

Citation Resources Limited
ACN 118 710 508
(Subject to Deed of Company Arrangement)

Second Supplementary Prospectus

Important information

This Prospectus (**Second Supplementary Prospectus**) is dated 22 November 2017 and supplements the replacement prospectus of Citation Resources Limited ACN 118 710 508 (Subject to Deed of Company Arrangement) (**Company**) dated 21 August 2017 as supplemented by the Company's refresh supplementary prospectus dated 4 October 2017 (**Refresh Supplementary Prospectus**) (together, the **Replacement Prospectus**). The Replacement Prospectus replaced the original prospectus issued by the Company dated 10 July 2017 (**Original Prospectus**). This Second Supplementary Prospectus must be read together with the Replacement Prospectus.

Neither ASIC nor ASX take any responsibility as to the contents of this Second Supplementary Prospectus.

This Second Supplementary Prospectus is also a "refresh document" as defined in section 724(3H) of the Corporations Act, as inserted by the ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70 (**Instrument**) and has been lodged with ASIC in accordance with section 724(3G) of the Act as inserted by the Instrument.

Other than as set out below, all details in relation to the Replacement Prospectus remain unchanged. To the extent of any inconsistency between this Second Supplementary Prospectus and the Replacement Prospectus, this Second Supplementary Prospectus will prevail.

Unless otherwise indicated, terms defined and used in the Replacement Prospectus have the same meaning in this Second Supplementary Prospectus.

This Second Supplementary Prospectus will be issued with the Replacement Prospectus as an electronic prospectus and can be downloaded from the Company's website at www.citationresources.com.au.

The Company will send a copy of this Second Supplementary Prospectus to all Applicants who have applied for securities under the Replacement Prospectus or the Refresh Supplementary Prospectus as at the date of this Second Supplementary Prospectus.

This is an important document and should be read in its entirety. Please seek professional guidance from your stockbroker, solicitor, accountant or other professional adviser without delay if you do not understand its contents.

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1 Purpose of this Second Supplementary Prospectus

This Second Supplementary Prospectus has been issued for the purposes of:

- (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**);
- (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.

2 Company update

2.1 Changes to the Recapitalisation Proposal

Since the approvals received from Shareholders at the Company's general meeting on 30 June 2017, certain changes to the Recapitalisation Proposal have been agreed between the Company, Pearl and Keshi. These changes are detailed below and constitute a fundamental change in the terms of the transaction from those approved by Shareholders. Consequently, further Shareholder approval is being sought to implement the Recapitalisation

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Proposal (as varied) at the Company's general meeting to be held on 1 December 2017:

- J The original transaction structure incorporated an exclusive option for Pearl to purchase 100% of the total issued shares of Keshi (the owner of the intellectual property underpinning Pearl's business operations) in consideration for an issue of "B" class shares in Pearl. The terms of the proposed option and the "B" class shares were set out in the explanatory statement accompanying the Company's notice of meeting dated 30 May 2017 and in the Replacement Prospectus. As a result of feedback received from the ASX in relation to the "B" class shares in Pearl, the option has been terminated. In place of the option, Pearl and Keshi have agreed, within the 12-month period commencing on 20 October 2017, to negotiate in good faith to agree the terms of a purchase by Pearl from Keshi of the intellectual property underpinning Pearl's operations.
- J The second change is that, as a result of the extended timeframe until the anticipated date for re-quotation of the Company's securities on ASX, Pearl has issued Series B Convertible Notes in order to provide it with additional working capital over this period. The Pearl Series B Convertible Notes are on substantively identical terms to the Pearl Series A Convertible Notes, save that on conversion in connection with the Recapitalisation Proposal they will convert into Shares at a deemed issue price of \$0.20 per Share (being the price per Share under the Public Offer), with no attaching options.

As a result of the above changes and the requirement to obtain fresh Shareholder approvals to implement the Recapitalisation Proposal, the offers under the Replacement Prospectus (including the offer to the Series B Convertible Noteholders, as set out in Section 3 below) remain subject to Shareholder approval of the Resolutions set out in the Company's Notice of Meeting dated 30 October 2017.

2.2 Status of Pearl's development approval application

Pearl is required to have in place a licence from the Queensland Department of Environment and Heritage Protection under the Environmental Protection Act 1994 (Qld) (**EPA Approval**) to operate the TDUs at its Queensland site.

On 28 June 2017, Pearl was granted an EPA Approval "Environmental authority number EA0000862". This approval covers up to 4 TDUs at Pearl's Stapylton site only. This EPA Approval took effect on 5 October 2017, being the date on which Pearl obtained development approval under the *Sustainable Planning Act 2009* (Qld) in respect of its Stapylton site (**Development Approval**).

The EPA Approval and the Development Approval granted to Pearl contain a series of conditions which must be satisfied and complied with on an ongoing basis, in order for Pearl to be able to carry out operations under those approvals. These include conditions relating to noise control, land

contamination, air contamination, water contamination and reporting requirements in relation to emergency events and their impact on nearby infrastructure to the Stapylton site.

2.3 Updated sources and uses of funds

The sources and uses of funds table set out in Section 6.3 of the Replacement Prospectus is updated as follows:

Sources and uses of funds	(\$)	%
Sources		
Actual cash balance of the Company at 30 September 2017	496,798	7.87
Benefit of GST input tax credits arising from purchase of TDUs	309,091	4.90
Benefit of other GST input tax credits currently due	2,280	0.04
Proceeds from the Offers ¹	5,000,000	79.22
Cash acquired from Pearl, current Pearl cash balance as at 30 September 2017 ¹	500,000	7.92
Issue of options to Cadmon or its nominees ¹	3,600	0.06
Total sources	6,311,769	100
Uses		
Remaining costs of the Offers to be paid ²	(550,150)	8.72
Director sign on fee payment ¹	(300,000)	4.75
Administrator fees/DOCA amounts remaining to be paid	(155,000)	2.46
Expected cash balance following completion of the Recapitalisation Proposal	5,306,619	84.07
Committed costs as at the date of this document:		
Continuing investment in research and development ³	(230,000)	3.64
Purchase of a TDU	(1,400,000)	22.18
Purchase of an additional TDU in year 2	(2,000,000)	31.69
Total continuing investment in research and development and other committed costs	(3,630,000)	57.51
Working capital ⁴	(1,676,619)	26.56
Total uses	(6,311,769)	100

This Second Supplementary Prospectus is to be read with the Refresh Supplementary Prospectus dated 4 October 2017 and the Replacement Prospectus dated 21 August 2017, issued by Citation Resources Limited ACN 118 710 508 (Subject to Deed of Company Arrangement) which replaced the original prospectus issued by the Company dated 10 July 2017.

