

Pearl Global Limited
Appendix 4D
Half-year report

1. Company Details:

Name of entity: Pearl Global Limited (formerly Citation Resources Limited)
 ABN: 90 118 710 508
 Reporting period: For the half-year ended 31 December 2017
 Previous period: For the half-year ended 31 December 2016

2. Results for Announcement to Market

	Increase/ (Decrease) %	Six months ended 31 December 2017	Six months ended 31 December 2016
Loss from ordinary activities	1.42%	470,604	464,012
Loss before Interest and Tax (EBIT) from ordinary activities	0.17%	464,881	464,094
Loss from ordinary activities after tax attributable to the owners of Pearl Global Ltd	1.42%	470,604	464,012
Loss for the half-year attributable to the owners of Pearl Global Ltd	1.42%	470,604	464,012

Dividends

There were no dividends paid, recommended or declared during the current half-year period.

Comments

Refer to the Review of Operations on Page 2 of the attached Half-Yearly Report for the period ended 31 December 2017.

3. Net tangible assets

	Reporting period in Cents	Previous period in Cents
Net tangible assets per ordinary security	13.00	20.00

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

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6. Dividends

Current period: There were no dividends paid, recommended or declared during the current half-year period.

Previous period: There were no dividends paid, recommended or declared during the previous half-year period.

7. Dividend reinvestment plans

Not applicable.

8. Audit qualification or Review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half-Year Report.

9. Attachments

The Interim Report of Pearl Global Limited for the half-year ended 31 December 2017 is attached.

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PEARL GLOBAL LIMITED AND ITS SUBSIDIARIES
formerly CITATION RESOURCES LTD

Consolidated Interim Financial Statements
For the Half Year Ended 31 December 2017

ABN 90 118 710 508

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Corporate Directory

Pearl Global Ltd ABN 90 118 710 508

Directors

Mr Victor Turco (Non-Executive Director)

Mr Bert Huys (Non-Executive Director) – resigned 24 January 2018

Mr Gary Foster (Executive Chairman) – appointed 24 January 2018

Mr Andrew Drennan (Managing Director) – appointed 24 January 2018

Deed Administrators

Richard Tucker (KordaMentha Restructuring) – appointed 20 September 2016, DOCA effectuated 14 February 2018

Scott Langdon (KordaMentha Restructuring) – appointed 20 September 2016, DOCA effectuated 14 February 2018

Company Secretary

Mr Phillip Macleod – appointed 27 June 2017

Registered Office

Level 1, Wesley Central

8-12 Market Street

Fremantle WA 6160

Business Office

Level 1, Wesley Central

8-12 Market Street

Fremantle WA 6160

Administrators

KordaMentha Restructuring

Level 10, 40 St Georges Terrace

Perth 6000

Western Australia, Australia

Share Registrar

Computershare Investor Services Pty Limited

Level 2

45 St Georges Terrace

Perth WA 6000

Auditors

Grant Thornton Audit Pty Ltd

Level 43, Central Park

152 - 158 St Georges Terrace

Perth WA 6000

ASX Ticker code

Shares – PG1

Directors' Report

The Directors present their report of Pearl Global Limited formerly known as Citation Resources Ltd and its controlled entities ("the Group" or "the Company" or "Pearl") for the half year ended 31 December 2017 ("the period").

The Group consists of Pearl Global Ltd and the entities it controlled at any time during the period.

DIRECTORS

The following persons were Directors of Pearl Global Ltd (formerly Citation Resourced Ltd) during the half year and up to the date of the report:

Gary Foster	<i>Appointed as Executive Chairman on 24 January 2018</i>
Andrew Drennan	<i>Appointed as Managing Director on 24 January 2018</i>
Victor Turco	<i>Appointed as Non-Executive Director on 1 December 2015</i>
Bert Huys	<i>Appointed as Non-Executive Director on 19 January 2016, resigned 24 January 2018</i>

DEED ADMINISTRATORS

The following persons have been appointed to act as joint and several Voluntary Administrators for Citation Resources Ltd during the half year and up to the date of the report:

Richard Tucker	<i>Appointed 20 September 2016, terms of DOCA effectuated 14 February 2018</i>
Scott Landon	<i>Appointed 20 September 2016, terms of DOCA effectuated 14 February 2018</i>

CHANGE OF COMPANY NAME

In connection with the recapitalisation of the Company, effective 24 January 2018, the Australian Securities and Investment Commission has confirmed the change of company name from Citation Resources Limited to Pearl Global Limited ('Pearl'). In effect, Pearl Global Pty Ltd which is now a wholly-owned subsidiary of the legal parent entity, has change its company name to Pearl Global Management Pty Ltd ('Pearl Global').

