

Pearl Global Operations Update

Highlights

- Further product sales confirm strong sales pipeline building
- 24/7 operations underway
- \$722,350 received from R&D tax incentive refund

Over the past 10 weeks, Pearl Global Limited (**Pearl**) (ASX:PG1) has been establishing sustainable commercial markets for its first line products being fuels, carbon char and rubber free, high tensile steel, whilst continuing to prepare its Stapylton site for 24/7 operations.

Favourable commercial markets

Further to announcing that it had completed its first commercial **fuel** offtake agreement (ASX announcement 4 July 2018) and that it had secured a \$75 per ton **gate fee** for shredded rubber received (ASX announcement 16th May 2018), Pearl has sold its rubber free steel to a domestic market recycler for **A\$280 per tonne** (ex GST). Pearl has also established markets for its steel products overseas.



Pearl rubber free steel – source Company



Removal of clean steel to recyclers – source Company

Energy markets

Pearl has been working with several Energy end users for the sale of its **carbon char**. Specifically, Pearl's carbon char has a **higher energy output** based on joules per kilogram and has a **lower sulfur content** than coal, making it a favourable energy alternative.

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After completion of trials and providing independent specifications of the char to potential users, it has been verified by those users that Pearl's Carbon char product is an acceptable replacement/supplement to coal or other alternative fuels processors for energy use.

The confirmation of available markets allowed the Company to purchase off the shelf pelletising equipment designed to provide its targeted customers with an acceptable product for handling which is similar in look and feel to coal, but with a higher quality. Whilst no sales have been made as yet, (product needs pelletisation) pricing is expected to be benchmarked in line with its energy output, which is higher than coal.



Above: Pearl's carbon char as a powder and right Pearl's test pelletised product using its carbon char and fuels as a binding agent, allowing easy handling and transport – source Company.

24/7 operations

Pearl has successfully completed final adjustments to its materials handling design in order to move to continuous 24/7 operations. Our Stapylton site has been and is currently running a 24/7 program, which is the final verification process prior to committing to scaling up the operations permanently.

Pearl Managing Director, Mr Andrew Drennan said that, *"in moving to 24/7 production, Pearl has developed a recruitment strategy with local employment agencies to ensure the necessary labour resources are in place to transition to continuous operations. We have already begun recruiting a pool of labour to become skilled operators and expect to have our first trainees on site shortly. Once a larger team of suitable operators are trained, we will be able to be a continuous 24/7 operation."*

R&D tax incentive

Pearl has received its R&D tax incentive refund of \$722,350 for the financial year ended 30 June 2018. The R&D tax incentive is an Australian Government program under which companies receive cash refunds for a proportion of eligible expenditure on research and development.

Pearl Chairman, Mr Gary Foster stated that *"Our last few months have been focused on getting our final materials handling processes right. Our first site at Stapylton is the showcase unit that we will market to the world, so we need to be meticulous in our approach. We will only create significant shareholder value if we have this first operation right and therefore we are ensuring a thorough approach. We have available commercial markets for our first line products and we are receiving a gate fee of \$75 per ton before we start making a product. This, combined with Pearl*

expanding its labour force for 24/7 operations, gives us confidence that Pearl will be moving full steam ahead towards its goal of achieving profitability at its showcase site in Stapylton, Queensland”.

Pearl will continue to keep the market updated on its activities.

About Pearl Global Limited

Pearl Global Limited (Pearl) (ASX:PG1) is a revolutionary tyre processing company that applies unique, next-generation thermal desorption technology to cleanly convert tyres into valuable secondary products. Pearl has Australia’s first and only environmental approvals for the thermal treatment of rubber, and is in the process of commissioning its first commercial scale production plant in Stapylton, Queensland.

Pearl’s technology is a significant advancement on other methods of processing waste tyres because it has low emissions, no hazardous by-products, requires no chemical intervention and is the only process that meets the standard emissions criteria set by the Australian regulators for this type of technology.

Tyres are not naturally degradable, with tyre fires¹ and pollution² becoming major causes for concern, Governments are increasingly seeking solutions for dealing with waste tyres, and Pearl’s technology provides a clean solution to this global problem.

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¹ Tyre fires a major hazard [ABC News 28 June 2017 re Tyre Fire Rocklea](#)

² A global pollution problem [Report on tyre recycling and California smog problem](#)