Notes:

1. Refer to Schedule 1 for further details relating to the pro forma adjustments that are expected to occur as a consequence of the Recapitalisation Proposal.
2. This amount represents the remaining costs to be paid as at 30 September 2017.
3. Research and development costs in connection with the research and development Pearl will continue to undertake with Keshi relating to the Project and technology.
4. Working capital will be applied to meet future operational expenses of the business which are not currently known/committed to and to maintain a surplus operating contingency for the business.

2.4 Updated financial position

Since lodgement of the Replacement Prospectus with ASIC, each of the Company and Pearl have completed their financial audit for the year ended 30 June 2017 and the Company's statutory accounts have been released on the ASX.

Updated financial information relating to the Company, Pearl and the combined group following completion of the Acquisition is set out in Schedule 1, and a revised Investigating Accountant's Report in respect of this financial information is set out in Schedule 2.

Schedules 1 and 2 together replace Sections 6.10 and 10 of the Replacement Prospectus in their entirety.

3 Offer to Series B Convertible Noteholders

Pursuant to this Second Supplementary Prospectus, the Company offers the holders of Series B Convertible Notes (or their respective nominees) 3,750,000 Shares at a deemed issue price of \$0.20 per Share (**Series B Noteholder Offer**). No funds will be raised from the Series B Noteholder Offer.

4 Updated indicative timetable

The indicative timetable set out in section 5 of the Replacement Prospectus is updated as follows:

Event	Date¹
Original Notice of Meeting dispatched	30 May 2017
Original Prospectus lodged with ASIC	10 July 2017
Application for admission (Appendix 1A) lodged with ASX	13 July 2017
First General Meeting	30 June 2017
Replacement Prospectus lodged with ASIC	21 August 2017
Opening of offer under the Replacement Prospectus	21 August 2017
"Refresh" Supplementary Prospectus lodged with ASIC	4 October 2017
Closing of withdrawal rights in respect of applications as a result of the "Refresh" Supplementary Prospectus	4 November 2017
Second Supplementary Prospectus lodged with ASIC	22 November 2017
General Meeting ²	1 December 2017
Date for closing of withdrawal rights in respect of applications as a result of the Second Supplementary Prospectus	22 December 2017

This Second Supplementary Prospectus is to be read with the Refresh Supplementary Prospectus dated 4 October 2017 and the Replacement Prospectus dated 21 August 2017, issued by Citation Resources Limited ACN 118 710 508 (Subject to Deed of Company Arrangement) which replaced the original prospectus issued by the Company dated 10 July 2017.

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Event	Date ¹
Close of offer under the Prospectus	23 December 2017
Announce Bonus Issue record date ³	28 December 2017
Bonus Issue record date ³	4 January 2018
Issue of New Options under the Bonus Issue ³	5 January 2018
Completion of Pearl Acquisition and issue of Shares and New Options under the Recapitalisation Proposal	5 January 2018
Expected date for re-quotations of the Company's securities on ASX	9 January 2018

Notes:

1. The above dates are indicative only and are subject to change without notice.
2. The Company's Shares are currently suspended from trading on ASX. If Shareholders approve the change to the nature and scale of activities of the Company and the other Resolutions, trading in the Company's securities will remain suspended until re-compliance with the admission requirements is achieved.
3. The announcement of the record date for the Bonus Issue (and, consequently, the Bonus Issue record date and the date for issue of the New Options under the Bonus Issue) are dependent upon the date on which conditional approval is received from the ASX for re-instatement of the Company's securities to trading. The record date for the Bonus Issue will be announced in due course, but will be prior to the issue of the Consideration Shares, the Shares under the Capital Raising and the other issues of Shares contemplated by the Resolutions.

5 Updated pro forma capital structure

The Company's capital structure following completion of the Recapitalisation Proposal is set out in the following table, which updates that contained in Section 6.4 of the Replacement Prospectus:

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 Proposal	137,218,698
Options	Number
Unlisted Options exercisable at \$14.21 each, expiring 31 January 2020 ¹	23,567

This Second Supplementary Prospectus is to be read with the Refresh Supplementary Prospectus dated 4 October 2017 and the Replacement Prospectus dated 21 August 2017, issued by Citation Resources Limited ACN 118 710 508 (Subject to Deed of Company Arrangement) which replaced the original prospectus issued by the Company dated 10 July 2017.

Unlisted Options exercisable at \$11.37 each, expiring 31 January 2020 ¹	11,608
Unlisted Options exercisable at \$8.53 each, expiring 31 January 2020 ¹	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 ²	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 Proposal	45,369,667
Total issued Shares	Number
Total issued Shares on re-instatement to ASX (undiluted)¹	137,218,698
Total issued Shares on re-instatement to ASX assuming all of the current issued Options are exercised before reinstatement	137,265,481

Notes:

1. Assuming no existing Options are exercised prior to re-instatement. As the Options are not currently "in the money" (taking account of the consolidation of the Company's share capital which took effect on 12 July 2017), it is unlikely that they will be exercised before the Company's reinstatement to trading on ASX.
2. Ignoring the treatment of fractional entitlements on the Bonus Issue.

6 Refreshment of statutory periods

In accordance with section 723(3) of the Act, if a person offers securities under a disclosure document such as a prospectus, and the disclosure document states or implies that the securities will be quoted on a financial market such as the ASX, and the securities are not then admitted to quotation within three (3) months after the date of the disclosure document, the issue of securities is void and the Application Monies have to be returned to the Applicants.

Further, in accordance with sections 723(2) and 724 of the Act, if a person offers securities under a disclosure document such as a Prospectus and the disclosure document states a minimum subscription amount must be raised before any securities will be issued, then the minimum subscription must be received within four (4) months after the date of the disclosure document, otherwise Applicants must be given a supplementary disclosure document and the opportunity to withdraw their Application (in certain circumstances) or all Application Monies must be returned.

