

28 May 2020

Unintentional Breach of Listing Rule 10.11

During March 2020, Pearl Global Limited (**Pearl** or the **Company**) completed a capital raising of approximately \$2.18 million through the issue of 25.68 million shares at a price of 8.5 cents per share (**Placement**). As part of this Placement, 11,500,000 shares were issued to an associate of the Company's cornerstone investor, Roc Asset Management (**ROC**).

Due to an unintentional administrative oversight, the issue of the 11.5 million shares to ROC (**Breach Shares**) has resulted in Pearl inadvertently breaching ASX listing rule 10.11 by failing to obtain prior shareholder approval in respect of the issue of the Breach Shares (**Breach**). Listing rule 10.11.3 prohibits the issue of securities, without prior shareholder approval, to a substantial shareholder with a greater than 10% interest in the company and who has nominated a director to the board of the company. ROC is a substantial shareholder of Pearl with a nominated director on the Company's board.

ASX requires the following remedial actions to be undertaken by the Company in regard to the Breach:

1. Pearl must continue to maintain the holding lock which it currently has in place with respect to the Breach Shares until the matter has been resolved to ASX's satisfaction.
2. Pearl must convene an extraordinary general meeting of shareholders to be held no later than 27 July 2020 to seek shareholder approval for the ratification of the issue of the Breach Shares. The notice of meeting will include:
 - a resolution for the approval by Pearl's shareholders of the acquisition of the Breach Shares by ROC;
 - details of the Breach and the consequences if shareholders do not ratify the issue of the Breach Shares; and
 - an independent expert's report on whether the acquisition of the Breach Shares is fair and reasonable.

If shareholders do not approve the issue of the Breach Shares, Pearl must either:

- procure the cancellation of the Breach Shares by way of a selective reduction of capital subject to approval by shareholders; or
- procure an undertaking for the sale of the Breach Shares on market within a 30-day period from the date of the shareholder meeting, with any profits donated to an entity registered with the Australian Charities and Not-for-profits Commission as a charity.

Authorised by:
Gary Foster
Chairman

Further information, please contact:
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