PEARL GLOBAL PTY LTD AND ITS SUBSIDIARIES

A.B.N. 53 123 190 894

SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

CONTENTS

DIRECTORS' REPORT

Your Directors present their report on Pearl Global Pty Ltd ('the Company' or 'Pearl) for the financial year ended 30 June 2015.

Directors

The names of the Directors in office at any time during or since the end of the year are:

- Mr Gary Foster
- Mr Andrew Drennan
- Mr Phil Erasmus

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of operations and financial results

The loss of the consolidated entity after accounting for income tax amounted to $1,056,201 (2014: profit of $280,865).

Significant changes in state of affairs

Pearl acquired an interest in Rubber Reclamation Industries Pty Ltd ('RRI) and Tyre Resource Recovery Pty Ltd ('TRR'). TRR held the rights to use the IP for the tyre recycling technology, which is owned by Keshi Technology Pty Ltd.

Principal activities

The principal activities of the Company during the financial year were:

> Pearl holds the exclusive worldwide licensing rights to a unique tyre recovery process which reclaims waste rubber back into its constituent parts being liquid hydrocarbon, high tensile steel, carbon char whilst also potentially converting the emitted waste gases to energy in an environmentally safe and productive manner to harness power generation ('The Project'). The plants (Thermal Desorption Units (TDU's)) built to recover these secondary products have a relatively low capital cost and operating expenditure especially considering that The Project is designed to achieve the strictest emission and efficiency standards.
>
> The Project is a process by which end of life rubber (e.g. vehicle tyres or conveyor belt rubber) is converted into commercial by-products with comparatively low emissions (thereby limiting the environmental impact of the disposal of such used rubber) by virtue of a unique heating system which manages certain key elements within the thermal desorption process.

Events arising since the end of the reporting year

In January 2017, Pearl bought back Citation's 40% holding in Pearl by paying $3,300,000 as per heads of agreement with Citation Resources Ltd.

Subsequent to Pearl buying back Citation's 40% holding in Pearl, Pearl Vendors entered into a fresh Share Purchase Agreement ('Acquisition Agreement') with Citation Resources Ltd ('Citation'), with Citation to acquire the entire issued capital of Pearl in consideration for the issue to the Pearl Vendors of (in aggregate) 80,000,000 shares (on Citation's post-consolidation basis).

The principal outstanding conditions precedent to completion of the Acquisition Agreement are:

- Citation completing its due diligence review of Pearl and being satisfied with that review
- Citation's recapitalisation resolutions being passed at their meeting
- New licence agreement being finalised on terms satisfactory to both parties
- Citation undertaking the capital raising
- Citation undertaking the share-consolidation; and
- Citation receiving conditional approval by ASX to reinstate Citation's securities to trading on ASX (after Citation re-complies with the Chapter 1 and 2 of the ASX Listing Rules) and those conditions being to the reasonable satisfaction of the company.

Future development, prospects and business strategies

Information on likely developments in the operation of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental issues

The Project has 'Works Approval' from the Western Australian Government Department of Environment Regulation which has a bilateral agreement with the Environmental Protection Authority in Australia for enforcing policy.

Dividends paid or recommended

No dividends were paid during the year.

Options

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnity of auditors

Pearl has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the consolidated entity has not paid a premium in respect of a contract to insure the auditor of the consolidated entity or any related entity.

Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors:

Gary Foster
Director

1 May 2017

PEARL GLOBAL PTY LTD AND ITS SUBSIDIARIES

A.B.N. 53 123 190 894

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

		CONSOLIDATED 2015 $	CONSOLIDATED 2014 $
Revenue	3	38,000	-
Other income	3	19,830	1,063,000
Administration costs	4	(1,606,092)	(782,135)
Loss before tax		**(1,548,262)**	**280,865**
Income tax benefit	5	492,061	-
Loss for the year , net of tax		**(1,056,201)**	**280,865**
Other Comprehensive Income		26,418	-
		(1,029,783)	**280,865**
Net loss is attributable to:			
Owners of Pearl Global Pty Ltd		(1,070,311)	**284,343**
Non-controlling interests		14,110	(3,478)
		(1,056,201)	**280,865**
Total comprehensive loss attributable to:			
Owners of Pearl Global Pty Ltd		(1,056,201)	**284,343**
Non-controlling interests		26,418	(3,478)
		(1,029,783)	**280,865**

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes to the consolidated financial statements.

PEARL GLOBAL PTY LTD AND ITS SUBSIDIARIES

A.B.N. 53 123 190 894

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2015

	Note	CONSOLIDATED 2015 $	CONSOLIDATED 2014 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	348,620	1,183,337
Trade and other receivables	7	2,243,704	194,192
Total current assets		2,592,324	1,377,529
Non-Current Assets			
Property, Plant and equipment	8	104,486	-
Development assets	9	671,208	-
Total non-current assets		775,694	-
Total assets		3,368,018	1,377,529
LIABILITIES			
Current Liabilities			
Trade and other payables		128,105	307,833
Borrowings		34,886	34,886
Total current liabilities		162,991	342,719
Net assets		**3,205,027**	**1,034,810**
EQUITY			
Contributed equity	10	3,953,945	753,945
Accumulated losses		(759,550)	284,343
Parent interests		3,194,394	1,038,288
Non-controlling interests		10,632	(3,478)
Total equity		**3,205,027**	**1,034,810**

The above statement of financial position should be read in conjunction with the accompanying notes to the consolidated financial statements.

PEARL GLOBAL PTY LTD AND ITS SUBSIDIARIES

A.B.N. 53 123 190 894

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

CONSOLIDATED EQUITY	Issued Capital	Accumulated Losses	Total	Non-Controlling Interest	Total Equity
	$	$	$	$	$
At 1 July 2014	**753,945**	**284,343**	**1,038,288**	**(3,478)**	**1,034,810**
Loss for the year	-	(1,070,311)	(1,070,311)	14,110	(1,056,201)
Other comprehensive income	-	26,418	26,418	-	26,418
Total comprehensive income/(loss) for the year	**-**	**(1,043,893)**	**(1,043,893)**	**14,110**	**(1,029,783)**
Shares issued during the year	3,200,000	-	3,200,000	-	3,200,000
At 30 June 2015	**3,953,945**	**(759,550)**	**3,194,395**	**10,632**	**3,205,027**

The above statement in changes in equity should be read conjunction with the accompanying notes to the consolidated financial statements.

