Pearl Global Limited (formerly Citation Resources Limited)
Appendix 4E
Preliminary final report

1. Company Details:

Name of entity:	Pearl Global Limited (formerly Citation Resources Limited)
ABN:	90 118 710 508
Reporting period:	For the year ended 30 June 2018
Previous period:	For the year ended 30 June 2017

2. Results for Announcement to Market

	Increase/ (Decrease) %	For the year ended 30 June 2018	For the year ended 30 June 2017
Loss from ordinary activities	(38.17%)	4,040,146	6,534,478
Loss before Interest and Tax **(EBIT)** from ordinary activities	(43.53%)	3,105,772	5,499,785
Loss from ordinary activities after tax attributable to the owners of Pearl Global Ltd	(38.17%)	4,040,146	6,534,478
Loss for the year attributable to the owners of Pearl Global Ltd	(38.17%)	4,040,146	6,534,478

Dividends
There were no dividends paid, recommended or declared during the year.

3. Net tangible assets

	30 June 2018 in Cents	30 June 2017 in Cents
Net tangible assets per ordinary security	5.13	4.72

4. Financial Statements and Notes

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2018

	Note	CONSOLIDATED 2018	CONSOLIDATED 2017
		$	$
Revenue	5	2,000	6,764
Other income	6	1,276,401	9,224
Operating Expenses	7	(933,915)	(781,785)
Depreciation	14	(157,308)	(161,394)
Amortisation of intangibles	16	(206,250)	(206,250)
Employee benefit expense		(614,821)	(220,909)
Finance costs	8	(11,871)	(197,670)
Other expenses	7	(1,950,924)	(1,213,079)
Payment for cancellation of investment	9	-	(3,300,000)
Cost of listing	22	(884,511)	-
Loss before tax		(3,481,201)	(6,065,099)
Income tax (expense)/ benefit	10	(558,945)	(469,379)
Loss for the year, net of tax		**(4,040,146)**	**(6,534,478)**
Total comprehensive loss		**(4,040,146)**	**(6,534,478)**
Earnings per share			
Basic & diluted loss per share (cents per share)	11	(4.30)	(10.66)

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

Consolidated Statement of Financial Position

As at 30 June 2018

	Note	CONSOLIDATED 2018 $	CONSOLIDATED 2017 $
ASSETS			
Current Assets			
Cash and cash equivalents	12	2,727,435	1,121,639
Trade and other receivables	13	1,066,555	62,551
Total current assets		3,793,990	1,184,190
Non-Current Assets			
Property, plant & equipment	14	2,425,316	721,599
Development assets	15	1,205,570	985,235
Other intangible assets	16	1,100,000	1,306,250
Total non-current assets		4,730,886	3,013,084
Total assets		8,524,876	4,197,274
LIABILITIES			
Current Liabilities			
Trade and other payables	17	349,083	664,798
Other current liabilities	18	-	3,995,000
Total current liabilities		349,083	4,659,798
Non-Current Liabilities			
Deferred tax	19	1,028,325	469,379
Total non-current liabilities		1,028,325	469,379
Total liabilities		1,377,408	5,129,177
Net assets		**7,147,468**	**(931,903)**
EQUITY			
Issued Capital	20	16,080,494	3,964,577
Options reserve	20	3,600	-
Accumulated losses	21	(8,936,626)	(4,896,480)
Total equity		**7,147,468**	**(931,903)**

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2018

CONSOLIDATED EQUITY 30 JUNE 2018	Issued capital	Other equity component	Option reserve	Accumulated losses	Total equity
	$	$	$	$	$
At 1 July 2017	3,964,577	-	-	(4,896,480)	(931,903)
Loss for the year	-	-	-	(4,040,146)	(4,040,146)
Total comprehensive loss for the year	-	-	-	(4,040,146)	(4,040,146)
Shares issued during the period	8,845,927	1,750,000	-	-	10,595,927
Share issue costs	(330,000)	-	-	-	(330,000)
Issue of options	-	-	3,600	-	3,600
Share based payment as a result of the reverse acquisition	1,849,990	-	-	-	1,849,990
At 30 June 2018	14,330,494	1,750,000	3,600	(8,936,626)	7,147,468