REVIEW OF OPERATIONS

Highlights for the period

- **ASX listing for company granted Australia's first environmental approvals for revolutionary tyre conversion technology**
- **Deed of Company Arrangement effectuated on 14 February 2018**
- **Acquisition of 100% shareholding interest in Pearl Global completed**
- **Completion of \$5m capital raising and company restructure**
- **Pearl construction of its first production plant in Stapylton, Queensland and initial commissioning is under way**

Pearl Global

Unique Technology

In an Australian first, Pearl Global Limited ('Pearl') (ASX:PG1) has begun commissioning its first production plant after receiving state government, environmental and council approvals for its unique process to convert waste tyres into valuable secondary products.

Pearl recently received planning approval from the Gold Coast City Council and has approval from Queensland's Department of Environment and Heritage. It already holds an environmental licence from Western Australian Government Department of Environment Regulation.

Directors' Report

Pearl's technology uses an applied heating process called thermal desorption to cleanly convert end of life tyres into products including hydrocarbon, high tensile steel and carbon char. These products can be sold commercially or further processed to create higher value-added products. The process can also potentially generate power for a range of other uses.

At full production, each Thermal desorption unit (TDU) can process approximately 5,000 tonnes of shredded rubber per annum (equivalent of around 500,000 car tyres) which provides on average an annual output of 1.5million litres of raw fuels, in the form of liquid hydrocarbons.

Successful product Testing

Pearl's first degreaser products had passed a critical performance test.

Pearl's thermal treatment of waste rubber generates a raw fuel that comprises over 1,000 elements, including high value solvents. Pearl is developing recipes using these solvents, focusing initially on degreasers and industrial parts cleaners.

With assistance from The Centre for Energy at the University of Western Australia, Pearl's degreaser products have been tested and scientifically compared to existing commercial degreasers and they have surpassed the standards required for commercial degreasers, with one of them showing the best performance of all the degreaser products.

A clean solution to a global problem

It is estimated that the world community disposes of more than 1 billion tyres every year. In 2015, Australia disposed of more than 51 million tyres. Of these, only around 5% were recycled locally, around 32% were exported for recycling and energy recovery, and the remainder were landfilled, stockpiled, illegally dumped or 'lost'. In 2018, Tyre Stewardship Australia expects the number of tyres disposed of in Australia to increase to 56 million tyres.

Tyres are not naturally degradable, with tyre fires and pollution becoming major causes for concern, governments are increasingly seeking solutions for dealing with the waste.

Pearl's technology provides a clean alternative to current recycling options, which include shredding tyres for reconstructing into playgrounds and other products, which have limited applications, or exporting baled tyres for further destruction overseas.

An independent report by the University of Western Australia has confirmed that the process can operate in low emissions environment. Pearl is well placed to offer a solution that is both environmentally sound and commercially viable.

Pearl has applied to be an accredited member of Tyre Stewardship Australia (TSA), a program established by Australian government to reduce the number of end of life tyres damaging the environment, increase the recycling rate and to promote the development of viable markets for end of life tyres.

Corporate

Second Supplementary Prospectus

The Company released a second supplementary prospectus on 22 November 2017 for the following purposes:

- (a) providing an update on:
 - (i) certain changes to the Recapitalisation Proposal since the approvals received from Shareholders at the Company's general meeting on 30 June 2017;
 - (ii) the status of Pearl's development approval application under the *Sustainable Planning Act 2009* (Qld) in respect of its Stapylton site; and
 - (iii) the Company's and Pearl's financial position, following the completion of the financial audits for the year ended 30 June 2017;
- (b) extending the Closing Date of the Offer to 23 December 2017;
- (c) extending an offer of securities to the holders of an aggregate principal amount of \$750,000 of non-interest bearing convertible notes issued by Pearl on 27 October 2017 (**Series B Convertible Notes**);

Directors' Report

- (d) advising that at the date of this Second Supplementary Prospectus, the Company's securities have not been readmitted to quotation on ASX;
- (e) advising that at the date of this Second Supplementary Prospectus, the Company has not issued any securities pursuant to the Replacement Prospectus;
- (f) refreshing the period for admission to quotation of Shares and Options offered under the Replacement Prospectus from three (3) months from the date of the Refresh Supplementary Prospectus to three (3) months from the date of this Second Supplementary Prospectus in accordance with section 724(3G)(d) of the Act, as inserted by the Instrument; and
- (g) refreshing the period to raise the minimum subscription under the Public Offer from four (4) months from the date of the Refresh Supplementary Prospectus to four (4) months from the date of this Second Supplementary Prospectus in accordance with section 724(3G)(c) of the Act, as inserted by the Instrument.

All provisions have been satisfied which enabled the Company to achieve approval for re-quotation of its securities to the ASX effective 16 February 2018.