PEARL GLOBAL PTY LTD AND ITS SUBSIDIARIES

A.B.N. 53 123 190 894

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

Comparatives **CONSOLIDATED EQUITY**	**Issued Capital**	**Retained Earnings**	**Total**	**Non-Controlling Interest**	**Total Equity**
	$	**$**	**$**	**$**	**$**
At 1 July 2013	**753,945**	**-**	**753,945**	**-**	**753,945**
Loss for the year	-	284,343	284,343	(3,478)	280,865
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss) for the year	**-**	**284,343**	**284,343**	**(3,478)**	**280,865**
At 30 June 2014	**753,945**	**284,343**	**1,038,288**	**(3,478)**	**1,034,810**

The above statement in changes in equity should be read conjunction with the accompanying notes to the consolidated financial statements.

PEARL GLOBAL PTY LTD AND ITS SUBSIDIARIES

A.B.N. 53 123 190 894

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

		CONSOLIDATED	CONSOLIDATED
CONSOLIDATED		**2015**	**2014**
	Note	**$**	**$**
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(842,362)	(311,756)
Interest received		20,430	-
Net cash outflow used in operating activities	12	**(821,932)**	**(311,756)**
Cash flows from investing activities			
Purchases of property, plant and equipment		(1,027,935)	(266,048)
Net cash outflow used in investing activities		**(1,027,935)**	**(266,048)**
Cash flows from financing activities			
Proceeds from issue of shares		1,015,150	1,063,000
Net cash (used in) / provided by financing activities		**1,015,150**	**1,063,000**
Net increase/(decrease) in cash and cash equivalents		**(834,717)**	**485,196**
Cash and cash equivalents at the beginning of the financial year		1,183,337	698,141
Cash and cash equivalents at the end of the financial year	6	348,620	1,183,337

The above statement of cash flows should be read in conjunction with the accompanying notes to the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 Statement of significant accounting policies

The Directors' have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users dependent on a general purpose financial report. The financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the Company.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations.

Pearl Global Pty Ltd is a Company limited by shares, incorporated and domiciled in Australia. Pearl Global Pty Ltd is a for-profit entity for the purpose of preparing financial statements under Australian Accounting Standards.

1.1 Basis of preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

1.2 *New and amended standards adopted by the Company*

The Company has adopted all the amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board, which are relevant to and effective for the Company's financial statements for the annual period beginning 1 July 2014.

None of the amendments have had a significant impact on the Company.

1.3 Principles of Consolidation

The Group financial statements consolidate those of the Parent Company (Pearl Global Pty Ltd) and all of its subsidiaries as of 30 June 2015. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective.

Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income

or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

1.4 Going Concern

The financial statements have been prepared on the basis that the company and consolidated entity will continue to meet their commitments and can therefore continue its normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has reported a net loss attributable to members for the period of $1,056,201 (30 June 2014: profit of $280,865), and cash outflows from operating activities of $ 821,932 (30 June 2014: $311,756).

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern considering the Group is in the process of completing the reverse acquisition of Citation Resources Ltd. Upon successful completion and approvals of the following factors:

- Upon implementation of the Recapitalisation Proposal, the new Pearl company will issue up to 25,000,000 Shares (on a post-Consolidation basis) at an issue price of $0.20 per Share under the Prospectus to raise up to $5,000,000.

The Directors are confident that, subject to the achievement of the above matters along with the approval of Citation Resources Ltd Shareholders, the Group will be able to continue its operations as a going concern.

1.5 Significant accounting policies

(a) Income tax

The income tax expense / (revenue) for the year comprises current income tax expense / (income) and deferred tax expense / (income). Current and deferred income tax expense / (income) is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

(b) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

(i) Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction). Valuations are performed whenever the Directors believe there has been a material movement in the value of the assets.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against the related revaluation reserve directly in equity; all other decreases are charged to the statement of profit or loss and other comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

(ii) Plant and equipment

Plant and equipment are measured at cost less depreciation and impairment losses.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

(c) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of acquisition. Intangible assets acquired separately are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from derecognition of an intangible asset is measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangibles are reviewed annually. Changes in expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

(d) Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Company is able to use or sell the asset; the Company has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

(f) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Revenue is recognised when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the consolidated entity.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

3 Revenue

	CONSOLIDATED 2015	CONSOLIDATED 2014
	$	$
Revenue		
Fees	38,000	-
Other income		
Other income	19,830	1,063,000
	57,830	**1,063,000**

4 Administration costs

	CONSOLIDATED 2015	CONSOLIDATED 2014
	$	$
Accountancy expenses	15,000	-
Professional and consultancy expenses	270,214	-
Legal costs	399,850	-
Travel expenses	154,011	-
Admin expenses	41,745	782,135
Other operating expenses	725,272	
	1,606,092	**782,135**

5 Income tax benefit

	CONSOLIDATED 2015	CONSOLIDATED 2014
	$	$
Taxable Income before R&D costs	887,384	-
Tax on taxable income	(266,215)	-
Research and development costs	1,685,059	-
Refundable tax offsets	758,276	-
Income tax benefit	**492,061**	**-**

6 Cash and cash equivalents

	CONSOLIDATED 2015 $	CONSOLIDATED 2014 $
Cash	348,620	1,183,337
	348,620	**1,183,337**

7 Trade and other receivables

	CONSOLIDATED 2015 $	CONSOLIDATED 2014 $
Trade receivables	41,643	-
Provision for Income Tax refundable	492,061	194,192
Other receivables (i)	1,710,000	-
	2,243,704	**194,192**

(i) Other receivables pertain to funds receivable from Maddestra Group as consideration for shares issued in Pearl.

8 Property, plant and equipment

	CONSOLIDATED 2015 $	CONSOLIDATED 2014 $
Plant and equipment:		
Cost	121,493	-
Accumulated depreciation	(17,007)	-
Accumulated impairment losses	-	-
Total plant and equipment	**104,486**	**-**

9 Development assets

	CONSOLIDATED 2015 $	CONSOLIDATED 2014 $
Development costs		
Cost	671,208	-
Accumulated impairment losses	-	-
Total plant and equipment	**671,208**	**-**

10 Issued capital

	CONSOLIDATED	CONSOLIDATED	**CONSOLIDATED**	CONSOLIDATED
	2015	2014	**2015**	2014
	No of shares	No of shares	**$**	$
Fully paid ordinary shares	**51,193,190**	42,250,000	**3,953,945**	753,945
Opening balance at 1 July 2014		42,250,000		753,945
Shares issued for cash		2,458,995		990,000
Shares issued for cash*		5,309,193		1,710,000
Shares issued in lieu of professional fees		918,208		400,000
Shares issued in lieu of professional fees		256,794		100,000
Total shares issued				
Less share issue costs		-		-
Balance at 30 June 2015		**51,193,190**		**3,953,945**

*Cash payment of $1,710,000 for shares issued was received in July 2015, post period-end.