CONSOLIDATED EQUITY 30 JUNE 2017	Issued capital	Option reserve	Share based payment reserve	Accumulated losses	Total equity
	$	$	$	$	$
At 1 July 2016	3,964,577	-	-	1,637,998	5,602,575
Loss for the year	-	-	-	(6,534,478)	(6,534,478)
Total comprehensive loss for the year	-	-	-	(6,534,478)	(6,534,478)
Shares issued during the period	-	-	-	-	-
Share issue costs	-	-	-	-	-
At 30 June 2017	3,964,577	-	-	(4,896,480)	(931,903)

The above statement in changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2018

	Note	CONSOLIDATED 2018	CONSOLIDATED 2017
		$	$
Cash flows from operating activities			
Receipts from customers		-	6,764
Payments to suppliers and employees		(4,025,164)	(1,979,556)
Research and development grant received		542,733	976,909
Interest received		12,176	9,224
Net cash outflow from operating activities	22	(3,470,255)	(986,659)
Cash flows from investing activities			
Purchase of property, plant & equipment		(1,861,026)	(611,298)
Payments for development asset		(196,628)	(27,295)
Cash acquired for acquiring Pearl		213,185	-
Net cash outflow from investing activities		(1,844,469)	(638,593)
Cash flows from financing activities			
Proceeds from issue of shares		6,750,000	-
Proceeds from issue of options/exercise of options		4,527	-
Share / options issue costs		(363,000)	-
Payment for cancellation of investment		-	(3,300,00)
Proceeds from issue of convertible notes		750,000	2,995,000
Proceeds from borrowings		263,000	1,175,000
Repayment of borrowings		(472,136)	-
Borrowing costs		(11,871)	(197,670)
Net cash inflows from financing activities		6,920,520	672,330
Net increase /(decrease) in cash and cash equivalents		1,605,796	(952,922)
Cash and cash equivalents at the beginning of the financial year		1,121,639	2,074,561
Cash and cash equivalents at the end of the financial year	12	2,727,435	1,121,639

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

Notes to the Financial Statements

Corporate Information

The financial statements of Pearl Global Ltd for the year ended 30 June 2018 covers the consolidated entity consisting of Pearl Global Ltd and its subsidiaries (the Group) as required by the Corporations Act 2001.

Pearl Global Ltd is a company limited by shares incorporated in Australia.

The comparative information contained within this financial report is that of Pearl Global Management Pty Ltd (formerly Pearl Global Pty Ltd) and its subsidiaries.

(a) Nature of operations

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

Pearl's technology is a significant advancement on other methods of processing waste tyres because it has low emissions, no hazardous by-products, requires no chemical intervention and is the only process that meets the standard emission criteria set by the Australian regulator for this type of technology. Tyres are not naturally degradable, with tyre fires and pollution becoming major causes for concern, Government bodies are increasingly seeking solutions for dealing with waste tyres, and Pearl's technology provides a clean solution to this global problem.

Summary of Significant Accounting Policies

In order to assist in the understanding of the financial statements, the following summary explains the material accounting policies that have been adopted in the preparation of the financial statements.

(a) Basis of Preparation

The financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*. The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The Company is a for profit entity for the purposes of preparing financial statements. Cost is based on the fair values of the consideration given in exchange for assets.

Pearl Global Management Pty Ltd (formerly Pearl Global Pty Ltd) obtained control of Pearl Global Limited (formerly Citation Resources Limited) on 16 February 2018 in a reverse acquisition. As the former Citation Resources Limited was not a business, the transaction was not a business combination. These financial statements are prepared as a continuation of the former Pearl Global Pty Ltd using reverse acquisition principles. Refer Note 4 for more details.

(b) Statement of Compliance

The financial statements comply with Australian Accounting Standards and, International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(c) Principles of Consolidation

The Group financial statements consolidate those of the Parent Company (Pearl Global Limited) and all of its subsidiaries as of 30 June 2018. 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.