By the issue of the Instrument, ASIC has varied the Act to allow companies to refresh the timing of minimum subscription and quotation conditions, to commence from the date of a refresh document (i.e. this Second Supplementary Prospectus), such that the respective three and four month periods are taken to commence from the date that the refresh document is lodged with ASIC. The Instrument imposes a number of requirements as to the content of the refresh document and on the company issuing the refresh document. This Second Supplementary Prospectus addresses those requirements.

This Second Supplementary Prospectus is to be read with the Refresh Supplementary Prospectus dated 4 October 2017 and the Replacement Prospectus dated 21 August 2017, issued by Citation Resources Limited ACN 118 710 508 (Subject to Deed of Company Arrangement) which replaced the original prospectus issued by the Company dated 10 July 2017.

6.1 Specific disclosures required by the Instrument

Withdrawal rights

Any Applicant who, prior to the date of this Second Supplementary Prospectus, has lodged an Application for Shares will receive a copy of this Second Supplementary Prospectus.

All applicants who have previously submitted an Application Form have one (1) month to withdraw their Application and be repaid all Application Monies.

Any repayment of Application Monies made by the Company pursuant to an Applicant exercising their right to withdraw their Application will be made in full without interest.

An Applicant who wishes to withdraw their Application and obtain a refund of Application Monies must submit a written request to the Company at the address set out below so that it is received within one (1) month of the date of this Second Supplementary Prospectus (i.e. by close of business on 22 December 2017) (**Withdrawal Period**):

For delivery by hand:

Level 1, Wesley Central
8-12 Market Street
FREMANTLE WA 6160
Australia

For delivery by post:

PO Box 667
FREMANTLE WA 6959
Australia

The details for the payment of the refund cheque and address to which it should be sent as set out in the written request must correspond to the details contained in the Application Form lodged by that Applicant.

The Offer will remain open at least until 23 December 2017, being after the end of the Withdrawal Period.

Applications received

As at the date of this Second Supplementary Prospectus, and taking account of withdrawals of Applications following the Refresh Prospectus, the Company has received Applications for a total of 22,250,000 Shares, totalling \$4,450,000.

No Applications have been processed and no Shares have been issued.

6.2 Minimum Subscription condition

As at the date of this Second Supplementary Prospectus, the Minimum Subscription of \$5,000,000 specified in the Replacement Prospectus has not been achieved.

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The Minimum Subscription remains unchanged as at the date of this Second Supplementary Prospectus. No securities under the Offers will be issued unless the Minimum Subscription is achieved.

Upon lodgement of this Second Supplementary Prospectus, and subject only to the lodgement of any future refresh document, the Minimum Subscription condition must be satisfied by 22 March 2018, being four (4) months after the date of this Second Supplementary Prospectus.

6.3 Quotation condition

The Company applied to ASX within seven (7) days of the date of the Original Prospectus for ASX to grant official quotation of the Shares and Options offered by the Original Prospectus. As at the date of this Second Supplementary Prospectus, the Shares and Options have not been admitted to quotation by ASX.

As at the date of this Second Supplementary Prospectus, re-quotation of the Company's securities remains subject to successful completion of the Offers and satisfaction of all other outstanding conditions to the Offers, as specified in the Replacement Prospectus. This remains unchanged.

ASX has not indicated that the securities offered under the Offers will not be readmitted to quotation, nor has it indicated that the securities will be readmitted to quotation subject to certain conditions being satisfied.

Upon lodgement of this Second Supplementary Prospectus, and subject only to the lodgement of any future refresh document, the quotation condition must be satisfied by 22 February 2018, being three (3) months after the date of this Second Supplementary Prospectus.

7 Applications

Investors who have NOT previously submitted an Application Form

Applications for Shares under the Public Offer must be made using the application form attached to or accompanying this Second Supplementary Prospectus (**Second Supplementary Application Form**).

Applications must not be made on the Application Form accompanying or attached to the Original Prospectus, the Replacement Prospectus or the Refresh Supplementary Prospectus.

The Second Supplementary Application Form contains detailed instructions on how it is to be completed.

Completed Second Supplementary Application Forms and Application Monies must be received by the Company by no later than the extended Closing Date, being 23 December 2017.

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In all other respects, the procedure for applying for Shares is as set out in section 6.5 of the Replacement Prospectus.

The Company reserves the right to close the Offer early, however the Offer will remain open at least until the end of the Withdrawal Period (i.e. 22 December 2017).

Applicants who HAVE previously submitted an Application Form and DO NOT want to withdraw their Application

Applicants in this category do not need to complete a Second Supplementary Application Form. However, such applicants may lodge a Second Supplementary Application Form if they wish to apply for additional Shares in accordance with the instructions set out above and contained in the Second Supplementary Application Form.

Applicants who have previously submitted an Application Form and want to withdraw their Application

Applicants in this category may withdraw their Application and be repaid all Application Monies upon written request to the Company, as set out in section 6.1 of this Second Supplementary Prospectus.

8 Interests of experts and advisers

Grant Thornton Corporate Finance Pty Ltd has acted as Investigating Accountant and has prepared the updated Investigating Accountant's Report which is included in Schedule 2. The Company estimates it will pay Grant Thornton Corporate Finance Pty Ltd a total of \$15,000 (excluding GST) for these services.

9 Consents

Each of the parties referred to in this Section:

-) does not make, or purport to make, any statement in this Second Supplementary Prospectus other than those referred to in this Section; and
-) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Second Supplementary Prospectus other than a reference to its name and a statement included in this Second Supplementary Prospectus with the consent of that party as specified in this Section.

Grant Thornton has given its written consent to being named as Investigating Accountant in this Second Supplementary Prospectus and to the inclusion of the updated Investigating Accountant's Report in Schedule 2 in the form and context in which the information and report is included. Grant Thornton has not withdrawn its consent prior to lodgement of this Second Supplementary Prospectus with ASIC.

To the extent that this Second Supplementary Prospectus contains information in regards to Pearl's business, that information is based on statements by Pearl and Pearl has given its written consent to those statements in the form and context in which they were included. Pearl has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

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10 Directors' authorisation

This Second Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Second Supplementary Prospectus with ASIC.

A handwritten signature in black ink, appearing to read 'Victor Turco', written over a faint circular stamp or seal.