	CONSOLIDATED	CONSOLIDATED	**CONSOLIDATED**	CONSOLIDATED
	2014	2013	**2014**	2013
	No of shares	No of shares	**$**	$
Fully paid ordinary shares	**42,731,150**	42,731,150	**753,945**	753,945
Opening balance at 1 July 2013		42,731,150		753,945
Share movement		-	-	-
Total shares issued				
Less share issue costs		-		-
Balance at 30 June 2015		**42,731,150**		**753,945**

In the prior year, there was no movement in the Share Capital.

The Company does not have a limited amount of authorised capital and issued shares do not have a par value.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

11 Contingent assets and contingent liabilities

The Company has no contingent assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

12 Cash flow information

	CONSOLIDATED 2015 $	CONSOLIDATED 2014 $
Loss after income tax benefit for the year	**(1,056,201)**	**280,865**
Non-cash flows in profit/loss:		
Depreciation	17,007	-
Non-cash payments for professional fees	500,000	-
Asset written off	-	550,000
Cash received from financing activities	-	(1,063,000)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(339,512)	-
(Decrease)/increase in trade and other payables	56,774	(79,621)
Net cash from operating activities	**(821,932)**	**(232,135)**

13 Events after the reporting date

In January 2017, Pearl bought back Citation's 40% holding in Pearl by paying $3,300,000 as per heads of agreement with Citation Resources Ltd. The fund is sitting under Citation Administrator's trust account.

Subsequent to period end, Pearl Vendors entered into a fresh Share Purchase Agreement ('Acquisition Agreement') with Citation Resources Ltd ('Citation'), with Citation to acquire the entire issued capital of Pearl in consideration for the issue to the Pearl Vendors of (in aggregate) 80,000,000 shares (on Citation's post-consolidation basis).

The principal outstanding conditions precedent to completion of the Acquisition Agreement are:

- Citation completing its due diligence review of Pearl and being satisfied with that review
- Citation's recapitalisation resolutions being passed at their meeting
- New licence agreement being finalised on terms satisfactory to both parties
- Citation undertaking the capital raising
- Citation undertaking the share-consolidation; and
- Citation receiving conditional approval by ASX to reinstate Citation's securities to trading on ASX (after Citation re-complies with the Chapter 1 and 2 of the ASX Listing Rules) and those conditions being to the reasonable satisfaction of the company.

14 Company details

The registered office of the Company is:

Pearl Global Pty Ltd
Level 1, 8-12 Market Street
Fremantle WA 6959

The principal place of business is:

Pearl Global Pty Ltd
Level 1, 8-12 Market Street
Fremantle WA 6959

Directors' Declaration

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in note 1 to the financial statements.

The directors of the company declare that:

1 The financial statements and notes, as set out on pages 4 to 16 fairly present the company's financial position as at 30 June 2015 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and

2 in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:

Gary Foster
Director

Dated the 1st day of May 2017

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10 Kings Park Road
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Independent Auditor's Report
To the Members of Pearl Global Pty Ltd

We have audited the accompanying financial report, being a special purpose financial report, of Pearl Global Pty Ltd (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Directors of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Responsibility of the Directors for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial report, which form part of the financial report, are appropriate to meet the requirements of the Constitution and the needs of the Members. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Independence

In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Basis for qualified auditor's opinion

The financial report for the year ended 30 June 2014 has not been audited. Accordingly, we are not in a position to and do not express an opinion on the comparatives for 30 June 2014 or the opening balances as at 1 July 2014, which impacts the current year's financial performance.

Qualified auditor's opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to matter giving rise to the qualification, the financial report of Pearl Group Pty Ltd presents fairly, in all material respects, the consolidated entity's financial position as at 30 June 2015 and of its performance and cash flows for the year then ended in accordance with the accounting policies described in Note 1.

Emphasis of Matter – Going Concern

Without further qualification to the opinion expressed above, we draw attention to Note 1 to the financial report that highlights the consolidated entity reported a net loss after tax of $1,056,201 and operating outflows of $821,932 for the year ended 30 June 2015. These conditions, along with other matters set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of the Company. As a result, the financial report may not be suitable for another purpose.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P W Warr
Partner - Audit & Assurance

Perth, 2 May 2017

PEARL GLOBAL PTY LTD AND ITS SUBSIDIARIES

A.B.N. 53 123 190 894

SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

CONTENTS

PEARL GLOBAL PTY LTD AND ITS SUBSIDIARIES

A.B.N. 53 123 190 894

DIRECTORS' REPORT

Your Directors present their report on Pearl Global Pty Ltd ('the Company' or 'Pearl) for the financial year ended 30 June 2016.

Directors

The names of the Directors in office at any time during or since the end of the year are:

- Mr Gary Foster
- Mr Andrew Drennan
- Mr Phil Erasmus

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of operations and financial results

The profit of the consolidated entity after accounting for income tax amounted to $2,397,548 (2015: loss of $1,056,201).

Significant changes in state of affairs

During the financial year 2016, Pearl entered into an agreement with Citation Resources Ltd, for the sale of Pearl's 40% equity interest for $3,000,000. This shareholding was the first stage of the Pearl Deal and resulting in Citation having an interest in Pearl's subsidiaries, being Rubber Reclamation Industries Pty Ltd("RRI") and Tyre Resource Recovery Pty Ltd ("TRR"). TRR held the rights to use the IP for the tyre recycling technology, which is owned by Keshi Technology Pty Ltd.

Principal activities

The principal activities of the Company during the financial year were:

> Pearl holds the exclusive worldwide licensing rights to a unique tyre recovery process which reclaims waste rubber back into its constituent parts being liquid hydrocarbon, high tensile steel, carbon char whilst also potentially converting the emitted waste gases to energy in an environmentally safe and productive manner to harness power generation (The Project). The plants (Thermal Desorption Units (TDU's)) built to recover these secondary products have a relatively low capital cost and operating expenditure especially considering that The Project is designed to achieve the strictest emission and efficiency standards.
>
> The Project is a process by which end of life rubber (e.g. vehicle tyres or conveyor belt rubber) is converted into commercial by-products with comparatively low emissions (thereby limiting the environmental impact of the disposal of such used rubber) by virtue of a unique heating system which manages certain key elements within the thermal desorption process.

