of \$1,203,515 ("**Underwritten Amount**").

Pursuant to the Underwriting Agreement, in consideration for CPS Securities' underwriting obligation, the Company has agreed to:

- (a) pay CPS Securities an underwriting fee of 4% (exclusive of GST) of the Underwritten Amount (being \$48,140 plus GST);
- (b) pay CPS Securities a management fee of 2% (exclusive of GST) of the Underwritten Amount (being \$24,070 plus GST); and
- (c) issue to CPS Securities or its nominee 25,000,000 options on the terms set out under section 5.2 ("**Sub-underwriter Options**"), to be allocated to sub-underwriters of the Offer. The Sub-underwriter Options must be issued at the same time as the Shortfall Shares.

In addition, the Company has agreed to pay the Underwriter for all costs and expenses incurred by the Underwriter in connection with the Offer (including legal fees and disbursements) up to \$15,000 (without the prior consent of the Company).

The Underwriter must pay a sub-underwriting fee of 4% (exclusive of GST) of the Underwritten Amount that any sub-underwriter agrees to sub-underwrite to any sub-underwriter.

The Underwriting Agreement is subject to and conditional upon:

- (a) the Underwriter being satisfied with the due diligence investigations and due diligence results by the date of lodgment of this Prospectus with ASIC;
- (b) the Underwriter being satisfied with the form of the Prospectus and having given its consent to be named in the Prospectus prior to the date of lodgment;
- (c) on or before the date of lodgment, the Underwriter procuring such persons to sub-underwrite the Offer as the Underwriter in its absolute discretion thinks fit; and

(d) the Prospectus bring lodged with ASIC on 25 January 2012.

The Underwriter has discretion to terminate the Underwriting Agreement by giving notice in writing to the Company at any time before the issue of the New Securities for reasons that are customary in agreements of this nature.

7.3 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 Securities pursuant to this Prospectus; or
- (c) the Offer of Securities 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 Offer of Securities pursuant to this Prospectus.

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

Name	Security
John Palermo	9,260,470 Shares 1,000,000 Options exercisable at \$0.15 exp. 31/12/12
John Hills	14,297,830 Shares 1,000,000 Options exercisable at \$0.15 exp. 31/12/12
Mike Bue	500,000 Performance Rights

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 preceding lodgement of this Prospectus, \$653,302 (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.

Sub-underwriting arrangement

The Underwriter has entered into a sub-underwriting arrangement with Mr John Palermo, Director of the Company.

Mr John Palermo has agreed to sub-underwrite the Offer for up to 30 million New Shares (approximately \$600,000). Mr Palermo will be entitled to be paid a sub-underwriting fee of 4% (plus GST) in respect of the New Securities the subject of the Offer that he indirectly has

committed to take up or has sub-underwritten. The sub-underwriting fee is payable by the Underwriter out of the fees it receives from the Company pursuant to the Underwriting Agreement.

In addition to the sub-underwriting fee, Mr Palermo will be issued with 12,500,000 Sub-underwriter Options conditional upon and subject to the approval of Shareholders obtained at a general meeting of the Company. The Company agrees to apply for quotation of the Sub-underwriter Options on ASX following the issue of the options.

7.4 Interests and Consents of Experts and Advisers

The following parties have given (and not before the date of this document withdrawn) their consent to be named in this document in the form and context in which they are named:

- CPS Securities, in the capacity of Underwriter;
- Allion Legal, in its capacity as solicitors to the Company; and

Each of CPS Securities and Allion Legal has not:

- authorised or caused the issue of this Prospectus;
- made, or purported to have made, any statement in this Prospectus or on which a statement in this Prospectus is based except as set out in this section; or
- assumed the responsibility for any part of this Prospectus except as set out in this section and to the maximum extent permitted by law, expressly disclaims responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Other than as set out below or elsewhere in this Prospectus, all persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation of 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 Securities pursuant to this Prospectus; or
- the offer of New Securities 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 Securities pursuant to this Prospectus.

CPS Securities are acting as Underwriter for the Offer and for this it is entitled to be paid the fees set out in **section 7.2**. The Company has also agreed to pay the CPS Securities' costs incurred in connection with the Offer, including legal costs.

In the two years prior to the date of this Prospectus, CPS Securities has been paid a total of \$18,750 (exclusive of GST) for the provision of broking and corporate advisory services.