Victor Turco
Director

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Schedule 1 – Updated Financial Information

1.1 Introduction

The financial information set out in this Section contains the following financial information in relation to both Citation and Pearl, prepared by the Directors:

- J Summary audited consolidated historical statement of profit or loss and other comprehensive income for FY2015, FY2016 and FY2017 for both Citation and Pearl;
- J Summary audited consolidated historical statement of cash flows for FY2015, FY2016 and FY2017 for both Citation and Pearl; and
- J Historical statutory and pro forma consolidated historical statement of financial positions as at 30 June 2017 for Citation;

together the (“**Historical Financial Information**”).

All amounts disclosed in this section are presented in AUD, unless otherwise noted, and are rounded to the nearest \$'000.

In addition, investors should be aware that past performance is not an indication of future performance.

1.2 Basis of preparation of the Historical Financial Information

The Historical Financial Information included in this section has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards (including the Australian Accounting Interpretations).

The significant accounting policies of both Citation and Pearl relevant to the Historical Financial Information are noted in Appendix C of the Replacement Prospectus. The accounting policies of Citation and Pearl have been consistently applied throughout the periods presented.

The Historical Financial Information is presented in an abbreviated form and does not contain all of the disclosures, statements or comparative information required by Australian Accounting Standards applicable to financial reports prepared in accordance with the Corporation Act.

The Historical Financial Information has been prepared for the purpose of the Offers.

The Historical Financial Information has been derived from both Citation’s and Pearl’s audited financial statements for FY2015, FY2016 and FY2017.

The financial statements for Citation were prepared in Australian dollars and in accordance with AIFRS and were audited in FY2015, FY2016 and FY2017 by Grant Thornton Audit Pty Ltd who issued a disclaimed audit opinion for the FY2015 and FY2016 periods. The basis of this disclaimer related to the inability to obtain sufficient and appropriate audit evidence on the books and records of the subsidiary, Latin American Resources Limited, and the basis of accounting of the consolidated entity. Grant Thornton Audit Pty Ltd has audited the financial statements for FY2017 for Citation and issued a qualified opinion with a material uncertainty regarding the ability to continue as a going concern.

The financial statements for Pearl were prepared in Australian dollars and in accordance with AIFRS and were audited in FY2015, FY2016 and FY2017 by Grant Thornton Audit Pty Ltd. Grant Thornton Audit Pty Ltd issued a qualified audit opinion in FY2015 regarding opening balances in June 2014 and with an emphasis of matter regarding the ability to continue as a going concern in FY2016 and in FY2017 an unqualified audit opinion was issued with a material uncertainty regarding the ability to continue as a going concern.

1.3 Non IFRS financial measures

Investors should be aware that certain financial data included in this Section is “non IFRS financial information” under *Regulatory Guide 230: “Disclosing non IFRS financial information”* published by ASIC. The Directors of Citation believe that this non IFRS financial information provides useful information to users in measuring the financial performance and conditions of Citation and Pearl. As non IFRS measures are not defined by recognised standard setting bodies, they do not have a prescribed meaning. Therefore, the way in which Citation and Pearl calculate these measures may be different to the way other companies calculate similarly titled measures. Investors are cautioned not to place undue reliance on any non IFRS financial information and ratios.

In particular the following non IFRS financial data is included:

-) NLBT which means net loss before tax; and
-) NLPAT which means net loss after tax attributable to shareholders.

1.4 General factors affecting the operating results of Citation and Pearl

Below is a discussion of the main factors which affected Citation’s and Pearl’s operations and relative financial performance in FY2015, FY2016 and FY2017 which Citation and Pearl expect may continue to affect it in the future. The discussion of these general factors is intended to provide a summary only and does not detail all factors that affected Citation’s and Pearl’s historical operating and financial performance, nor everything which may affect Citation’s and Pearl’s operations and financial performance in the future.

1.5 Management discussion and analysis of the Historical Financial Information

Citation

The table below presents the statutory consolidated historical statement of profit or loss and other comprehensive income for FY2015, FY2016 and FY2017 and other non IFRS financial disclosures.

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	Audited	Audited	Audited
\$'000			
June year end	FY2015	FY2016	FY2017
Other income	16	435	-
Accounting and audit fees	(45)	(70)	(169)
Professional and consultancy fees	(385)	(780)	(321)
Directors fees	(180)	(134)	(18)
Depreciation expense	(1)	-	
Regulatory expenses	(76)	(87)	(49)
Impairment (exploration assets and associate)	-	(5,349)	-
Amortisation and fair value movement of embedded derivative	(854)	-	-
Loss on conversion of loan	(310)	(478)	-
Borrowing costs	(177)	(20)	-
Administrative expenses	(250)	(874)	(1,822)
NLBT	(2,262)	(7,357)	(2,379)
Income tax benefit	-	-	-
NLAT	(2,262)	(7,357)	(2,379)
Loss on discontinued operations	(17,900)	(6,520)	-
Foreign currency translation	3,275	-	-
Total comprehensive loss for the period	(16,887)	(13,877)	(2,379)

The consolidated historical statement of profit or loss and other comprehensive income have been extracted from the audited financial statements of Citation for FY2015, FY2016 and FY2017.

Other income

Other income recorded in FY2016 amounting to \$0.45 million relates to debt forgiveness of creditors approved in conjunction with the DOCA.

Expenses

In September 2016, Citation was placed into voluntary administration. The administrators have approved a DOCA to recapitalise Citation, acquire 100% of Pearl and settle creditors of the DOCA.

Professional and consultancy fees in FY2016 relate to professional service firm fees relating to the voluntary administration (48%) and corporate consultancy (52%) costs incurred during the period.

Impairment in FY2016 of \$5.3 million was due to the write off of previously capitalised exploration, evaluation and development expenditure and the value of the Pearl investment.

Administrative expenses in FY2017 included administrator and legal fees (95%). The increase in costs in FY2017 was due to increases in corporate costs in relation to the administrator and legal fees.

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The table below presents the statutory consolidated historical statement of cash flows for FY2015, FY2016 and FY2017.