Events arising since the end of the reporting year

In January 2017, Pearl bought back Citation's 40% holding in Pearl by paying $3,300,000 as per heads of agreement with Citation Resources Ltd.

Subsequent to Pearl buying back Citation's 40% holding in Pearl, Pearl Vendors entered into a fresh Share Purchase Agreement ('Acquisition Agreement') with Citation Resources Ltd ('Citation'), with Citation to acquire the entire issued capital of Pearl in consideration for the issue to the Pearl Vendors of (in aggregate) 80,000,000 shares (on Citation's post-consolidation basis).

The principal outstanding conditions precedent to completion of the Acquisition Agreement are:

- Citation completing its due diligence review of Pearl and being satisfied with that review
- Citation's recapitalisation resolutions being passed at their meeting
- New licence agreement being finalised on terms satisfactory to both parties
- Citation undertaking the capital raising
- Citation undertaking the share-consolidation; and
- Citation receiving conditional approval by ASX to reinstate Citation's securities to trading on ASX (after Citation re-complies with the Chapter 1 and 2 of the ASX Listing Rules) and those conditions being to the reasonable satisfaction of the company.

Future development, prospects and business strategies

Information on likely developments in the operation of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental issues

The Project has 'Works Approval' from the Western Australian Government Department of Environment Regulation which has a bilateral agreement with the Environmental Protection Authority in Australia for enforcing policy.

Dividends paid or recommended

No dividends were paid during the year.

Options

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnity of auditors

Pearl has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the consolidated entity has not paid a premium in respect of a contract to insure the auditor of the consolidated entity or any related entity.

Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors:

Gary Foster
Director

1 May 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

		CONSOLIDATED 2016 $	CONSOLIDATED 2015 $
Revenue	3	-	38,000
Other income	3	3,325,523	19,830
Administration costs	4	(1,767,385)	(1,606,092)
Amortisation of intangible asset		(137,500)	-
Income/ (Loss) before tax		**1,420,638**	**(1,548,262)**
Income tax benefit	5	976,910	492,061
Income/ (Loss) for the year		**2,397,548**	**(1,056,201)**
Other Comprehensive Income/(Loss)		-	26,418
		2,397,548	**(1,029,783)**
Net loss is attributable to:			
Owners of Pearl Global Pty Ltd		2,397,548	(1,070,311)
Non-controlling interests		-	14,110
		2,397,548	**(1,056,201)**
Total comprehensive loss attributable to:			
Owners of Pearl Global Pty Ltd		2,397,548	(1,056,201)
Non-controlling interests		-	26,418
		2,397,548	**(1,029,783)**

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes to the consolidated financial statements.

PEARL GLOBAL PTY LTD AND ITS SUBSIDIARIES

A.B.N. 53 123 190 894

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2016

	Note	CONSOLIDATED 2016 $	CONSOLIDATED 2015 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	2,074,561	348,620
Trade and other receivables	7	1,029,716	2,243,704
Total current assets		3,104,277	2,592,324
Non-Current Assets			
Property, Plant and equipment	8	855,698	104,486
Development assets	9	213,635	671,208
Intangible assets	10	1,512,500	-
Total non-current assets		2,581,834	775,694
Total assets		5,686,111	3,368,018
LIABILITIES			
Current Liabilities			
Trade and other payables		49,400	128,105
Borrowings		34,136	34,886
Total current liabilities		83,536	162,991
Net assets		**5,602,575**	**3,205,027**
EQUITY			
Contributed equity	11	3,964,577	3,953,945
Accumulated losses		1,637,998	(759,550)
Parent interests		5,602,575	3,194,394
Non-controlling interests		-	10,632
Total equity		**5,602,575**	**3,205,027**

The above statement of financial position should be read in conjunction with the accompanying notes to the consolidated financial statements.

PEARL GLOBAL PTY LTD AND ITS SUBSIDIARIES

A.B.N. 53 123 190 894

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

CONSOLIDATED EQUITY	Issued Capital	Retained Earnings	Total	Non-Controlling Interest	Total Equity
	$	$	$	$	$
At 1 July 2015	**3,953,945**	**(759,550)**	**3,194,395**	**10,632**	**3,205,027**
Loss for the year	-	2,397,548	2,397,548	-	2,397,548
Total comprehensive income/(loss) for the year	**-**	**2,397,548**	**2,397,548**	**-**	**2,397,548**
Effect of 100% ownership of subsidiaries	10,632	-	10,632	(10,632)	-
At 30 June 2016	**3,964,577**	**1,637,998**	**5,602,575**	**-**	**5,602,575**

The above statement in changes in equity should be read conjunction with the accompanying notes to the consolidated financial statements.

PEARL GLOBAL PTY LTD AND ITS SUBSIDIARIES

A.B.N. 53 123 190 894

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

Comparatives **CONSOLIDATED EQUITY**	**Issued Capital**	**Accumulated Losses**	**Total**	**Non-Controlling Interest**	**Total Equity**
	$	**$**	**$**	**$**	**$**
At 1 July 2014	**753,945**	**284,343**	**1,038,288**	**(3,478)**	**1,034,810**
Loss for the year	-	(1,070,311)	(1,070,311)	14,110	(1,056,201)
Other comprehensive income	-	26,418	26,418	-	26,418
Total comprehensive income/(loss) for the year	**-**	**(1,043,893)**	**(1,043,893)**	**14,110**	**(1,029,783)**
Shares issued during the year	3,200,000	-	3,200,000	-	3,200,000
At 30 June 2015	**3,953,945**	**(759,550)**	**3,194,395**	**10,632**	**3,205,027**

The above statement in changes in equity should be read conjunction with the accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

CONSOLIDATED	Note	CONSOLIDATED 2016 $	CONSOLIDATED 2015 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		351,202	-
Payments to suppliers and employees (inclusive of GST)		(1,756,513)	(842,362)
Tax refund from research and development		492,061	-
Interest received		25,523	20,430
Net cash outflow used in operating activities	13	**(887,727)**	**(821,932)**
Cash flows from investing activities			
Purchases of property, plant and equipment		(1,096,332)	(1,027,935)
Payment in exchange of the right to use the IP for the tyre recycling technology		(1,000,000)	-
Net cash outflow used in investing activities		**(1,096,332)**	**(1,027,935)**
Cash flows from financing activities			
Proceeds from issue of shares		1,710,000	1,015,150
Funds received from Citation Resources Ltd		3,000,000	-
Net cash / provided by financing activities		**4,010,000**	**1,015,150**
Net increase/(decrease) in cash and cash equivalents		**1,725,491**	**(834,717)**
Cash and cash equivalents at the beginning of the financial year		348,620	1,183,387
Cash and cash equivalents at the end of the financial year	6	2,074,561	348,620

The above statement of cash flows should be read in conjunction with the accompanying notes to the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1 Statement of significant accounting policies

The Directors' have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users dependent on a general purpose financial report. The financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the Company.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations.