Board and Management Changes

As part of the recapitalisation of the Company and the Pearl Global acquisition, Mr Gary Foster and Mr Andrew Drennan have been appointed as directors effective 24 January 2018. Mr Foster becomes Executive Chairman and Mr Drennan as Managing Director. Mr Victor Turco remains as Non-Executive Director.

Mr Bert Huys has resigned as Non-Executive Director to the Board.

Consolidation of issued capital

A consolidation of the ordinary shares of the Company was completed on 12 July 2017. The consolidation consolidated every 199 shares into 7 shares and every 199 Options into 7 Options. This consolidation was in line with the details provided in the notice of meeting lodged with ASX and mailed to shareholders on 30 May 2017. A resolution was passed on 30 June 2017 for the consolidation to be completed.

Capital Raising

The Company completed its capital raising of \$5,000,000 in 23 December 2017 via public offer of 25 million shares at 20cents per share. The funds will enable the Company to comply with the ASX listing requirements, administration funding and working capital.

DOCA Effectuated

The Company is pleased to advise that the terms of the Deed of Company Arrangement (DOCA) executed on 27 February 2017 have been met and the DOCA was effectuated on 14 February 2018. As a result, the Deed Administrators have provided notice to the Australian Securities and Investments Commission that the DOCA has been wholly effectuated.

With the termination of the DOCA, day to day management and control of the Company has reverted to its Board of Directors.

Reinstatement to quotation

The Company was reinstated to quotation on the ASX on 16 February 2018 with the following ASX Ticker Code: PG1

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Pearl Global acquisition involves a significant change to the nature of the Company's main business activity from exploring and developing oil and gas assets to the commercialisation of an industrial process involving the reclamation of reusable and saleable products from used tyres/rubber in accordance with applicable environmental laws in Australia.

Furthermore, the Pearl Global Acquisition involves a significant change to the size of the Company's business operations.

Directors' Report

On 30 May 2017, Pearl Global Ltd (formerly Citation Resources Limited) announced that it had signed a new agreement to acquire 100% of the shares in Pearl Global Management Pty Ltd ('Pearl Global'). The acquisition was conditional upon meeting provisions as enumerated in Note 8 (Business Combination).

All provisions have been satisfied which enabled the Company to achieve approval for re-quotations of its securities to the ASX effective 16 February 2018.

EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to period end, in connection with the finalisation of the recapitalisation of the Company, the following have been completed.

Change of Company Name

In connection with the recapitalisation of the Company, effective 24 January 2018, the Australian Securities and Investment Commission has confirmed the change of company name from Citation Resources Limited to Pearl Global Limited ('Pearl'). In effect, Pearl Global Pty Ltd which is now a wholly-owned subsidiary of the legal parent entity, has change its company name to Pearl Global Management Pty Ltd ('Pearl Global').

Capital Structure

The Company has completed the allotment of the following securities on 24 January 2018, as set-out under the prospectus:

- (a) 79,999,996 consideration shares for the acquisition of 100% of shares in Pearl;
- (b) 25,000,000 shares pursuant to the \$5m capital raising public offer at \$0.20 each;
- (c) 18,718,750 shares upon conversion of the \$2,995,000 Pearl Series A convertible notes at \$0.16 each;
- (d) 500,000 director shares at \$0.20 each;
- (e) 3,750,000 shares upon conversion of the \$750,000 Pearl Series B convertible notes at \$0.20 each;
- (f) 3,083,317 listed options by way of the bonus issue exercisable at \$0.30 each on or before the date falling 3 years after their issue;
- (g) 6,239,567 listed options upon conversion of the \$2,995,000 Pearl Series A convertible notes exercisable at \$0.30 each on or before the date falling 3 years after their issue;
- (h) 36,000,000 listed options issued to company advisers, brokers and promoters exercisable at \$0.30 each on or before the date falling 3 years after their issue;

Appointment of Directors

As part of the recapitalisation of the Company and the Pearl acquisition, Mr Gary Foster and Mr Andrew Drennan have been appointed as directors. Mr Foster becomes Executive Chairman and Mr Drennan as Managing Director.

DOCA Effectuated

The Company is pleased to advise that the terms of the Deed of Company Arrangement (DOCA) executed on 27 February 2017 have been met and the DOCA was effectuated on 14 February 2018. As a result, the Deed Administrators have provided notice to the Australian Securities and Investments Commission that the DOCA has been wholly effectuated.

With the termination of the DOCA, day to day management and control of the Company has reverted to its Board of Directors.

ASX Re-listing

The Company was reinstated to quotation on the ASX on 16 February 2018 with the following ASX Ticker Code: PG1

Directors' Report

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

This report is signed in accordance with a resolution of the Directors.