(i) Functional and presentation currency

The financial statements are prepared in Australian Dollars which is the functional and presentation currency of the Group.

(d) Going Concern

The Directors have prepared the financial statements on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The Group has incurred a net loss after tax for the year ended 30 June 2018 of $4,040,146 (2017: $6,534,478). As at the 30 June 2018, the Group reported an operating cash outflows of $3,470,255 (2017 cash outflow of $986,659). As at 30 June 2018, the Group reported a net working capital of $3,444,907. These conditions indicate the existence of a potential material uncertainty which may cast doubt on the Group's ability to continue as a going concern. However, the Group is actively pursuing development of the business to mitigate this material uncertainty.

The Group has recently completed its first sale of its hydrocarbon product and is continuing to advance discussions for the sale of its steel and char products. The Group is also planning to ramp up production at its Staplyton site to 24-hour continuous operation. Aligned with the Group's growth planning, these steps should enable the Group to access capital either by way of debt financing and/or capital raising if required to further support its ongoing operations and strategies.

If the Group is unable to continue as a going concern, it may be required to realise its assets and or settle its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report.

The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that might be necessary should the company and the consolidated entity not continue as going concerns.

(e) Impairment of Assets

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's values in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. Such reversal is recognised in profit or loss unless the asset is carried at the revalued amount, in which case the reversal is treated as a revaluation increase.

(f) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

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 Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss statement during the reporting period in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset which is estimated to vary between 3 and 5 years.

(g) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances relating to amounts recognised directly in other comprehensive income and equity are also recognised directly in other comprehensive income and equity respectively.

(h) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a net basis and the GST component of cash flow arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(i) Research and Development

Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised over the period of their expected life.

Research and Development rebates receivable are reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as Other Income.

(j) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the consolidated entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques. The consolidated entity uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash follows at the current market interest rate that is available to the consolidated entity for similar financial instruments.

(k) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, cash in bank accounts, money market investments readily convertible to cash within two working days, and bank bills but net of outstanding bank overdrafts.

(l) Borrowings

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loans and borrowings using the effective interest method.

All borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(m) Employee Entitlements

Short-term employee benefits are current liabilities included in employee benefits, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement. Annual leave is included in 'other long-term benefit' and discounted when calculating the leave liability as the Group does not expect all annual leave for all employees to be used wholly within 12 months of the end of reporting period. Annual leave liability is still presented as current liability for presentation purposes under AASB 101 Presentation of Financial Statements.

(n) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is determined by dividing the operating loss attributable to owners of the Group after income tax by the weighted average number of ordinary shares outstanding during the financial period.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will arise from the exercise of options outstanding during the period.

(o) 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.

Revenue from the sale of oil and gas and related products is recognised when the consolidated entity has transferred to the buyer the significant risks and rewards of ownership and the amounts can be measured reliably. In the case of oil, this usually occurs at the time of lifting.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(p) Provisions

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

(q) Foreign Currency Translations and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in profit or loss.

(r) Trade and Other Receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less a provision for impairment. Other receivables are generally due for settlement between thirty (30) and ninety (90) days from the date of recognition. They are presented as current assets unless collection is not expected for more than 12 months after reporting date.

(s) Trade and Other Payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the reporting period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

(t) Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(u) Acquisition of Assets

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquire, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

(v) Share Based Payments

The fair value of options granted is recognised as an expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

(w) Accounting Standards Not Yet Effective

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. Information on these new standards which are relevant to the Group is presented below.

(i) AASB 9 Financial Instruments superseding AASB 139 Financial Instruments: *Recognition and Measurement*

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

a. Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows.

b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

c. Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.

d. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

e. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

- the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI)
- the remaining change is presented in profit or loss

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- classification and measurement of financial liabilities; and
- derecognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.

Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

AASB 9: *Financial Instruments* is effective on annual reporting periods beginning on or after 1 January 2018.