Allion Legal is entitled to be paid \$12,500 (exclusive of GST) for advice and assistance in relation to certain aspects of this Prospectus, assisting the Company in relation to its due diligence regime and enquiries and in relation to application for quotation of the New Securities on the ASX. In addition, Allion Legal has been paid \$31,999 (exclusive of GST) for the provision of professional services to the Company in the two years since the date of this Prospectus.

References to Stanton International appear for information purposes only. Stanton International has not been involved in, authorised or caused the issue of this Prospectus.

References to Security Transfer Registrars Pty Ltd appear for information purposes only. Security Transfer Registrars Pty Ltd has not been involved in, authorised or caused the issue of this Prospectus.

7.5 Estimated Expenses of Offer

The estimated expenses of the Offer are approximately \$100,000 including fees payable to the Underwriter, legal, ASIC, the ASX and printing costs.

7.6 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.

7.7 Privacy Act

If you complete an application for New Securities, you will be providing personal information to the Company. 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 New 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. You should note that if you do not provide the information required on the application for New Securities, the Company may not be able to accept or process your application.

7.8 Directors' Consent

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

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



John Palermo
Chairman

8 CORPORATE DIRECTORY

Directors

John Palermo (Chairman, Director)
John Hills (Director)
Mike Bue (Non-Executive Director)

Company Secretary

John Joseph Palermo

Registered Office

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Fax: + 61 8 9443 9960

Website: <http://www.pelicanresources.com.au>

ASX Code: PEL

ABN: 12 063 388 821

Auditors

Stanton International*
Level 2
1 Walker Avenue
West Perth WA 6005

Share Registry

Security Transfer Registrars Pty Ltd *
770 Canning Highway
Applecross WA 6153

Solicitors

Allion Legal
Level 2, 50 Kings Park Road
West Perth WA 6005

Underwriter

Cunningham Peterson Sharbanee Securities
Pty Ltd AFSL 294848 trading as CPS Securities
Level 34, Exchange Plaza
2 The Esplanade
Perth WA 6000

*This entity has not been involved in the preparation of this Prospectus and has not consented to being named in the Prospectus. Its name is included for information purposes only

9 GLOSSARY

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

Additional New Securities means New Shares and New Options in addition to an Eligible Shareholder's Entitlement for which an applicant makes an Application.

Application means an application for New Securities pursuant to the Application Form.

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

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

ASIC means the Australian Securities and Investments Commission.

ASX Settlement means ASX Settlement Pty Ltd (ABN 49 008 504 532).

ASX Settlement Operating Rules means the settlement rules of ASX Settlement.

ASX means ASX Limited (ABN 98 008 624 691) or the market operated by that entity.

Board means the board of Directors.

Business Day means a day on which trading takes place on the stock market of ASX.

CHESS means ASX Clearing House Electronic Sub-registry System.

Closing Date means 22 February 2012, or such other date as may be determined by the Directors under this Prospectus.

CPS Securities or the **Underwriter** means Cunningham Peterson Sharbanee Securities Pty Ltd AFSL 294848 ABN 73 088 055 636 trading as CPS Securities.

Company means Pelican Resources Limited ABN 12 063 388 121.

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

Corporations Act means the *Corporations Act 2001* (Cth).

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

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

Entitlement or **Right** means a Shareholder's entitlement to subscribe for New Securities offered by this Prospectus.

Existing Share means a fully paid ordinary share in the capital of the Company on issue as at the Record Date.

Full Subscription means the amount of approximately \$1.2 million (before issue costs) to be raised under the Offer.

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

New Option means an Option exercisable at \$0.04 on or before 30 June 2014, to be issued at the ratio of one (1) free attaching New Option for every one (1) New Share subscribed for, to be listed on the ASX.

New Securities or **Securities** means the New Shares and New Options to be issued pursuant to this Prospectus.

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

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

Offer means the offer of one (1) New Share for every three (3) Existing Shares at an issue price of \$0.02 per New Share and 60,175,767 free attaching New Options on the basis of one (1) free attaching New Option for every one (1) New Share subscribed for.

Official Quotation means official quotation on the ASX.

Opening Date means 8 February 2012.

Option means an option to subscribe for a Share.

Prospectus means the prospectus constituted by this document.

Record Date means 5pm WST on 6 February 2012.

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.

Underwriting Agreement means the underwriting agreement dated 25 January 2012 between the Underwriter and the Company.

US Securities Act means the United States Securities Act of 1933, as amended.

WST means Western Standard Time.