\$'000	Audited FY2015	Audited FY2016	Audited FY2017
June year end			
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	3,214	-	-
Payments to suppliers and employees	(5,694)	(2,875)	(2,170)
Interest received	17	4	-
Interest expenses	(1)	-	-
Net cash outflow from operating activities	(2,464)	(2,871)	(2,170)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for exploration and evaluation expenditure	(2,125)	-	-
Payments for investment in associate	-	(3,000)	-
Net cash outflow from investing activities	(2,125)	(3,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares/share options	980	5,984	-
Share/share options issue costs	(67)	(397)	-
Funds held in trust	649	1,151	2,000
Repayment of borrowings	-	(860)	(1,000)
Creditor repayment per DOCA	-	-	(1,985)
Proceeds from share buyback	-	-	3,300
Proceeds from borrowings	1,539	-	-
Net cash inflow from financing activities	3,101	5,878	2,314
Net (decrease)/increase in cash and cash equivalents	(1,488)	7	144
Cash and cash equivalents at the beginning of the period	2,107	619	626
Cash and cash equivalents at the end of the period	619	626	770

The consolidated historical statement of cash flows has been extracted from the audited financial statements of Citation for FY2015, FY2016 and FY2017.

Operating and financing cash flows

Citation has continued to incur corporate operating costs over FY2015, FY2016 and FY2017 (**Historical Period**), with no offsetting operational revenue, which has resulted in operating cash out flows as activities have been wound down.

In FY2017, Citation divested its mining interests and 40% investment in Pearl, for a \$3.3 million cash consideration and issued shares with a fair value of approximately \$4 million which was a non cash transaction.

Pearl

The table below presents the statutory historical consolidated statement of profit or loss and other comprehensive income for FY2015, FY2016 and FY2017 and other non IFRS financial disclosures.

	Audited	Audited	Audited
\$'000			
June year end	FY2015	FY2016	FY2017
Revenue	38	-	7
Other income	20	3,326	9
Research and development costs	(1,606)	(1,767)	(2,574)
Amortisation of intangible assets	-	(139)	(207)
Cost of share buyback			(3,300)
NLBT	(1,548)	1,420	(6,065)
Income tax benefit	492	977	(469)
NLAT	(1,056)	2,397	(6,534)
Other comprehensive income	27	-	-
Total comprehensive income/(loss) for the period	(1,029)	2,397	(6,534)

The consolidated historical statement of profit or loss and other comprehensive income have been extracted from the audited financial statements of Pearl for FY2015, FY2016 and FY2017.

Revenue

Other income recorded in FY2016 amounting to \$3.3 million related to the funds received as a capital injection from Citation.

Expenses

Research and development costs in FY2017 are comprised of the following costs, professional and consultancy expenses (45%), legal costs (6%), travel expenses (4.8%), and other operating expenses (44.2%).

Research and development costs in FY2017 increase due to company increasing the level of research and development in conjunction with the increased output of production of the Thermal Desorption Units (TDUs).

The table below presents the statutory historical consolidated statement of cash flows in FY2015, FY2016 and FY2017, and other non IFRS measures.

	Audited	Audited	Audited
\$'000			
June year end	FY2015	FY2016	FY2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	-	351	7
Payments to suppliers and employees	(842)	(1,757)	(1,979)
Tax refund from research and development	-	492	977
Interest received	20	26	10
Net cash outflow from operating activities	(822)	(888)	(985)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(1,027)	(1,096)	(639)
Payment in exchange of the right to use the IP for the tyre recycling technology	-	(1,000)	-
Net cash outflow from investing activities	(1,027)	(2,096)	(639)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares	1,015	1,710	-
Payment for the Citation buyback	-	-	(3,300)
Proceeds from borrowings	-	-	4,170
Borrowing costs	-	-	(197)
Funds received from Citation	-	3,000	-
Net cash inflow from financing activities	1,015	4,710	672
Net (decrease) / increase in cash held	(834)	1,726	(952)
Cash and cash equivalents at the beginning of the period	1,183	349	2,075
Cash and cash equivalents at the end of the period	349	2,075	1,121

The consolidated historical statement of cash flows has been extracted from the audited financial statements of Pearl for FY2015, FY2016 and FY2017.

Operating cash flows

Pearl has continued to incur largely research and development costs over the Historical Period, with no offsetting operational revenue, which has resulted in operating cash out flows. A tax refund from the research and development expense incurred has been received over FY2016 and FY2017.

Investing cash flows

In FY2016, a \$1 million payment was made in exchange for the right to use the intellectual property for the tyre recycling technology.

In FY2017 the company repaid Citation \$3.3m for the initial 40% interest purchased by Pearl in FY2016.

1.6 Consolidated historical pro forma statement of financial position at 30 June 2017

The table below sets out the audited consolidated historical statement of financial position, the pro forma transactions that have been made (further described in Section 1.7) and the reviewed pro forma statement of financial position as at 30 June 2017. The pro forma statement of financial position is provided for illustrative purposes only and is not represented as being necessarily indicative of Citation's view of its future financial position.

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As at 30 June 2017	Section/ pro forma adjustment	Citation Audited \$'000	Pro forma adjustments Unaudited \$'000	Pro Forma Unaudited \$'000
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents		771	2,866	3,637
Trade and other receivables		1,087	(938)	149
TOTAL CURRENT ASSETS		1,858	1,928	3,786
NON CURRENT ASSETS				
Property, plant and equipment		-	2,222	2,222
Development assets		-	985	985
Other non-current assets held for sale		-	1,306	1,306
TOTAL NON CURRENT ASSETS		-	4,513	4,513
TOTAL ASSETS		1,856	6,441	8,299
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables		435	664	1,099
Borrowings		-	263	263
TOTAL CURRENT LIABILITIES		435	927	1,362
NON-CURRENT LIABILITIES				
Deferred tax liabilities		-	469	469
TOTAL NON-CURRENT LIABILITIES		-	469	469
TOTAL LIABILITIES		435	1,396	1,831
NET ASSETS		1,423	5,045	6,468
SHAREHOLDERS EQUITY				
Share capital		47,483	(37,074)	10,409
Reserves		3,197	1,407	4,604
Accumulated losses		(49,257)	40,712	(8,545)
TOTAL SHAREHOLDERS EQUITY		1,423	5,045	6,468

The historical consolidated statement of financial position has been extracted from the audited financial statements of CTR and Pearl for FY2017.

The pro forma statement of financial position as at 30 June 2017 reflects the subsequent events and pro forma transactions, the application of the funds from the Offer less the costs associated with the Offer as set out in Section 10.7.