The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

(ii) AASB 15-Revenue from Contracts with Customers superseding AASB 118 Revenue, AASB 111 Construction Contracts

AASB 15:

- replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations:

- establishes a new revenue recognition model
- changes the basis for deciding whether revenue is to be recognised over time or at a point in time

- provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing)

AASB 15: *Revenue from Contracts with Customers* is effective on annual reporting periods beginning on or after 1 January 2018 (for-profit entities) and 1 January 2019 (not-for-profit entities).

The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

(iii) AASB 16: Leases superseding AAS 117 Leases

AASB 16:

- replaces AASB 117 Leases and some lease-related Interpretations
- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases
- provides new guidance on the application of the definition of lease and on sale and lease back accounting
- largely retains the existing lessor accounting requirements in AASB 117
- requires new and different disclosures about leases.

AASB 16: *Leases* is effective on annual reporting periods beginning on or after 1 January 2019.

The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

Critical Accounting Estimates and Judgements

In preparing these financial statements the Group has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

(i) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Deferred Tax

The Group expects to have carried forward tax losses which have not been recognised as deferred tax assets as it is not considered sufficiently probable that these losses will be recouped by means of future profits taxable in the relevant jurisdictions.

(ii) Significant accounting estimates and assumptions

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. There were no key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period.

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 22: *Reverse Acquisition*.

In this case, the transaction between Pearl Global Limited (formerly Citation Resources Ltd) and Pearl Global Management Pty Ltd is being treated as a reverse acquisition. Pearl Global Management Pty Ltd is the accounting *acquirer* and Pearl Global Ltd (formerly Citation Resources Ltd) is the accounting *acquiree*.

As Pearl Global Limited (formerly Citation Resources Ltd) does not constitute as a business, AASB 3: Business Combination does not apply in its entirety. The substance of the transaction is that the accounting *acquirer (Pearl Global Management Pty Ltd)* which is the operating company, has made a share-based payment to acquire a listing along with the listed company's cash balances and other net assets. Hence, the principles *of AASB 2: Share-based payment* applies, where Pearl Global Management Pty Ltd, being the operating company, is deemed to have issued shares in exchange of the net assets of Citation Resources Ltd (now Pearl Global Ltd). The consolidated financial statements of Pearl Global Ltd (formerly Citation Resources Ltd) have been prepared as a continuation of operating company's financial statements. Henceforth, AASB 3's reverse acquisition methodology has been applied by analogy. That is, Pearl Global Management Pty Ltd is the accounting parent, and its assets have not been fair valued, and that all comparative information is of Pearl Global Management Pty Ltd (operating company).

From an accounting perspective, the acquisition date is 16 February 2018, being the date the Company was reinstated to quotation on the ASX and thus, control was obtained from the deed of company administrators.

Refer to Note 22: *Reverse Acquisition* for details on the reverse acquisition transaction and the resulting cost of obtaining a listing.

5. REVENUE

	CONSOLIDATED 2018	CONSOLIDATED 2017
	$	$
Revenue is comprised as follows:		
Sales from oil derived from tyres	-	6,764
Feedstock gate fee	2,000	-
Total other income	2,000	6,764

6. OTHER INCOME

	CONSOLIDATED 2018	CONSOLIDATED 2017
	$	$
Finance income		
Interest income from cash and cash equivalents	11,317	9,224
Total finance income	11,317	9,224
Research and development		
Research and development grant received	1,265,084	-
Total finance income	1,265,084	-
Total Other Income	1,276,401	9,224

7. EXPENSES

	CONSOLIDATED 2018	CONSOLIDATED 2017
	$	$
Loss includes the following specific expenses:		
Operating expenses:		
Rent and occupancy	380,906	215,457
Wages	185,159	269,992
Hire of plant & equipment	252,701	94,108
Other operating expenses	115,149	202,228
Total operating expenses	933,915	781,785
Other expenses:		
Rent and occupancy	203,871	-
Travel expenses	154,102	56,456
Insurance	11,182	46,829
Marketing	36,544	7,400
Company secretarial	15,000	-
Accounting and audit	152,100	58,084
Regulatory expenses	19,900	-
Professional and consultancy fees	1,209,735	905,169
Other expenses	148,490	139,141
Total other expenses	1,950,924	1,213,079