Pearl Global Pty Ltd is a Company limited by shares, incorporated and domiciled in Australia. Pearl Global Pty Ltd is a for-profit entity for the purpose of preparing financial statements under Australian Accounting Standards.

1.1 Basis of preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

1.2 New and amended standards adopted by the Company

The Company has adopted all the amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board, which are relevant to and effective for the Company's financial statements for the annual period beginning 1 July 2015.

None of the amendments have had a significant impact on the Company.

1.3 Principles of Consolidation

The Group financial statements consolidate those of the Parent Company (Pearl Global Pty Ltd) and all of its subsidiaries as of 30 June 2016. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective.

Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income

or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

1.4 Going Concern

The financial statements have been prepared on the basis that the company and consolidated entity will continue to meet their commitments and can therefore continue its normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has reported a net profit attributable to members for the period of $2,397,548 (30 June 2015: loss of $1,056,201), cash outflows from operating activities of $887,727 (30 June 2015: $821,932).

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern considering the Group is in the process of completing the reverse acquisition of Citation Resources Ltd. Upon successful completion and approvals of the following factors:

- Upon implementation of the Recapitalisation Proposal, the new Pearl company will issue up to 25,000,000 Shares (on a post-Consolidation basis) at an issue price of $0.20 per Share under the Prospectus to raise up to $5,000,000.

The Directors are confident that, subject to the achievement of the above matters along with the approval of Citation Resources Ltd Shareholders, the Group will be able to continue its operations as a going concern.

1.5 Significant accounting policies

(a) Income tax

The income tax expense / (revenue) for the year comprises current income tax expense / (income) and deferred tax expense / (income). Current and deferred income tax expense / (income) is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

(b) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

(i) Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction). Valuations are performed whenever the Directors believe there has been a material movement in the value of the assets.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against the related revaluation reserve directly in equity; all other decreases are charged to the statement of profit or loss and other comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

(ii) Plant and equipment

Plant and equipment are measured at cost less depreciation and impairment losses.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

(c) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of acquisition. Intangible assets acquired separately are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from derecognition of an intangible asset is measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangibles are reviewed annually. Changes in expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

(d) Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Company is able to use or sell the asset; the Company has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(f) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Revenue is recognised when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the consolidated entity.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

3 Revenue

	CONSOLIDATED	CONSOLIDATED
	2016	**2015**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	$	$
Revenue		
Fees	-	38,000
Other income		
Interest income	25,523	19,830
Other income (i)	3,300,000	-
	3,325,523	**57,830**

(i) Other income includes funds received as capital injection from Citation.

4 Administration costs

	CONSOLIDATED 2016	CONSOLIDATED 2015
	$	$
Accountancy expenses	101,605	15,000
Professional and consultancy expenses	485,374	270,214
Legal costs	51,053	399,850
Travel expenses	164,609	154,011
Admin expenses	134,721	41,745
Other operating expenses	830,023	725,272
	1,767,385	**1,606,092**

5 Income tax benefit

	CONSOLIDATED 2016	CONSOLIDATED 2015
	$	$
Taxable Income before R&D costs	928,507	887,384
Tax on taxable income	(278,551)	(266,215)
Research and development costs	2,789,913	1,685,059
Refundable tax offsets	1,255,461	758,276
Income tax benefit	**976,910**	**492,061**

6 Cash and cash equivalents

	CONSOLIDATED 2016	CONSOLIDATED 2015

	$	$
Cash	2,074,561	348,620
	2,074,561	**348,620**

7 Trade and other receivables

	CONSOLIDATED	CONSOLIDATED
	2016	**2015**
	$	**$**
Trade receivables	52,807	41,643
Provision for Income Tax refundable	976,909	492,061
Other receivables (i)	-	1,710,000
	1,029,716	**2,243,704**

(i) Other receivables pertain to funds receivable from investors as consideration for shares issued in Pearl.

8 Property, plant and equipment

	CONSOLIDATED	CONSOLIDATED
	2016	**2015**
	$	**$**
Plant and equipment:		
Cost	1,025,398	121,493
Accumulated depreciation	(169,700)	(17,007)
Accumulated impairment losses	-	-
Total plant and equipment	**855,698**	**104,486**

9 Development assets

	CONSOLIDATED	CONSOLIDATED
	2016	**2015**
	$	**$**
Development costs		
Cost	213,635	671,208
Accumulated impairment losses	-	-
Total plant and equipment	**213,635**	**671,208**

10 Intangible assets

	CONSOLIDATED	CONSOLIDATED
	2016	**2015**
	$	**$**

Global Licences		
Cost	1,650,000	-
Accumulated amortisation	(137,500)	-
Total plant and equipment	**1,512,500**	**-**

11 Issued capital

	CONSOLIDATED 2016 No of shares	CONSOLIDATED 2015 No of shares	**CONSOLIDATED 2016 $**	CONSOLIDATED 2015 $
Fully paid ordinary shares	**61,270,884**	51,193,190	**3,964,577**	3,953,945
Opening balance at 1 July 2015		**51,193,190**		**3,953,945**
Shares issued for 100% TRR acquisition(i)		10,077,694		10,632
Total shares issued		61,270,884		3,964,577
Less share issue costs		-		-
Balance at 30 June 2016		**61,270,884**		**3,964,577**

(i) During the year, Pearl issued 10,077,694 shares as consideration for the acquisition of the remaining 16% shareholding interests in Tyre Resource Recovery Pty Ltd and Rubber Reclamation Pty Ltd.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

12 Contingent assets and contingent liabilities

The Company has no contingent assets.