1.7 Subsequent events and the pro forma transactions

The following transactions contemplated in the Replacement Prospectus which are to take place on or before the completion of the Offers, referred to as the subsequent events

This Second Supplementary Prospectus is to be read with the Refresh Supplementary Prospectus dated 4 October 2017 and the Replacement Prospectus dated 21 August 2017, issued by Citation Resources Limited ACN 118 710 508 (Subject to Deed of Company Arrangement) which replaced the original prospectus issued by the Company dated 10 July 2017.

and pro forma adjustments, are presented as if they, together with the Offers, had occurred on or before 30 June 2017 and are set out below.

With the exception of the subsequent events and pro forma transactions noted below no other material transactions have occurred between 30 June 2017 and the date of this Second Supplementary Prospectus which the Directors consider require disclosure.

Subsequent events:

- 1.1.1 The issue of convertible notes to the value of \$0.75 million at \$0.20 which will convert to 3,750,000 ordinary shares at completion of the Offers;
- 1.1.2 Operating expenses incurred between 30 June 2017 and 31 October 2017 totalled \$0.5m for Citation and \$1.7 million for Pearl; and
- 1.1.3 Short term loans provided to Pearl for working capital purposes of \$0.26 million.
- 1.1.4 The company's shareholders passed a resolution to consolidate the share capital of Citation on the basis that every 199 shares be consolidated into 7 shares.

Pro forma transactions:

- 1.1.5 **"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 ordinary shares (on a post Consolidation basis) at a value of \$0.20 per share, and a total fair value of \$16 million;
- 1.1.6 **"Issue of shares to a Director in satisfaction of accrued fees"**: the issue by Citation of 500,000 ordinary shares (on a post Consolidation basis) to Victor Turco, a Director of the Company, at a deemed issue price of \$0.20 per Share (fair value of \$0.1 million) in satisfaction of accrued directors fees. This Share issue will be treated as a share based payment and consequently expensed;
- 1.1.7 **"The Public Offer"**: the issue of 25 million Shares, at \$0.20 per Share, amounting to \$5 million under the Public Offer;
- 1.1.8 **"Public Offer costs"**: total cash expenses associated with the Public Offer (including broking, legal, accounting and administrative fees as well as printing, advertising and other expenses) are estimated to be \$0.8 million (inclusive of GST) under the Public Offer. Approximately \$0.33 million of these costs have been capitalised against equity, and the remaining costs expensed. Approximately \$0.6 million of these offer costs remain unpaid at 30 June 2017. No GST has been assumed to be recoverable. No deferred tax asset has been recognised in relation to the offer costs due to the uncertainty of when profits will be generated in the future.
- 1.1.9 **"Issue of advisors options"**: the issue of 36 million options to the lead advisor on completion of the Public Offer.
- 1.1.10 **"Convertible note conversion"**: The issue of convertible notes to the value of \$2.995 million at \$0.16 which will convert to 18,718,750 ordinary shares at completion of the Offers. In addition the noteholders at the completion of the Public Offer will be issued options on a 1 for three basis.

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1.8 Reviewed pro forma cash and cash equivalents

The reviewed pro forma cash and cash equivalents has been set out below:

	Pro forma adjustment	Pro Forma \$'000
Audited cash and cash equivalents at 30 June 2017		771
<i>Subsequent events:</i>		
The net impact of the payment of creditors following the DOCA being executed	1.7(b)	(498)
Convertible note issue	1.7(a)	750
Short term loans provided	1.7(c)	263
Operating expenses incurred by Pearl from 1 July to 31 October 2017	1.7(b)	(1,687)
Issue of options to the lead manager	1.7(i)	4
		(398)
<i>Pro forma transactions:</i>		
Cash acquired from Pearl	1.7(e)	1,121
Proceeds from shares issued under the Offer	1.7(g)	3,500
Payment of the costs relating to the Offer	1.7(h)	(586)
Pro forma cash and cash equivalents		3,637

1.9 Share capital

The reviewed pro forma share capital has been set out below:

	Pro forma adjustment	Pro Forma \$'000
Audited share capital at 30 June 2017		47,483
<i>Pro forma transactions:</i>		
Fair value of shares issued in consideration for Pearl	1.7(e)	16,000
Conversion of the Pearl convertible notes	1.7(j)	2,995
Issue of shares to a Director in satisfaction of accrued fees	1.7(f)	100
Fair value of the options to the lead manager capitalised	1.7(j)	(3,920)
Conversion of additional Pearl convertible notes	1.7(a)	750
Fair value of the shares issued under the Offer	1.7(g)	5,000
Offer costs capitalised under the Offer	1.7(h)	(330)
Acquisition accounting	1.7(e)	(57,669)
		(37,074)
Pro forma share capital		10,409

Citation has entered into an acquisition agreement to acquire 100% of the issued share capital of Pearl. Under the principles of AASB 3: "Business Combinations" Pearl is the accounting acquirer in the business combination. Therefore, the transaction has been accounted for as a reverse acquisition without recognising any goodwill. Accordingly, the

consolidated financial statements of Citation have been prepared as a continuation of the financial statements of Pearl.

The consideration in a reverse acquisition is deemed to have been incurred by the legal subsidiary (Pearl) in the form of equity instruments issued to the shareholders of the legal parent, Citation. The acquisition date fair value of the consideration transferred has been determined by reference to the fair value of the issued shares of Citation immediately prior to the business combination.

The deemed acquisition cost has been determined by using the fair value of Citation at 20 cents per share. Therefore the deemed acquisition cost is 9,250,694 shares x 20 cents which amounts to \$1.85 million less the net assets of Pearl at acquisition date, being ((\$0.93) million, net assets of Pearl at 30 June 2017), which equates to \$2.78 million and has been recognised in an acquisition reserve account.