Victor Turco
Director

28 February 2018

at Perth, Western Australia

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Central Park, Level 43
152-158 St Georges Terrace
Perth WA 6000

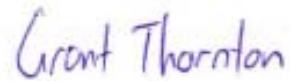
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Auditor's Independence Declaration to the Directors of Pearl Global Limited (Formally Citation Resources Limited)

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Pearl Global Limited (Formally Citation Resources Limited) for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M P Hingeley
Partner – Audit & Assurance

Perth, 28 February 2018

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Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2017

		CONSOLIDATED 31 Dec 2017	CONSOLIDATED 31 Dec 2016
		\$	\$
Other income	5	1	80
Professional and consultancy fees		(141,111)	(388,517)
Directors fees		(24,000)	(18,000)
Regulatory expenses		(157,921)	(31,646)
Office and administrative expenses		(141,848)	(25,929)
Finance cost		(5,724)	-
Loss before tax		(470,604)	(464,012)
Income tax expense		-	-
Loss for the period		(470,604)	(464,012)
Other Comprehensive Income/(Loss):		-	-
		(470,604)	(464,012)
Loss per share attributable to the owners of Citation Resources Ltd			
Basic and diluted loss per share (cents per share)		(0.18)	(0.18)

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

Statement of Financial Position

As at 31 December 2017

	Note	CONSOLIDATED 31 Dec 2017 \$	CONSOLIDATED 30 June 2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents		246,274	770,159
Trade and other receivables	4	1,054,298	1,087,434
Total current assets		1,300,572	1,857,593
Total assets		1,300,572	1,857,593
LIABILITIES			
Current Liabilities			
Trade and other payables	5	348,486	434,903
Total current liabilities		348,486	434,903
Net assets		952,086	1,422,690
EQUITY			
Contributed equity	6	47,483,386	47,483,386
Options reserves		1,679,717	1,679,717
Share based payment reserves		1,517,387	1,517,387
Accumulated losses		(49,728,404)	(49,257,800)
Total equity		952,086	1,422,690

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

Statement of Changes in Equity

For the Half Year Ended 31 December 2017

	Issued Capital	Options Reserve	Share based payment reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
CONSOLIDATED					
At 1 July 2016	47,483,386	1,679,717	1,517,387	(46,878,465)	3,802,025
Loss for the period	-	-	-	(464,012)	(464,012)
Total comprehensive loss for the period	-	-	-	(464,012)	(464,012)
At 31 December 2016	47,483,386	1,679,717	1,517,387	(47,342,477)	3,338,013
At 1 July 2017	47,483,386	1,679,717	1,517,387	(49,257,800)	1,422,690
Loss for the period	-	-	-	(470,604)	(470,604)
Total comprehensive loss for the period	-	-	-	(470,604)	(470,604)
At 31 December 2017	47,483,386	1,679,717	1,517,387	(49,728,404)	952,086

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

Statement of Cash Flows

For the Half Year Ended 31 December 2017

CONSOLIDATED	CONSOLIDATED	CONSOLIDATED
	31-Dec-17	31-Dec-16
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (net GST)	(523,886)	(402,165)
Interest received	1	80
Net cash outflow used in operating activities	(523,885)	(402,085)
Net decrease in cash and cash equivalents	(523,885)	(402,085)
Cash and cash equivalents at the beginning of the financial period	770,159	626,518
Cash and cash equivalents at the end of the financial period	246,274	224,433

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

Notes to the Condensed Consolidated Interim Financial Report

1. CORPORATE INFORMATION

The financial report of Pearl Global Ltd and its controlled entities (“the Group” or “the Company”) for the half-year ended 31 December 2017 was authorised for issue in accordance with a resolution of the directors on 28 February 2018.

Pearl Global Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activity of the Group during the half year will change as the Pearl acquisition involves a significant change to the nature of the Company’s main business activity from exploring and developing oil and gas assets to the commercialisation of an industrial process involving the reclamation of reusable and saleable products from used tyres/rubber in accordance with applicable environmental laws in Australia.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 ‘Interim Financial Reporting’. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 ‘Interim Financial Reporting’. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of Preparation

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group’s 2017 annual financial report for the financial year ended 30 June 2017, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New Accounting Standards and Interpretations

The Group did not early adopt any standard, interpretation or amendment that has been issued but is not yet effective.

The Group did not adopt any new or revised standards, amendments or interpretations from 1 July 2017 which has any effect on the financial position or performance of the Group.

Estimates

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

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 \$470,604 (31 December 2016: \$464,012), cash outflows from operating activities of \$ 523,885 (31 December 2016: \$402,086), current assets at the end of the period of \$1,300,572 (30 June 2017: \$1,857,593), and current liabilities of \$348,486 (30 June 2017: \$434,903).

Subsequent to period end, in connection with the finalisation of the recapitalisation of the Company, the following have been completed.

