

ATLAS

PEARLS

ASX Release
6 March 2020

Atlas Pearls: Sales and Funding Update March 2020

Atlas Pearls Ltd (ASX: ATP) ("Atlas" or "the Company") today announces an update relating to the potential impact of the coronavirus and to the repayment schedule associated with the Company's loan with Boneyard Investments Pty Ltd ("Boneyard"). Boneyard is an entity associated with Tim Martin, Non-executive Director of Atlas, which was announced to ASX on 30 January 2017 and varied on 28 June 2017 ("the Varied Loan Agreement").

Impact of Coronavirus on Sales

A private sales event scheduled for Hong Kong in February was relocated to Kobe, Japan to reduce the impact of travel restriction policies in some client companies. Although prices achieved at the event were in line with expectations, quantities of goods sold fell short of the Company's targets with some clients unwilling to travel to attend and others reluctant to commit to stock until the impact of the coronavirus on retail sentiment becomes clearer. The Company is seeking alternative sales channels for pearls that weren't sold in February.

The Company is now revising its plans for sales over the next few months with less emphasis on auctions and more on private sales. Where necessary, goods will be flown to prospective customers for inspection to avoid the need for travel.

The Company will continue to monitor the impact of the coronavirus health issue on sales and will provide progressive updates to the market.

Funding Update

The Company refers to the summary of the Varied Loan Agreement and Security terms included at Schedule 1 of the Company's Notice of Meeting released to ASX on 14 August 2017 including the repayment schedule for the loan. The lender has agreed that the scheduled repayment of \$750,000 originally due for repayment on 1 February 2020 and subsequently delayed to 5 March 2020 be deferred to 6 April 2020. Interest will continue to accrue on the outstanding amounts at the same rate as per the existing Varied Loan Agreement.

All other terms of the Varied Loan Agreement remain the same.

This ASX announcement was approved for release by the Board of Atlas Pearls Ltd.

Investor & Media Queries:

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ABOUT ATLAS PEARLS LTD

Atlas Pearls Ltd (ASX: ATP) is an Australian listed pearling business with core operations in Indonesia established in 1992. Atlas has earned an enviable reputation as a world leading pearl producer of “the queen of all gems”, the South Sea pearl, specialising in high quality white and silver pearls. Atlas operates pearl farms spread across the Indonesian archipelago, including Bali, Flores, and West Papua. Atlas is a fully integrated business including hatchery, seeding, harvesting, grading, trading, design and manufacturing capabilities to sell directly to customers through wholesale partners and via its retail outlets.

The Company is also involved in the production and transformation of essential oils as well as other plant grown active ingredients extraction and value adding via its Tasmanian based 50% owned subsidiary Essential Oils of Tasmania (EOT).

Atlas has been involved since its inception in managing active community relationships in Indonesia in the areas of environment protection, education and alternative livelihood programs.