1.10 Number of shares

	Pro forma adjustment	Pro Forma no. of shares
Audited number of shares issued at 30 June 2017		262,984,008
<i>Subsequent event:</i>		
Share consolidation (199 shares consolidated into 7 shares)	1.7(d)	9,249,952
<i>Pro forma transactions:</i>		
Shares issued in consideration for the acquisition of Pearl	1.7(e)	79,999,996
Conversion to ordinary shares of the Pearl convertible notes	1.7(j)	18,718,750
Conversion to ordinary shares of the Pearl convertible notes	1.7(a)	3,750,000
Issue of shares to a Director in satisfaction of accrued fees	1.7(f)	500,000
Shares issued under the Offer	1.7(g)	25,000,000
Pro forma shares issued		137,218,698

1.11 Reserves

The reviewed pro forma reserves have been set out below:

	Pro forma adjustment	Pro Forma \$'000
Audited reserves at 30 June 2017		3,197
<i>Pro forma transactions:</i>		
Fair value of the options issued to the Pearl Noteholders	1.7(j)	680
Fair value of the new options to the lead manager capitalised	1.7(i)	3,924
Deemed acquisition cost	1.7(e)	(416)
Acquisition accounting	1.7(e)	(2,781)
		1,407
Pro forma reserves		4,604

1.12 Accumulated losses

The reviewed pro forma accumulated losses have been set out below:

	Pro forma adjustment	Pro Forma \$'000
Audited accumulated losses at 30 June 2017		(49,257)
<i>Subsequent events:</i>		
The net impact of the payment of creditors following the DOCA being executed	1.7(b)	(498)
Operating expenses incurred to 31 October 2017	1.7(b)	(1,686)
Offer costs expensed under the Offers	1.7(h)	(257)
		(51,698)
<i>Pro forma transactions:</i>		
Issue of shares to a Director in satisfaction of accrued fees	1.7(f)	(100)
Share based payment expense on issue of convertible notes	1.7(j)	(680)
Acquisition accounting	1.7(e)	43,933
		43,153
Pro forma accumulated losses		(8,545)

1.13 Indebtedness and capitalisation

The table below sets out the indebtedness and capitalisation of Citation as at 30 June 2017, before and following completion of the Offers:

\$'000	At 30 June 2017	Pro forma
Cash and cash equivalents	771	(3,637)
Borrowings	-	263
Total indebtedness	(771)	(3,374)
Share capital	47,483	10,409
Reserves	3,197	4,604
Accumulated losses	(49,257)	(8,545)
Total equity	1,423	6,468
Total capitalisation and indebtedness	652	3,094

Schedule 2 – Updated Investigating Accountant’s Report

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This Second Supplementary Prospectus is to be read with the Refresh Supplementary Prospectus dated 4 October 2017 and the Replacement Prospectus dated 21 August 2017, issued by Citation Resources Limited ACN 118 710 508 (Subject to Deed of Company Arrangement) which replaced the original prospectus issued by the Company dated 10 July 2017.



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Board of Directors
Citation Resources Limited, to be renamed Pearl Global Limited
Level 1, Wesley Central
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21 November 2017

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Dear Directors,

INDEPENDENT LIMITED ASSURANCE REPORT AND FINANCIAL SERVICES GUIDE

Introduction

We have been engaged by Citation Resources Limited, to be renamed Pearl Global Limited ("Citation", or the "Company") to report on the Historical and Pro forma Financial Information of the Company for inclusion in a Second Supplementary Prospectus (the "Supplementary Prospectus") to be dated on or about 21 November 2017 to be issued by Citation in respect to the offer of new shares in the Company ("Public Offer").

Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") holds an Australian Financial Services Licence (AFS Licence Number 247140). This report is both an Independent Limited Assurance Report, the scope of which is set out below, and a Financial Services Guide, as attached at **Appendix A**.

Expressions defined in the Supplementary Prospectus have the same meaning in this report, unless otherwise specified.

Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 ACN 003 265 987
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Holder of Australian Financial Services Licence No. 247140

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Scope of this Report

You have requested Grant Thornton Corporate Finance to review the following Historical and Pro Forma Financial Information included in the Supplementary Prospectus.

The Historical and Pro Forma Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in Australia in accordance with the Corporations Act 2001.

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdiction outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Historical and Pro Forma Financial Information

The Historical and Pro Forma Financial Information of Citation and Pearl Global Pty Ltd (“Pearl”), as set out in the Supplementary Prospectus comprises:

- Summary audited consolidated historical statement of profit or loss and other comprehensive income for FY2015, FY2016 and FY2017 for Citation;
- Summary audited consolidated historical statement of profit or loss and other comprehensive income for FY2015, FY2016 and FY2017 for Pearl;
- Summary audited consolidated historical statement of cash flows for FY2015, FY2016 and FY2017 for Citation;
- Summary audited consolidated historical statement of cash flows for FY2015, FY2016 and FY2017 for Pearl;
- The audited consolidated historical statement of financial position for Citation as at 30 June 2017; and
- The historical pro forma consolidated statement of financial position of Citation as at 30 June 2017.

(Hereafter the “Historical and Pro Forma Financial Information”).

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The Historical and Pro Forma Financial Information has been derived from both Citation and Pearl's audited financial statements for FY2015, FY2016 and FY2017. No pro forma adjustments have been made to the historical audited financial statements.

The financial statements for Citation were prepared in AUD dollars and in accordance with AIFRS and were audited in FY2015 and FY2016 by Grant Thornton Audit Pty Ltd who issued a disclaimed audit opinion in each of these periods. The basis of this disclaimer related to the inability to obtain sufficient and appropriate audit evidence on the books and records of the subsidiary, Latin American Resources Limited, and the basis of accounting of the consolidated entity. Grant Thornton Audit Pty Ltd has audited the financial statements for FY2017 for Citation and issued a qualified opinion with a material uncertainty regarding the ability to continue as a going concern.

The financial statements for Pearl were prepared in AUD dollars and in accordance with AIFRS and were audited in FY2015 and FY2016 by Grant Thornton Audit Pty Ltd. Grant Thornton Audit Pty Ltd issued a qualified audit opinion in FY2015 regarding the opening balances in June 2014 and with an emphasis of matter regarding the ability to continue as a going concern and an unqualified audit opinion in FY2016 with an emphasis of matter regarding the ability to continue as a going concern. Grant Thornton Audit Pty Ltd has audited the financial statements for FY2017 for Pearl and issued an unqualified opinion with an emphasis of matter regarding the ability to continue as a going concern.

The historical pro forma consolidated statement of financial position as at 30 June 2017 assumes completion of the proposed transactions outlined in Schedule 1 – Section 1.7 of the "Financial Information" section which includes the Offer and the events occurring subsequent to 30 June 2017 (the "Pro Forma Transactions") as though they had occurred on that date.

The stated basis of preparation is the recognition and measurements principles contained in AIFRS and Citation's and Pearl's adopted accounting principles applied to the Historical and Pro Forma Financial Information.