Notes to the Condensed Consolidated Interim Financial Report

In connection with the recapitalisation of the Company, effective 24 January 2018, the Australian Securities and Investment Commission has confirmed the change of company name from Citation Resources Limited to Pearl Global Limited ('Pearl'). In effect, Pearl Global Pty Ltd which is now a wholly-owned subsidiary of the legal parent entity, has change its company name to Pearl Global Management Pty Ltd ('Pearl Global').

The Company has completed the allotment of the following securities on 24 January 2018, as set-out under the prospectus:

- (a) 79,999,996 consideration shares for the acquisition of 100% of shares in Pearl;
- (b) 25,000,000 shares pursuant to the \$5m capital raising public offer at \$0.20 each;
- (c) 18,718,750 shares upon conversion of the \$2,995,000 Pearl Series A convertible notes at \$0.16 each;
- (d) 500,000 director shares at \$0.20 each;
- (e) 3,750,000 shares upon conversion of the \$750,000 Pearl Series B convertible notes at \$0.20 each;
- (f) 3,083,317 listed options by way of the bonus issue exercisable at \$0.30 each on or before the date falling 3 years after their issue;
- (g) 6,239,567 listed options upon conversion of the \$2,995,000 Pearl Series A convertible notes exercisable at \$0.30 each on or before the date falling 3 years after their issue;
- (h) 36,000,000 listed options issued to company advisers, brokers and promoters exercisable at \$0.30 each on or before the date falling 3 years after their issue;

As part of the recapitalisation of the Company and the Pearl acquisition, Mr Gary Foster and Mr Andrew Drennan have been appointed as directors. Mr Foster becomes Executive Chairman and Mr Drennan as Managing Director.

The Company is also pleased to advise that the terms of the Deed of Company Arrangement (DOCA) executed on 27 February 2017 have been met and the DOCA was effectuated on 14 February 2018. As a result, the Deed Administrators have provided notice to the Australian Securities and Investments Commission that the DOCA has been wholly effectuated.

With the termination of the DOCA, day to day management and control of the Company has reverted to its Board of Directors.

The Company was reinstated to quotation on the ASX on 16 February 2018 with the following ASX Ticker Code: PG1

The Directors are confident that having completed the Recapitalisation of the Company, the Group will be able to continue its operations as a going concern.

3. REVERSE ACQUISITION

Completion of the acquisition of 100% shareholding interest in Pearl Global

On 30 May 2017, Pearl Global Limited (formerly Citation Resources Ltd) announced that it had signed a new agreement to acquire 100% of the shares in Pearl Global Management Pty Ltd (formerly Pearl Global Pty Ltd). The acquisition was conditional upon meeting provisions as enumerated in Note 8 (Business Combination).

Under the principles of AASB 3: Business Combinations, the transaction between Pearl Global Limited (formerly Citation Resources Ltd) and Pearl Global Management Pty Ltd (formerly Pearl Global Pty Ltd) is being treated as a reverse acquisition. Pearl Global Management Pty Ltd (formerly Pearl Global Pty Ltd) is the accounting *acquirer* and Pearl Global Ltd (formerly Citation Resources Ltd) is the accounting *acquiree*.

The acquisition date has been deemed to be 16 February 2018, being the date the Company was reinstated to quotation on the ASX.

Notes to the Condensed Consolidated Interim Financial Report

4. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED 31-Dec-17 \$	CONSOLIDATED 30-Jun-17 \$
Trade receivables	-	-
GST refundable	54,298	87,434
Other receivables ⁽¹⁾	1,000,000	1,000,000
Total trade and other receivables	1,054,298	1,087,434

⁽¹⁾ Other receivables during the year consist of amount loaned to Pearl. On 18 May 2017, the DOCA was amended to provide for an initial \$1 m loan to Pearl which is subject to the passing of the Recapitalisation Resolutions at the General Meeting which occurred in 30 June 2017. The Pearl Loan accrues an interest of 10% per annum. The Pearl Loan is payable within 5 months from the date of the first drawdown if ASX does not approve the Company's application to have its Securities reinstated to quotation on the ASX or the Acquisition agreement is terminated in accordance with its terms.

5. TRADE AND OTHER PAYABLES

	CONSOLIDATED 31-Dec-17 \$	CONSOLIDATED 30-Jun-17 \$
Trade payables	348,486	434,903
Total trade and other payables	348,486	434,903

The trade payables amount consists of related party payables of \$96,250 (2017: \$45,755)

6. CONTRIBUTED EQUITY

(a) Issued Share Capital

	CONSOLIDATED 31-Dec-17 No of shares	CONSOLIDATED 30-Jun-17 No of shares	CONSOLIDATED 31-Dec-17 \$	CONSOLIDATED 30-Jun-17 \$
Fully paid ordinary shares	262,984,008	262,984,008	47,483,386	47,483,386
Reconciliation of share movement		No of shares	Issue Price	Amount
Opening balance at 1 July 2017		262,984,008		47,483,386
Share consolidation* – 6/7/2017		(253,734,056)	-	-
Balance at 31 December 2017		9,249,952		47,483,386

*A consolidation of the ordinary shares of the Company was completed on 12 July 2017. The consolidation consolidated every 199 shares into 7 shares. This consolidation was in line with the details provided in the notice of meeting lodged with ASX and mailed to shareholders on 30 May 2017. A resolution was passed on 30 June 2017 for the consolidation to be completed.