13 Cash flow information

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	CONSOLIDATED 2016 $	CONSOLIDATED 2015 $
Loss after income tax benefit for the year	**(2,397,548)**	**(1,056,201)**
Non-cash flows in profit/loss:		
Depreciation	152,695	17,007
Non-cash payments for professional fees	-	500,000
Amortisation of intangibles	137,500	
Income from financing activities	(3,000,000)	
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(496,012)	(339,512)
(Decrease)/increase in trade and other payables	(79,458)	56,774
Net cash from operating activities	**(887,727)**	**(821,982)**

14 Events after the reporting date

In January 2017, Pearl bought back Citation's 40% holding in Pearl by paying $3,300,000 as per heads of agreement with Citation Resources Ltd.

Subsequent to Pearl buying back Citation's 40% holding in Pearl, Pearl Vendors entered into a fresh Share Purchase Agreement ('Acquisition Agreement') with Citation Resources Ltd ('Citation'), with Citation to acquire the entire issued capital of Pearl in consideration for the issue to the Pearl Vendors of (in aggregate) 80,000,000 shares (on Citation's post-consolidation basis).

The principal outstanding conditions precedent to completion of the Acquisition Agreement are:

- Citation completing its due diligence review of Pearl and being satisfied with that review
- Citation's recapitalisation resolutions being passed at their meeting
- New licence agreement being finalised on terms satisfactory to both parties
- Citation undertaking the capital raising
- Citation undertaking the share-consolidation; and
- Citation receiving conditional approval by ASX to reinstate Citation's securities to trading on ASX (after Citation re-complies with the Chapter 1 and 2 of the ASX Listing Rules) and those conditions being to the reasonable satisfaction of the company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

15 Company details

The registered office of the Company is:

Pearl Global Pty Ltd
Level 1, 8-12 Market Street
Fremantle WA 6959

The principal place of business is:

Pearl Global Pty Ltd
Level 1, 8-12 Market Street
Fremantle WA 6959

Directors' Declaration

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in note 1 to the financial statements.

The directors of the company declare that:

1 The financial statements and notes, as set out on pages 4 to 17 fairly present the company's financial position as at 30 June 2016 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and

2 in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:

Gary Foster
Director
Dated the 1st day of May 2017

Level 1
10 Kings Park Road
West Perth WA 6005

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PO Box 570
West Perth WA 6872

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Independent Auditor's Report
To the Members of Pearl Group Pty Ltd

We have audited the accompanying financial report, being a special purpose financial report, of Pearl Group Pty Ltd (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Directors of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Responsibility of the Directors for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial report, which form part of the financial report, are appropriate to meet the requirements of the Constitution and the needs of the Members. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's Opinion
In our opinion, the financial report of Pearl Group Pty Ltd presents fairly, in all material respects, the consolidated entity's financial position as at 30 June 2016 and of its performance and cash flows for the year then ended in accordance with the accounting policies described in Note 1.

Emphasis of Matter – Going Concern
Without further qualification to the opinion expressed above, we draw attention to Note 1 to the financial report that highlights the consolidated entity reported operating outflows of $887,727 for the year ended 30 June 2016. These conditions, along with other matters set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Basis of accounting
Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of Company. As a result, the financial report may not be suitable for another purpose.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P. Warr.

P W Warr
Partner - Audit & Assurance

Perth, 2 May 2017

PEARL GLOBAL PTY LTD AND ITS SUBSIDIARIES

A.B.N. 53 123 190 894

SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

CONTENTS

DIRECTORS' REPORT

Your Directors present their report on Pearl Global Pty Ltd ('the Company' or 'Pearl) for the half year ended 31 December 2016.

Directors

The names of the Directors in office at any time during or since the end of the half year are:

- Mr Gary Foster
- Mr Andrew Drennan
- Mr Phil Erasmus

Directors have been in office since the start of the half year to the date of this report unless otherwise stated.

Review of operations and financial results

The loss of the consolidated entity after accounting for income tax for the half-year ended 31 December 2016 amounted to $1,320,266 (half-year ended 31 December 2015: profit of $2,560,728).

Significant changes in state of affairs

With the appointment of Voluntary Administrators for Citation Resources Ltd, the Directors of Pearl has reconsidered its option to buy back from Citation the 40% shareholding interest in Pearl which the Citation acquired under the Stage 1 (per Heads of Agreement) for $3,000,000 plus interest accruing at 10% per annum.

Principal activities

The principal activities of the Company during the financial year were:

> Pearl holds the exclusive worldwide licensing rights to a unique tyre recovery process which reclaims waste rubber back into its constituent parts being liquid hydrocarbon, high tensile steel, carbon char whilst also potentially converting the emitted waste gases to energy in an environmentally safe and productive manner to harness power generation (The Project). The plants (Thermal Desorption Units (TDU's)) built to recover these secondary products have a relatively low capital cost and operating expenditure especially considering that The Project is designed to achieve the strictest emission and efficiency standards.
>
> The Project is a process by which end of life rubber (e.g. vehicle tyres or conveyor belt rubber) is converted into commercial by-products with comparatively low emissions (thereby limiting the environmental impact of the disposal of such used rubber) by virtue of a unique heating system which manages certain key elements within the thermal desorption process.

Events arising since the end of the reporting period

In January 2017, Pearl bought back Citation's 40% holding in Pearl by paying $3,300,000 as per heads of agreement with CTR. The fund is sitting under Citation Administrator's trust account.

Subsequent to period end, Pearl Vendors entered into a fresh Share Purchase Agreement (‘Acquisition Agreement’) with Citation Resources Ltd (‘Citation’), with Citation to acquire the entire issued capital of Pearl in consideration for the issue to the Pearl Vendors of (in aggregate) 80,000,000 shares (on Citation’s post-consolidation basis).

The principal outstanding conditions precedent to completion of the Acquisition Agreement are:

- Citation completing its due diligence review of Pearl and being satisfied with that review
- Citation’s recapitalisation resolutions being passed at their meeting
- New licence agreement being finalised on terms satisfactory to both parties
- Citation undertaking the capital raising
- Citation undertaking the share-consolidation; and
- Citation receiving conditional approval by ASX to reinstate Citation’s securities to trading on ASX (after Citation re-complies with the Chapter 1 and 2 of the ASX Listing Rules) and those conditions being to the reasonable satisfaction of the company.

Future development, prospects and business strategies

Information likely developments in the operation of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental issues

The Project has 'Works Approval' from the Western Australian Government Department of Environment Regulation which has a bilateral agreement with the Environmental Protection Authority in Australia for enforcing policy.

Dividends paid or recommended

No dividends were paid during the period.

Options

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnity of auditors

Pearl has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the consolidated entity has not paid a premium in respect of a contract to insure the auditor of the consolidated entity or any related entity.

Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors:

Gary Foster
Director

1 May 2017

PEARL GLOBAL PTY LTD AND ITS SUBSIDIARIES

A.B.N. 53 123 190 894

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2016

		CONSOLIDATED 31-Dec-16 $	CONSOLIDATED 31-Dec-15 $
Revenue	3	4,340	10,157
Other income	3	7,334	3,300,000
Administration costs	4	(1,228,815)	(715,054)
Amortisation of intangible asset		(103,125)	(34,375)
(Loss)/Profit before tax		**(1,320,266)**	**2,560,728**
Income tax benefit		-	-
(Loss)/Profit for the period		**(1,320,266)**	**2,560,728**
Other Comprehensive Income		-	-
		(1,320,266)	**2,560,728**

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes to the consolidated condensed interim financial statements.

PEARL GLOBAL PTY LTD AND ITS SUBSIDIARIES

A.B.N. 53 123 190 894

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Note	CONSOLIDATED 31-Dec-16 $	CONSOLIDATED 30-Jun-16 $
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,386,236	2,074,561
Trade and other receivables	6	110,544	1,029,716
Total current assets		1,496,780	3,104,277
Non-Current Assets			
Property, Plant and equipment	7	802,254	855,698
Development assets	8	703,723	213,635
Intangible assets	9	1,409,375	1,512,500
Total non-current assets		2,915,352	2,581,834
Total assets		4,412,132	5,686,111
LIABILITIES			
Current Liabilities			
Trade and other payables		95,687	49,400
Borrowings		34,136	34,136
Total current liabilities		129,823	83,536
Net assets		**4,282,309**	**5,602,575**
EQUITY			
Contributed equity	10	3,964,577	3,964,577
Accumulated losses		317,732	1,637,998
Total equity		**4,282,309**	**5,602,575**

The above statement of financial position should be read in conjunction with the accompanying notes to the consolidated condensed interim financial statements

PEARL GLOBAL PTY LTD AND ITS SUBSIDIARIES

A.B.N. 53 123 190 894

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

CONSOLIDATED EQUITY	Issued Capital	Retained Earnings	Total Equity
	$	$	$
At 30 June 2016	**3,964,577**	**1,637,998**	**5,602,575**
Loss for the period	-	(1,320,266)	(1,320,266)
Total comprehensive income/(loss) for the period	**-**	**(1,320,266)**	**(1,320,266)**
At 31 December 2016	**3,964,577**	**317,732**	**4,282,309**

The above statement in changes in equity should be read conjunction with the accompanying notes to the consolidated condensed interim financial statements.

PEARL GLOBAL PTY LTD AND ITS SUBSIDIARIES

A.B.N. 53 123 190 894

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

Comparatives **CONSOLIDATED EQUITY**	**Issued Capital**	**Reserves**	**Retained Earnings**	**Total**	**Non-Controlling Interest**	**Total Equity**
	$	**$**	**$**	**$**	**$**	**$**
At 1 July 2015	**3,953,945**	**-**	**(759,550)**	**3,194,395**	**10,632**	**3,205,027**
Loss for the year	-	-	2,397,548	2,397,548	-	2,397,548
Total comprehensive income/(loss) for the year	**-**	**-**	**2,397,548**	**2,397,548**	**-**	**2,397,548**
Effect of 100% ownership of subsidiaries	10,632	-	-	10,632	(10,632)	-
At 30 June 2016	**3,964,577**	**-**	**1,637,998**	**5,602,575**	**-**	**5,602,575**

The above statement in changes in equity should be read conjunction with the accompanying notes to the consolidated condensed interim financial statements.

PEARL GLOBAL PTY LTD AND ITS SUBSIDIARIES

A.B.N. 53 123 190 894

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

		CONSOLIDATED	CONSOLIDATED
CONSOLIDATED		**31-Dec-16**	**31-Dec-15**
	Note	**$**	**$**
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		4,774	-
Payments to suppliers and employees (inclusive of GST)		(1,153,304)	(616,949)
Tax refund from research and development		976,909	-
Net cash outflow used in operating activities		**(171,621)**	**(616,949)**
Cash flows from investing activities			
Purchases of property, plant and equipment		(516,706)	(725,987)
Net cash outflow used in investing activities		**(516,706)**	**(516,706)**
Cash flows from financing activities			
Proceeds from issue of shares		-	1,710,000
Funds received from Citation Resources Ltd		-	3,000,000
Net cash provided by financing activities		**-**	**4,710,000**
Net (decrease)/increase in cash and cash equivalents		**(688,327)**	**3,367,064**
Cash and cash equivalents at the beginning of the financial period		2,074,563	348,620
Cash and cash equivalents at the end of the financial period	5	1,386,236	3,715,684

The above statement of cash flows should be read in conjunction with the accompanying notes to the consolidated condensed interim financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

1 Statement of significant accounting policies

The interim consolidated financial statements of the Group are for the six (6) months ended 31 December 2016 and are presented in Australian Dollars, which is the functional currency of the Parent Company. These special purpose interim financial statements have been prepared in accordance with the requirements of AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2016.

Pearl Global Pty Ltd is a Company limited by shares, incorporated and domiciled in Australia. Pearl Global Pty Ltd is a for-profit entity for the purpose of preparing financial statements under Australian Accounting Standards.

1.1 Basis of preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

1.2 *New and amended standards adopted by the Company*

The Company has adopted all the amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board, which are relevant to and effective for the Company's financial statements for the annual period beginning 1 July 2016.

None of the amendments have had a significant impact on the Company.

1.3 Principles of Consolidation

The Group financial statements consolidate those of the Parent Company (Pearl Global Pty Ltd) and all of its subsidiaries as of 31 December 2016. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective.

Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income

or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

1.4 Going Concern

The financial statements have been prepared on the basis that the company and consolidated entity will continue to meet their commitments and can therefore continue its normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has reported a net loss attributable to members for the period of $1,320,266 (31 December 2015: profit of $2,560,728), cash outflows from operating activities of $171,621 (31 December 2015: $616,949).

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern considering the Group is in the process of completing the reverse acquisition of Citation Resources Ltd. Upon successful completion and approvals of the following factors:

- Upon implementation of the Recapitalisation Proposal, the new Pearl company will issue up to 25,000,000 Shares (on a post-Consolidation basis) at an issue price of $0.20 per Share under the Prospectus to raise up to $5,000,000.

The Directors are confident that, subject to the achievement of the above matters along with the approval of Citation Resources Ltd Shareholders, the Group will be able to continue its operations as a going concern.

