

Pearl Gold AG announces Capital Increase against contributions in kind

Malian company SODINAF acquires 5,000,000.00 new shares in Pearl Gold by a transfer of rights

Frankfurt, 16 March 2012 – Pearl Gold AG (02:GR), a German holding that invests in West African mining projects, has announced to issue 5,000,000.00 new ordinary bearer shares against contributions in kind – excluding the subscription rights of the shareholders – to the Malian company Société pour le développement des Investissements en Afrique (SODINAF) SA, Bamako/Mali. Thereby, the current share capital of Pearl Gold AG in the amount of EUR 20,000,000.00, divided into 20,000,000.00 shares, will be increased by EUR 5,000,000.00 to EUR 25,000,000.00. The capital increase becomes effective with registration into the commercial register.

The contribution in kind shall be constituted by a transfer of rights currently owned by SODINAF. SODINAF received the right on the delivery of troy ounces of gold from Wassoul'Or SA, Bamako/Mali, in exchange for the obligation to finance construction of the Kodieran gold mine, operated by Wassoul'Or SA, in which Pearl Gold holds a 25% stake. Following a profound economic evaluation, the management board of Pearl Gold has determined for the issue of the 5 million new shares a total equivalent of 48,000 troy ounces of gold, of which 14,000 troy ounces to be delivered to Pearl Gold in 2012 and 34,000 troy ounces to be delivered in 2013. This amount is based on a share price of EUR 12.3465 that was obtained by using the average between the three-month average weighted stock price of Pearl Gold and the average close price of the company's share each for the Frankfurt floor trading and XETRA trading. Additionally, Pearl Gold's management board has taken the current and the current future gold price as per December 2013 into account. "By acquiring the delivery right of gold ounces, our shareholders have the opportunity to participate in the upside between the current gold price and the gold price that is currently expected by analysts," said Lutz Hartmann, member of Pearl Gold's management board. "The right adds a special asset to Pearl Gold and allows us to overcome a certain discount that is currently applied to gold mines against the valuation that is applied to physical gold. Furthermore, the gold delivery in December will place us in a position to even sooner generate liquidity and to submit to the shareholders attractive projects or dividends."

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Pearl Gold AG

Pearl Gold AG is a holding company listed on the Open Market of the German Stock Exchange, based in Frankfurt. The company focuses on investments in West African exploration and mining corporations, especially in the field of gold and other precious metals. The first investment of Pearl Gold is the Malian mining company Wassoul'Or, in which Pearl Gold holds 25% of shares. Wassoul'Or concentrates on the exploration and production of gold and runs the Kodieran gold mine in the South of Mali.

For further information visit <http://www.pearlgoldag.com>

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