Notes to the Condensed Consolidated Interim Financial Report

<i>Comparative</i>	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	262,984,008	262,984,008	47,483,386	47,483,386
Reconciliation of share movement		No of shares	Issue Price	Amount
Opening balance at 1 July 2016		262,984,008		47,483,386
No shares were issued during the period		-	-	-
Balance at 31 December 2016		262,984,008		47,483,386

Subsequent to period end, the Company's capital structure following completion of the recapitalisation process is set out in the following table:

Shares	Number
Shares currently on issue	9,249,952
Consideration Shares to be issued to Pearl Vendors	79,999,996
Maximum number of Shares to be issued pursuant to the Public Offer at \$0.20 each	25,000,000
Number of Shares to be issued at a deemed issue price of \$0.16 per Share upon conversion of the Pearl Series A Convertible Notes	18,718,750
Number of Shares to be issued to Victor Turco at a deemed issue price of \$0.20 per Share in satisfaction of accrued fees for services provided to the Company	500,000
Number of Shares to be issued at a deemed issue price of \$0.20 per Share upon conversion of the Pearl Series B Convertible Notes	3,750,000
Total Shares on completion of the Recapitalisation	137,218,698
Options	Number
Unlisted Options exercisable at \$14.21 each, expiring 31 January 2020	23,567
Unlisted Options exercisable at \$11.37 each, expiring 31 January 2020	11,608
Unlisted Options exercisable at \$8.53 each, expiring 31 January 2020	11,608
Listed New Options to be issued to Shareholders by way of the Bonus Issue exercisable at \$0.30 each on or before the date falling 3 years after their issue	3,083,317
Listed New Options to be issued to Pearl Series A Noteholders exercisable at \$0.30 each on or before the date falling 3 years after their issue	6,239,567
Listed New Options to be issued to Company advisers, brokers and promoters exercisable at \$0.30 each on or before the date falling 3 years after their issue	36,000,000
Total Options on completion of the Recapitalisation	45,369,667

7. CONTINGENT ASSETS AND LIABILITIES

The Directors are not aware of any contingent liabilities or contingent assets of the Company.

Notes to the Condensed Consolidated Interim Financial Report

8. BUSINESS COMBINATION

On 30 May 2017, Pearl Global Limited (formerly Citation Resources Limited) announced that it had signed a new agreement to acquire 100% of the shares in Pearl Global Management Pty Ltd (formerly Pearl Global Pty Ltd). The acquisition was conditional upon:

- **Consolidation.** The consolidation of the existing issued capital of the Company on a 7 for 199 basis. This was approved by the Company's shareholders on 30 June 2017 and the consolidation took effect on 12 July 2017.
- **Discharge of secured creditors.** Any party with a valid security in respect of the Company registered on the PPSR discharging that security interest. The last of the valid security interests registered against the Company was released on 13 March 2017.
- **Bonus Issue.** A bonus issue to Shareholders of New Options, on the basis of one New Option for every three Shares held (on a post-Consolidation basis). The allotment was completed on 24 January 2017
- **Pearl Acquisition.** The acquisition of the entire issued share capital of Pearl in consideration for the issue to the Pearl Vendors of 79,999,996 new Shares (on a post-Consolidation basis).
- **New Licence Agreement.** The entry into of the New Licence Agreement in respect of the intellectual property which underpins Pearl's business. The New Licence Agreement was entered into on 23 June 2017.
- **Capital Raising.** The issue by the Company of 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 offer closed on 23 December 2017 and shares were issued on 24 January 2018.
- **Conversion of Pearl Convertible Notes.** The issue by the Company of 18,718,750 Shares and 6,239,567 New Options (each on a post-Consolidation basis) to the Pearl Noteholders, on conversion of the Pearl Convertible Notes of \$2,995,000. The allotment was completed on 24 January 2018.
- **Issue of Shares to a Director in satisfaction of accrued fees.** The issue by the Company of 500,000 Shares (on a post-Consolidation basis) to Mr Victor Turco, a Director of the Company (or his nominee(s)) at a deemed issue price of \$0.20 per Share in satisfaction of accrued director's fees. The shares were issued to Mr Turco on 24 January 2018.
- **Issue of New Options to advisers, brokers and promoters.** The issue by the Company of up to 36,000,000 New Options (on a post-Consolidation basis) to certain advisers, brokers and promoters in connection with the Recapitalisation Proposal at an issue price of \$0.0001 per New Option. The allotment was completed on 24 January 2018.
- **Reinstatement to quotation.** The Company has, on 13 July 2017, made an application to the ASX for its Shares, the existing listed Options and the New Options to be reinstated to quotation on the ASX. The Company was reinstated to quotation on the ASX on 16 February 2018 with the ASX Ticker Code: PG1.