1.5 Significant accounting policies

(a) Income tax

The income tax expense / (revenue) for the year comprises current income tax expense / (income) and deferred tax expense / (income). Current and deferred income tax expense / (income) is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

(b) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

(i) Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction). Valuations are performed whenever the Directors believe there has been a material movement in the value of the assets.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against the related revaluation reserve directly in equity; all other decreases are charged to the statement of profit or loss and other comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

(ii) Plant and equipment

Plant and equipment are measured at cost less depreciation and impairment losses.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

(c) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of acquisition. Intangible assets acquired separately are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from derecognition of an intangible asset is measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangibles are reviewed annually. Changes in expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

(d) Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Company is able to use or sell the asset; the Company has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(f) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Revenue is recognised when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the consolidated entity.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

3 Revenue

	CONSOLIDATED	CONSOLIDATED
	31-Dec-16	31-Dec-15
	$	$
Revenue		
Sales- Tyre derived oil	4,340	-
Other income		
Interest income	7,334	10,157
Other income (i)	-	3,300,000
	11,674	**3,310,157**

(i) Other income includes funds received as capital injection from Citation.

4 Administration costs

	CONSOLIDATED	CONSOLIDATED
	31-Dec-16	31-Dec-15
	$	$
Accountancy expenses	63,548	37,273
Professional and consultancy expenses	314,124	228,595
Legal costs	137,614	-
Travel expenses	38,451	99,503
Admin expenses	280,815	72,266
Other operating expenses	394,263	277,417
	1,228,815	**715,054**

5 Cash and cash equivalents

	CONSOLIDATED	CONSOLIDATED
	31-Dec-16	30-Jun-16
	$	$
Cash	1,386,236	2,074,561
	1,386,236	**2,074,561**

6 Trade and other receivables

	CONSOLIDATED	CONSOLIDATED
	31-Dec-16	30-Jun-16
	$	$
Trade receivables	110,544	52,807
Provision for Income Tax refundable	-	976,909
Other receivables	-	-
	110,544	**1,029,716**

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

7 Property, plant and equipment

	CONSOLIDATED	CONSOLIDATED
	31-Dec-16	30-Jun-16
	$	$
Plant and equipment:		
Cost	1,035,064	1,025,397
Accumulated depreciation	(232,810)	(169,699)
Accumulated impairment losses	-	-
Total plant and equipment	**802,254**	**855,698**

8 Development assets

	CONSOLIDATED	CONSOLIDATED
	31-Dec-16	30-Jun-16
	$	$
Development costs		
Cost	703,723	213,635
Accumulated impairment losses	-	-
Total plant and equipment	**703,723**	**213,635**

9 Intangible assets

	CONSOLIDATED	CONSOLIDATED
	31-Dec-16	30-Jun-16
	$	$
Global Licences		
Cost	1,650,000	1,650,000
Accumulated amortisation	(240,625)	(137,500)
Total plant and equipment	**1,409,375**	**1,512,500**

10 Issued capital

	CONSOLIDATED	CONSOLIDATED	CONSOLIDATED	CONSOLIDATED
	31-Dec-16	30-Jun-16	**31-Dec-16**	30-Jun-16
	No of shares	No of shares	**$**	$
Fully paid ordinary shares	**61,270,884**	61,270,884	**3,964,577**	3,964,577
Opening balance at 1 July 2016		**61,270,884**		**3,964,577**
Shares issued during the half year*		-		-
Total shares issued		61,270,884		3,964,577
Less share issue costs		-		-
Balance at 31 December 2016		**61,270,884**		**3,964,577**

*No shares were issued during the half-year period.

The Company does not have a limited amount of authorised capital and issued shares do not have a par value.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

11 Contingent assets and contingent liabilities

The Company has no contingent assets.

12 Events after the reporting date

In January 2017, Pearl bought back Citation's 40% holding in Pearl by paying $3,300,000 as per heads of agreement with Citation Resources Ltd. The fund is sitting under Citation Administrator's trust account.

Subsequent to period end, Pearl Vendors entered into a fresh Share Purchase Agreement ('Acquisition Agreement') with Citation Resources Ltd ('Citation'), with Citation to acquire the entire issued capital of Pearl in consideration for the issue to the Pearl Vendors of (in aggregate) 80,000,000 shares (on Citation's post-consolidation basis).

The principal outstanding conditions precedent to completion of the Acquisition Agreement are:

- Citation completing its due diligence review of Pearl and being satisfied with that review
- Citation's recapitalisation resolutions being passed at their meeting
- New licence agreement being finalised on terms satisfactory to both parties
- Citation undertaking the capital raising
- Citation undertaking the share-consolidation; and
- Citation receiving conditional approval by ASX to reinstate Citation's securities to trading on ASX (after Citation re-complies with the Chapter 1 and 2 of the ASX Listing Rules) and those conditions being to the reasonable satisfaction of the company.

13 Company details

The registered office of the Company is:

Pearl Global Pty Ltd
Level 1, 8-12 Market Street
Fremantle WA 6959

The principal place of business is:

Pearl Global Pty Ltd
Level 1, 8-12 Market Street
Fremantle WA 6959

PEARL GLOBAL PTY LTD AND ITS SUBSIDIARIES
A.B.N. 53 123 190 894

Directors' Declaration

In the directors' opinion:

(a) the consolidated financial statements and notes of Pearl Global Pty Limited:

(i) complying with Accounting Standard AASB 134 Interim Financial Reporting; and

(ii) giving a true and fair view its financial position as at 31 December 2016 and its performance for the half year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Gary Foster
Director

Dated the 1st day of May 2017

Grant Thornton

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PEARL GROUP PTY LTD

We have reviewed the accompanying half-year financial report of Pearl Group Pty Ltd (the Company), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-year Financial Report

The Directors of Pearl Group Pty Ltd are responsible for the preparation and fair presentation of the half year financial report in accordance with the Australian Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with the Accounting Standard AASB 134 *Interim Financial Reporting.* As the auditor of Pearl Group Pty Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Pearl Global Pty Ltd does not present fairly, in all material respects, the financial position of the consolidated entity as at 31 December 2016, and of its financial performance and its cash flows for the half year ended on that date, in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the interim financial report that highlights the consolidated entity reported a net loss after tax of $1,320,266 and operating outflows of $171,621 for the half year ended 31 December 2016. These conditions, along with other matters set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M A Petricevic
Partner - Audit & Assurance

Perth, 3 May 2017