8. FINANCE COSTS

	CONSOLIDATED 2018	CONSOLIDATED 2017
	$	$
Finance costs and finance income for the period consists of the following:		
Finance costs		
Interest expense for borrowings	11,871	197,670
Total finance costs	11,871	197,670

9. PAYMENT FOR CANCELLATION OF INVESTMENT

	CONSOLIDATED 2018	CONSOLIDATED 2017
	$	$
Payment for cancellation of investment	-	(3,300,000)
Balance at the end of the year	**-**	**(3,300,000)**

During the prior year, the Company entered into a settlement with Pearl Global Management and its shareholders which provided for a mutual release of all claims under the agreement dated 25 November 2015 between the Company, Pearl Global Management and certain other parties in respect of the acquisition (in two stages) of the entire issued share capital of Pearl Global Management. As part of this Settlement, the Company's 40% shareholding in Pearl Global Management was transferred back to Pearl Global Management's shareholders in consideration of a cash payment of $3.3 million.

Payment of $3.3 million was made in January 2017.

Further to the execution of the DOCA providing for the recapitalisation of the Company, in May 2017, the Company entered into a new agreement for the acquisition of 100% of the shares in Pearl Global Management.

10. TAXATION

	CONSOLIDATED 2018	CONSOLIDATED 2017
	$	$
Loss before income tax	(3,948,928)	(6,534,478)
Prima facie benefit on loss from continuing activities at 27.5% tax rate (2017: 27.5%)	(1,085,955)	(1,796,981)
Tax effect of amounts which are not deductible in calculating taxable income:		
Entertainment	-	-
Share based payment	-	-
Overseas travel	-	-
Tax effect of current year tax losses for which no deferred tax asset has been recognised	-	-
Total income tax expense	-	-
Carry forward revenue losses	4,995,466	1,046,538
Carry forward capital losses	-	-
Capital raising costs	330,000	-
Provisions and accruals	60,000	20,000
Deferred tax liabilities (at 27.5%):		
PPE and development costs	558,945	469,379
Accrued interest	-	-
	558,945	469,379

The above Deferred tax liabilities are recognised for the temporary differences between carrying amounts of assets for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered.

11. LOSS PER SHARE

	CONSOLIDATED 2018 $	CONSOLIDATED 2017 $
(a) Basic earnings per share		
Loss from continuing operations attributable to owners of Citation Resources Ltd used to calculate basic earnings per share	4,040,146	6,354,478
(b) Diluted earnings per share		
Loss from continuing operations attributable to owners of Citation Resources Ltd used to calculate diluted earnings per share	4,040,146	6,354,478

	CONSOLIDATED 2018 Number of Shares	CONSOLIDATED 2017 Number of Shares
Weighted average number of ordinary shares used as a denominator in calculating basic and diluted earnings per share	94,029,321	61,270,884
Loss per share attributable to owners of the Company:		
Basic loss per share (cents per share)	(4.30)	(10.66)
Diluted loss per share (cents per share)	n/a	n/a

Options being potential shares are not considered dilutive and have not been used to calculate diluted loss per share (refer note 20: Options reserve).

12. CASH AND CASH EQUIVALENTS

	CONSOLIDATED 2018 $	CONSOLIDATED 2018 $
Cash at bank	2,657,436	1,121,639
Term deposits	70,000	-
Balance at the end of the year	2,727,435	1,121,639

(a) Cash at Bank

Amounts held in the Group's cheque and online savings accounts attract variable rates commensurate with a business cheque and online savings account.

(b) Security Deposits

The Group holds security deposits in relation to credit card facilities of $70,000.

13. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED 2018 $	CONSOLIDATED 2017 $
Trade receivables	2,200	-
GST refundable	258,654	62,551
Excise tax security deposit	85,000	
R&D tax benefit	722,351	-
Balance at the end of the year	1,066,555	62,551

14. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED 2018	CONSOLIDATED 2017
	$	$
Cost	2,913,719	1,052,693
Accumulated depreciation	(488,403)	(331,094)
Balance at the end of the year	**2,425,316**	**721,599**

MOVEMENTS	CONSOLIDATED 2018	CONSOLIDATED 2017
	$	$
Balance at the beginning of the year	721,599	855,698
Additions	1,861,025	27,295
Depreciation	(157,308)	(161,394)
Written-off	-	-
Balance at the end of the year	2,425,316	721,599

During the year, included in the Recapitalisation prospectus is the Group's commitment to purchase one Thermal Desorption Unit (TDU) from Keshi Technologies Pty Ltd for $1.25m

15. DEVELOPMENT ASSETS

	CONSOLIDATED 2018	CONSOLIDATED 2017
	$	$
Cost	1,205,570	985,235
Accumulated depreciation	-	-
Balance at the end of the year	1,205,570	985,235

MOVEMENTS	CONSOLIDATED 2018	CONSOLIDATED 2017
	$	$
Balance at the beginning of the year	985,235	213,635
Additions	220,335	771,600
Depreciation	-	-
Written-off	-	-
Balance at the end of the year	1,205,570	985,235

16. OTHER INTANGIBLE ASSETS

	CONSOLIDATED 2018	CONSOLIDATED 2017
	$	$
Cost	1,650,000	1,650,000
Accumulated amortisation	(550,000)	(343,750)
Balance at the end of the year	1,100,000	1,306,250

The Group amortises its other intangible assets using straight line method for a period of 8 years, being the standard useful life of innovative patent in Australia.

17. TRADE AND OTHER PAYABLES

	CONSOLIDATED 2018	CONSOLIDATED 2017
	$	$
Trade payables	311,459	437,456
GST/ PAYG payables	18,666	9,435
Accrued leave	8,771	8,771
Short-term loan	-	175,000
Other payables	10,187	34,136
Total trade and other payables	349,083	664,798

The trade payables amount consists of related party payables of Nil (2017: $34,136)

18. OTHER CURRENT LIABILITIES

	CONSOLIDATED 2018	CONSOLIDATED 2017
Convertible Notes[i]	-	2,995,000
Other current liabilities [ii]	-	1,000,000
Balance at the end of the year	**-**	**3,995,000**

(i) In January 2017, Pearl Global Management Pty Ltd issued convertible notes of $2,995,000. This was settled in 2018 through the issue of 18,718,750 shares and 6,239,567 new options (each on a post-consolidation basis) in Pearl Global Ltd to Pearl Global Management Pty Ltd Noteholders.

(ii) In May 2017, the Pearl Global Ltd DOCA was amended to provide for an initial $1 million loan to Pearl Global Management Pty Ltd which is subject to the passing of the recapitalisation resolution s at the General Meeting which occurred on 30 June 2017. The loan accrues interest of 10% per annum. With the 100% acquisition of Pearl Global Management Pty Ltd, the amount is now considered as intercompany transaction, hence, eliminated during consolidation of the financial statements.

19. DEFERRED TAX LIABILITY

	CONSOLIDATED 2018	CONSOLIDATED 2017
	$	$
Balance at the beginning of the year	469,379	-
Charged/ (credited)		
- to profit or loss	558,942	469,379
Balance at the end of the year	**1,028,321**	**469,379**

Deferred tax liabilities are recognised for the temporary differences between carrying amounts of assets for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered.

20. ISSUED CAPITAL

(a) Ordinary Shares as at 30 June 2018

	CONSOLIDATED 2018	CONSOLIDATED 2017	CONSOLIDATED 2018	CONSOLIDATED 2017
	No of shares	No of shares	**$**	$
Fully paid ordinary shares	**144,830,484**	61,270,884	**16,080,494**	3,964,577