Under the principles of AASB 3: Business Combinations, the transaction between Pearl Global Limited (formerly Citation Resources Ltd) and Pearl Global Management Pty Ltd (formerly Pearl Global Pty Ltd) is being treated as a reverse acquisition. Pearl Global Management Pty Ltd (formerly Pearl Global Pty Ltd) is the accounting *acquirer* and Pearl Global Ltd (formerly Citation Resources Ltd) is the accounting *acquiree*. The acquisition date has been deemed to be 16 February 2018, being the date the Company was reinstated to quotation on the ASX.

Acquisition Consideration

As consideration for the issued capital of Pearl Global Management Pty Ltd (formerly Pearl Global Ltd), Pearl Global Ltd (formerly Citation Resources Ltd) issued the following:

- (a) 79,999,996 consideration shares for the acquisition of 100% of shares in Pearl;
- (b) 18,718,750 shares upon conversion of the \$2,995,000 Pearl Series A convertible notes at \$0.16 each;
- (c) 3,750,000 shares upon conversion of the \$750,000 Pearl Series B convertible notes at \$0.20 each;

Notes to the Condensed Consolidated Interim Financial Report

8. BUSINESS COMBINATION (continued)

- (d) 3,083,317 listed options by way of the bonus issue exercisable at \$0.30 each on or before the date falling 3 years after their issue;
- (e) 6,239,567 listed options upon conversion of the \$2,995,000 Pearl Series A convertible notes exercisable at \$0.30 each on or before the date falling 3 years after their issue;
- (f) 36,000,000 listed options issued to company advisers, brokers and promoters exercisable at \$0.30 each on or before the date falling 3 years after their issue;

Fair value of consideration transferred

Under the principles of AASB 3: Business Combinations, the transaction between Pearl Global Limited (formerly Citation Resources Ltd) and Pearl Global Management Pty Ltd (formerly Pearl Global Pty Ltd) is being treated as a reverse acquisition. Pearl Global Management Pty Ltd (formerly Pearl Global Pty Ltd) is the accounting *acquirer* and Pearl Global Ltd (formerly Citation Resources Ltd) is the accounting *acquiree*. As such, the assets and liabilities of the acquirer (Pearl Global Management Pty Ltd) are measured at their pre-combination carrying amounts. The assets and liabilities of the *acquiree* (Pearl Global Ltd, formerly Citation) are measured at fair value on the date of acquisition.

Deemed acquisition costs

The deemed acquisition costs for obtaining control over Pearl Global Ltd (formerly Citation Resources Ltd) was calculated in accordance with the fair value hierarchy in IFRS 13. The agreed acquisition price per share of Pearl Global Ltd (formerly Citation Resources Ltd) is more reliable. The deemed acquisition cost is therefore \$1,849,990 (9,249,952 of Citation shares at \$0.20 per share).

Details of the transactions are:

	Fair Value
	\$
Deemed acquisition costs	1,849,990
Fair value of assets and liabilities held at acquisition date:	
Cash and cash equivalents	246,274
Trade and other receivables	1,054,298
Trade and other payables	<u>(348,486)</u>
Total fair value of identified assets and liabilities assumed	952,086
Costs of listing	<u>897,904</u>

The excess between the deemed acquisition cost and the total fair value of identified assets and liabilities is considered to be the **cost of the listing**.

In substance, this transaction cost has two components; a share-based payment in exchange for a listing and an issue of shares for the net identified assets. These costs are deducted from equity as costs attributable to obtaining a listing, which should be expensed.

Notes to the Condensed Consolidated Interim Financial Report

9. EVENTS AFTER THE END OF THE REPORTING PERIOD

Between the end of the financial period and the date of this report the following material events have occurred:

Change of Company Name

Effective 24 January 2018, the Australian Securities and Investment Commission has confirmed the change of company name from Citation Resources Limited to Pearl Global Limited ('Pearl'). In effect, Pearl Global Pty Ltd which is now a wholly-owned subsidiary of the legal parent entity, has change its company name to Pearl Global Management Pty Ltd ('Pearl Global').

Board and Management Changes

As part of the recapitalisation of the Company and the Pearl acquisition, Mr Gary Foster and Mr Andrew Drennan have been appointed as Directors effective 24 January 2018. Mr Foster becomes Executive Chairman and Mr Drennan as Managing Director. Mr Victor Turco remains as Non-Executive Director.