The accounting policies of Citation and Pearl have been consistently applied throughout the periods presented.

This report has been prepared for inclusion in the Supplementary Prospectus. Grant Thornton Corporate Finance disclaim any assumption of responsibility for any reliance on this report or on the Financial Information to which this report relates for any purpose other than the purposes for which it was prepared. This report should be read in conjunction with the Supplementary Prospectus.

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Directors' Responsibility

The Directors of Citation are responsible for the preparation and presentation of the Historical and Pro Forma Financial Information. The Directors are also responsible for the determination of the pro forma transactions set out in Schedule 1 – Section 1.7 of the “Financial Information” section and the basis of preparation of the Historical and Pro Forma Financial Information.

This responsibility also includes compliance with applicable laws and regulations and for such internal controls as the Directors determine necessary to enable the preparation of the Historical and Pro Forma Financial Information that are free from material misstatement.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical and Pro Forma Financial Information based on the procedures performed and evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3420: *“Assurance Engagements to Report on the Compilation of Pro Forma Historical Pro Forma Financial Information”* and ASAE 3450: *“Assurance Engagements involving Corporate Fundraisings and/ or Prospective Historical Pro Forma Financial Information”*. Our procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures applied to the accounting records in support of the Historical and Pro Forma Financial Information.

These procedures are substantially less in scope than an audit conducted in accordance with Australian Auditing Standards, and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Historical and Pro Forma Financial Information.

Our engagement did not involve updating or re issuing any previously issued audit reports on any Historical and Pro Forma Financial Information used as a source of the Historical and Pro Forma Financial Information.

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Conclusion

Historical and Pro Forma Financial Information

Based on our independent review, which is not an audit, nothing has come to our attention which causes us to believe that the Historical and Pro Forma Financial Information of Citation and Pearl described in the “Financial Information” section of the Supplementary Prospectus does not present fairly:

- Summary audited consolidated historical statement of profit or loss and other comprehensive income for FY2015, FY2016 and FY2017 for Citation;
- Summary audited consolidated historical statement of profit or loss and other comprehensive income for FY2015, FY2016 and FY2017 for Pearl;
- Summary audited consolidated historical statement of cash flows for FY2015, FY2016 and FY2017 for Citation;
- Summary audited consolidated historical statement of cash flows for FY2015, FY2016 and FY2017 for Pearl;
- The audited consolidated historical statement of financial position for Citation as at 30 June 2017;
- The historical pro forma consolidated statement of financial position of Citation as at 30 June 2017; and
- The pro forma transactions set out in Schedule 1 – Section 1.7 of the “Financial Information” section are a reasonable basis for the historical pro forma consolidated statement of financial position as 30 June 2017;

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements under AIFRS as if the pro forma transactions set out in in Schedule 1 – Section 1.7 of the “Financial Information” section had occurred at 30 June 2017.

We have assumed, and relied on representations from certain members of management of Citation and Pearl, that all material information concerning the historical operations of Citation and Pearl has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

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Restriction on Use

Without modifying our conclusion, we draw attention to the “Financial Information” section, which describes the purpose of the Historical and Pro Forma Financial Information, being for inclusion in the Supplementary Prospectus. As a result, the Historical and Pro Forma Financial Information may not be suitable for use for another purpose.

Consent

Grant Thornton Corporate Finance has consented to the inclusion of this Independent Limited Assurance Report in the Supplementary Prospectus in the form and context in which it is included.

Liability

The liability of Grant Thornton Corporate Finance is limited to the inclusion of this report in the Supplementary Prospectus. Grant Thornton Corporate Finance makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Supplementary Prospectus.

Independence or Disclosure of Interest

Grant Thornton Corporate Finance does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Grant Thornton Corporate Finance will receive a professional fee for the preparation of this Independent Limited Assurance Report.

Yours faithfully
GRANT THORNTON CORPORATE FINANCE PTY LTD

Tim Goodman
Partner and Authorised Representative

Mark Petricevic
Partner – Audit & Assurance

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Level 17, 383 Kent Street
Sydney NSW 2000

Appendix A (Financial Services Guide)

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

This Financial Services Guide is dated 21 November 2017.

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1 About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987, Australian Financial Services Licence no 247140) ("Grant Thornton Corporate Finance") has been engaged by Citation Resources Limited, to be renamed Pearl Global Limited ("Citation", or the "Company") to provide general financial product advice in the form of an Independent Limited Assurance Report (the Report) to accompany the Historical Pro Forma Financial Information for the purpose of pre quotation disclosure prior to readmission to the Australian Securities Exchange. You have not engaged us directly but have been provided with a copy of the report as a retail client because of your connection to the matters set out in the report.

2 This Financial Services Guide

This Financial Services Guide ("FSG") is designed to assist retail clients in their use of any general financial product advice contained in the report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the report, and how complaints against us will be dealt with.

2 Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

3 General financial product advice

The report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

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Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail finance product advice directly to retail investors nor does it provide market related advice directly to retail investors.

4 Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including the report. These fees are negotiated and agreed with the entity who engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this report, Grant Thornton Corporate Finance will receive from the Company a fee of \$15,000 plus GST which is based on commercial rates plus reimbursement of out of pocket expenses.

Partners, Directors, employees or associates of Grant Thornton Corporate Finance, and related bodies corporate, may receive dividends, salary or wages from Grant Thornton Australia Ltd. None of those persons or entities receives non-monetary benefits in respect of, or that is attributable to the provision of the services described in this FSG.

5 Referrals

Grant Thornton Corporate Finance including its Partners, Directors, employees or associates and related bodies corporate, does not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licenced to provide.

6 Associations with issuers of financial products

Grant Thornton Corporate Finance and its Partners, Directors, employees or associates and related bodies corporate may from time to time have associations or relationships with the issuers of financial products. For example, Grant Thornton Audit Pty Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business.

In the context of the report, Grant Thornton Corporate Finance considers that there are no such associations or relationships which influence in any way the services described in this FSG.

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7 Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Ombudsman Service (membership no. 11800). All complaints must be in writing and addressed to the National Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint.

If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 367 287

Grant Thornton Corporate Finance is only responsible for the report and FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

8 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

9 Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

National Head of Corporate Finance
Grant Thornton Corporate Finance Pty Ltd
Level 17, 383 Kent Street
Sydney, NSW, 2000

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