Reconciliation of share movement	**No of shares**	**Issue Price**	**Amount**
Opening balance at 1 July 2017 (i)	**61,270,884**		**3,964,577**
Conversion of Pearl Global Mgt Pty shares to Pearl Global Ltd	18,729,112		-
Share Capital of Pearl Global Mgt preceding the acquisition of Pearl Global	79,999,996		3,964,577
a.) Share-based payment as a result of the reverse acquisition of listed entity **(refer to Note 22)**	9,249,952		1,849,990
b.) Shares issued pursuant to Public Offer	25,000,000	$0.20	5,000,000
c.) Shares issued to director in satisfaction of accrued fees for services	500,000	$0.20	100,000
d.) Shares issued upon conversion of Pearl Series A Convertible notes	18,718,750	$0.16	2,995,000
e.) Shares issued upon conversion of Pearl Series B Convertible notes	3,750,000	$0.20	750,000
f.) Shares issued upon exercise of options	3,090	$0.30	927
g.) Shares issued to Capricorn **(ii)**	7,608,696	$0.23	1,750,000
Total shares issued	**144,830,484**		**16,410,494**
Less share issue costs	-		(330,000)
Balance at 30 June 2018	**144,830,484**		**16,080,494**

(i) 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 date has been deemed to be 16 February 2018, being the date the Company was reinstated to quotation on the ASX. The substance of the transaction is that the accounting acquirer (Pearl Global Management Pty Ltd) which is the operating company, is deemed to have issued shares in exchange of the net assets of Citation Resources Ltd (now Pearl Global Ltd). Also, please see Note 22: Reverse Acquisition.

(ii) In June 2018, Capricorn Society Ltd has committed to increase its strategic investment in Pearl by a further $1.75 million by way of issue of 7,608,696 fully paid shares in PG1 at a price of $0.23 per share. Capricorn now holds approximately 6.1% of Pearl's total issued shares. The shares were issued in July 2018.

Comparatives[1]	**CONSOLIDATED 2017**	CONSOLIDATED 2016	**CONSOLIDATED 2017**	CONSOLIDATED 2016
	No of shares	No of shares	**$**	$
Fully paid ordinary shares	**61,270,884**	61,270,884	**3,964,577**	3,964,577

Reconciliation of share movement	**No of shares**	**Issue Price**	**Amount**
Opening balance at 1 July 2016	**61,270,884**		**3,964,577**
No shares were issued during the year			
Total shares issued	61,270,884		3,964,577
Less share issue costs	-		-
Balance at 30 June 2017	**61,270,884**		**3,964,577**

1. The comparative information contained within this note is that of Pearl Global Management Pty Ltd (formerly Pearl Global Pty Ltd) and its subsidiaries.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(b) Options Reserve as at 30 June 2018

Reconciliation of option movement	**No. of Options**	**Issue Price**	**Amount $**
Opening balance at 1 July 2017	**34,417,500**		**1,679,717**
Effect of reverse acquisition accounting	(34,417,500)		(1,679,717)
Options issued during the year:			-
- Listed options by way of bonus issue	3,082,731	-	-
- Listed options upon conversion of Pearl Series A convertible note	6,239,567	-	-
- Listed options to company advisers, brokers and promoters	36,000,000	$0.001	3,600
- Option conversions	(3,090)	-	-
Option reserve at 30 June 2018	45,319,238		**3,600**
Opening balance at 1 July 2017			**1,517,387**
Effect of reverse acquisition accounting			**(1,517,387)**
Share based payment reserve at 30 June 2018			**-**
Balance at 30 June2018	**45,319,238**		**3,600**

(c) Capital Management

The group's objective when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistently with others in the industry, the group manages its capital by assessing the group's financial risk and adjusts its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year.

The group is not subject to any externally imposed capital requirements.

21. ACCUMULATED LOSSES

	CONSOLIDATED 2018 $	CONSOLIDATED 2017 $
Accumulated losses at the beginning of the financial year	(4,896,480)	1,637,998
Loss attributable to the owners of Citation Resources Ltd	(4,040,146)	(6,534,478)
Accumulated losses at the end of the financial year	(8,936,626)	(4,896,480)

22. REVERSE ACQUISITION

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 fair value 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;

(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 AASB 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). This is reflected as share-based payment transaction whereby Pearl Global Management Pty Ltd is deemed to have issued shares in exchange of the net assets of Citation Resources Ltd (now Pearl Global Ltd), as reflected in Note 20: Issued Capital.