Mr Bert Huys has resigned as Non-Executive Director to the Board.

Capital Structure

The Company has completed the allotment of the following securities on 24 January 2018, as set-out on the prospectus:

- (a) 79,999,996 consideration shares for the acquisition of 100% of shares in Pearl;
- (b) 25,000,000 shares pursuant to the \$5m capital raising public offer at \$0.20 each;
- (c) 18,718,750 shares upon conversion of the \$2,995,000 Pearl Series A convertible notes at \$0.16 each;
- (d) 500,000 director shares at \$0.20 each;
- (e) 3,750,000 shares upon conversion of the \$750,000 Pearl Series B convertible notes at \$0.20 each;
- (f) 3,083,317 listed options by way of the bonus issue exercisable at \$0.30 each on or before the date falling 3 years after their issue;
- (g) 6,239,567 listed options upon conversion of the \$2,995,000 Pearl Series A convertible notes exercisable at \$0.30 each on or before the date falling 3 years after their issue;
- (h) 36,000,000 listed options issued to company advisers, brokers and promoters exercisable at \$0.30 each on or before the date falling 3 years after their issue;

Board and Management Changes

As part of the recapitalisation of the Company and the Pearl acquisition, Mr Gary Foster and Mr Andrew Drennan have been appointed as directors effective 24 January 2018. Mr Foster becomes Executive Chairman and Mr Drennan as Managing Director. Mr Victor Turco remains as Non-Executive Director.

Mr Bert Huys has resigned as Non-Executive Director to the Board.

DOCA Effectuated

The Company is pleased to advise that the terms of the Deed of Company Arrangement (DOCA) executed on 27 February 2017 have been met and the DOCA was effectuated on 14 February 2018. As a result, the Deed Administrators have provided notice to the Australian Securities and Investments Commission that the DOCA has been wholly effectuated.

With the termination of the DOCA, day to day management and control of the Company has reverted to its Board of Directors.

Reinstatement to quotation

The Company was reinstated to quotation on the ASX on 16 February 2018 with the following ASX Ticker Code: PG1.

Notes to the Condensed Consolidated Interim Financial Report

Business Combination

On 30 May 2017, Pearl Global Limited (formerly Citation Resources Limited) announced that it had signed a new agreement to acquire 100% of the shares in Pearl Global Management Pty Ltd (formerly Pearl Global Pty Ltd). All conditions have been satisfied (see details in Note 8).

Under the principles of AASB 3: Business Combinations, the transaction between Pearl Global Limited (formerly Citation Resources Ltd) and Pearl Global Management Pty Ltd (formerly Pearl Global Pty Ltd) is being treated as a reverse acquisition. Pearl Global Management Pty Ltd (formerly Pearl Global Pty Ltd) is the accounting *acquirer* and Pearl Global Ltd (formerly Citation Resources Ltd) is the accounting *acquiree*. The acquisition date has been deemed to be 16 February 2018, being the date the Company was reinstated to quotation on the ASX.

The deemed acquisition costs for obtaining control over Pearl Global Ltd (formerly Citation Resources Ltd) was calculated in accordance with the fair value hierarchy in IFRS 13. The agreed acquisition price per share of Pearl Global Ltd (formerly Citation Resources Ltd) is more reliable. The deemed acquisition cost is therefore \$1,849,990 (9,249,952 of Citation shares at \$0.20 per share). The excess between deemed acquisition cost and the total fair value of identified assets and liabilities is considered to be the **cost of the listing**. Refer to Note 8 for details.

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Director's Declaration

The Directors of the Company declare that:

1. The interim financial statements and notes, are in accordance with the *Corporations Act 2001* and:
 - a) comply with Accounting Standards AASB134 Interim financial reporting and the Corporations Regulations 2001;
 - b) give a true and fair view of the Company's and consolidated Group's financial position as at 31 December 2017 and their performance for the period ended on that date;
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, pursuant to s 303(5) of the Corporations Act.



Victor Turco
Director

28 February 2018

at Perth, Western Australia

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Independent Auditor's Review Report to the Members of Pearl Global Limited (Formally Citation Resources Limited)

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of Pearl Global Limited (Formally Citation Resources Limited) (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, 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 half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

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 Limited (Formally Citation Resources Limited) does not give a true and fair view of the financial position of the Group as at 31 December 2017, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

Directors' Responsibility for the Half Year Financial Report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and 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, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of Pearl Global Limited (Formally Citation Resources Limited), ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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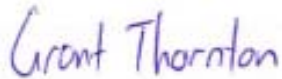
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A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit 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 independence requirements of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M P Hingeley
Partner – Audit & Assurance

Perth, 28 February 2018

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