Details of the transactions are:

	Fair Value **$**
Fair value of the consideration deemed to have been transferred by the accounting acquirer	**1,849,990**
Fair value of assets and liabilities held at acquisition date:	
Cash and cash equivalents	213,185
Trade and other receivables	1,035,883
Trade and other payables	(283,589)
Total fair value of identified assets and liabilities assumed	**965,479**
Costs of listing	**884,511**

The excess of 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. The share-based payment is recognised as an expense in profit or loss.

23. Control gained over entities

In 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).

In this case, the transaction between Pearl Global Limited, which is the legal parent entity (formerly Citation Resources Ltd) and Pearl Global Management Pty Ltd, which is the legal subsidiary has been recognised as a reverse acquisition for accounting purposes. Pearl Global Management Pty Ltd is the accounting acquirer and Pearl Global Ltd (formerly Citation Resources Ltd) is the accounting acquiree. The consolidated financial statements of Pearl Global Ltd is prepared as a continuation of operating company's financial statements.

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

The comparative information contained within this financial report is that of Pearl Global Management Pty Ltd (formerly Pearl Global Pty Ltd).

24. Loss of control over entities

Not applicable.

25. Dividends

2018: There were no dividends paid, recommended or declared during the year.

2017: There were no dividends paid, recommended or declared during the year.

26. Dividend reinvestment plans

Not applicable.

27. Progress of Audit

This Appendix 4E is based on a Financial Report that is in the process of being audited.

28. Audit Dispute or Qualification

None.

29. Commentary on Results

The Company, then Citation Resources Limited was placed into voluntary administration on 20 September 2016 and a Deed of Company Arrangement (DOCA) executed on 27 February 2017. The terms and conditions of the DOCA have been met and the DOCA was effectuated on 14 February 2018. With the termination of the DOCA, day to day management and control of the Company reverted to its Board of Directors.

The Company completed its recapitalisation raising of $5,000,000 on 23 December 2017 via a public offer of 25 million shares at 20 cents per share and on 16 February 2018, the Company completed the 100% acquisition of Pearl Global Management Pty Ltd and changed its name to Pearl Global Limited. The acquisition of Pearl Global Management resulted in the shareholders of Pearl Global Management obtaining control of the merged entities. With the completion of the Pearl Global Management acquisition, the Company's securities were re-quoted to the ASX effective 16 February 2018, with the ASX Code: PG1.

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

Pearl's technology is a significant advancement on other methods of processing waste tyres because it has low emissions, no hazardous by-products, requires no chemical intervention and is the only process that meets the standard emission criteria set by the Australian regulator for this type of technology. Tyres are not naturally degradable, with tyre fires and pollution becoming major causes for concern, Government bodies are increasingly seeking solutions for dealing with waste tyres, and Pearl's technology provides a clean solution to this global problem.

The consolidated loss of the Pearl and its subsidiaries for the year ended, 30 June 2018, amounted to $4,040,146 (2017: loss $6,354,478).

Pearl Global Ltd will continue to apply its unique, next-generation technology to cleanly convert end-of-life tyres (ELT) into high value products and remains focussed on reducing reliance on virgin resources, that is reducing CHG emissions by reclaiming economic value from waste and focus on profitability through innovative sustainable developments.

Pearl is the only entity in Australia with technology that has received EPA approval to commercially process ELTs into fuels, char and steel. This innovative process helps solve a global issue on effective disposals of tyres. It has multi-revenue generation opportunity through disposal fees (gate fee), and sale of fuels, char and steel. Additionally, the technology's scalability is attributed by its modest plant cost, modular design and global.

Pearl's Australian expansion strategy focuses in QLD locations identified on proximity to end-of-life tyres (ELT) and where tyre collection depots typically reside. The Group will focus on revenues by negotiating income from feedstock (gate fees for waste), economies of scale through multiple plants on one site and development of secondary products (i.e. solvents). The Group is exploring national and international opportunities and possible joint venture partners as part of its expansion strategy.