This document merely constitutes a non-binding convenience translation of the German Wertpapierprospekt (the “Prospectus”) as approved by the German Financial Supervisory Authority (Bundesfinanzdienstleistungsaufsicht – BaFin) on September 14th, 2012 relating to the listing of all shares of Pearl Gold AG (the “Shares”) in Germany. Only the Prospectus is legally binding in connection with the listing of the Shares. This document does not constitute an offer to sell or a solicitation to make an offer to buy any securities in any jurisdiction, in particular in connection with the Shares. Investors who consider purchasing Shares must base their investment solely on the content of the Prospectus. This document has been prepared for information purposes only.

Prospectus

of 14 September 2012

for admission to the regulated Market of the Frankfurt Stock Exchange without additional post-admission obligations (General Standard)

of 25,000,000 non-par bearer shares (EUR 25,000,000 total share capital),
each representing a notional amount of the share capital of EUR 1.00 with full dividend rights as of 1 January 2012

International Securities Identification Number (ISIN): DE000A0AFGF3
German Securities Identification Number (WKN): A0A FGF
Ticker symbol: 0P2

of

PEARL GOLD AG
Frankfurt am Main

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SUMMARY OF THE PROSPECTUS

Summaries contain the disclosure requirements designated as "items". These items are presented in the sections numbered A through E (A.1 through E.7).

This summary contains all the necessary items required in a summary for this type of security and issuer. Since inclusion of some of these items is not mandatory, it is possible that gaps may appear in the numbering of the items.

Even if inclusion of an item in the summary is required due to the type of security and issuer, it is possible that no relevant information can be provided for that item. In this case, a short explanation of the item is included in the summary along with the notation "Omitted".

Section A – Introduction and Warnings

A.1	Introduction and warnings	This summary is to be regarded as an introduction to the prospectus. Investors should base any decision to invest in the securities of the Company described here on examination of the complete prospectus. In the event that legal claims based on information contained in this prospectus are brought before a court, the investor appearing as plaintiff may have to bear the cost of translating the prospectus prior to the start of legal proceedings under the legal provisions of the individual states of the European Economic Area. PEARL GOLD AG, Frankfurt am Main (hereinafter referred to as the "Company" or the "Business") and biw Bank für Investments und Wertpapiere AG, Willich, are responsible for this summary. They may be held liable, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this prospectus, or if it does not provide all of the required information when read together with the other parts of this prospectus.

Section B – Issuer

B.1	Legal and commercial name of the	PEARL GOLD AG

	issuer	
B.2	Domicile and legal form/applicable law/country of incorporation	PEARL GOLD AG is domiciled in Frankfurt am Main, An der Welle 4, 60322 Frankfurt am Main, Germany and is a German stock corporation. It was incorporated in Germany and is subject to German law. The Company is registered under the number HRB 84285 in the commercial register at the Local Court in Frankfurt am Main.
B.3	Nature of the business and primary markets	The Company is a stock corporation with specific focus on gold mining projects in West Africa as a project developer and active investor. The nature of PEARL GOLD AG's business is the direct and indirect acquisition and development of interests and concessions in foreign mining enterprises (particularly those concerned with extraction of gold and other precious metals), consulting and research services for the development and implementation of projects relating to the recovery of Gold and other precious metals, as well as the financing of such projects. The focus is on strategic development and investment in West African exploration and mining projects, particularly with respect to gold and other precious metals. Consulting services are provided by the Company's service providers to affiliated businesses and third parties in the areas of financial structuring, business presentation, strategic direction and organization. It is the intention of PEARL GOLD AG to invest in projects that promise cost-efficient production. PEARL GOLD AG has initially acquired an interest in the Kodiéran Gold Mine located south-east of Bamako in Mali. The Kodiéran Gold Mine is operated by Wassoul'Or S.A. (also referred to in the following as "Wassoul'Or"), one of the few Mali-based gold mining companies.
B.4a	Known Trends	Despite the increase in gold prices in recent years, gold extraction and the supply of

		extractable gold cannot appreciably increase in the short term. Due to the low gold prices in the 1980s and 1990s, mining companies worldwide had little or no resources for the exploration or development of new deposits. In mining projects, several years are normally needed to go from exploration to regular extraction of the first ounces of gold, mainly due to the complexity of the process. For this reason, increasing gold production in the short-term was not possible, even after the significant rise in the gold price. Because the supply of gold in the earth's crust is declining, mine operators are also forced to engage in ever more costly projects in order to find significant gold deposits. Added to this is a general inflation in production costs. The high price of production then affects the balance of supply and demand. If the price of gold falls sharply, many mines become unprofitable and stop operating. This in turn reduces the gold supply, which produces the effect of rising prices. The cost of gold production establishes its intrinsic value, meaning the value that results from objective calculation of the production and extraction costs representing the pure material cost of the metal. Since mine operators must manage their investments as any other business does, they will develop new supplies of gold only if it makes economic sense to do so. The increase in the gold price over the decades is also the consequence of the overall increase in mining costs. The demand for gold naturally fluctuates due to this. It is also dependent on both economic and political factors as well as certain country-specific events. The basis for the current trend of rising gold demand currently seen in Asia includes the increased economic power and elevated standard of

<table>
<tr><td></td><td></td><td>living in this region.</td></tr>
<tr><td>B.5</td><td>Group structure</td><td>Omitted. (The Company is not part of a group.)</td></tr>
<tr><td>B.6</td><td>Shareholders and controlling interests</td><td>To this point there have been no relevant obligations for shareholders to report share ownership under the German Securities Trading Act (Wertpapierhandelsgesetz - "WpHG"), since the Company has not been listed on an organized market within the meaning of § 2 (5) WpHG. The shareholders of PEARL GOLD AG are largely anonymous and the Company is not known since, under the German Stock Corporation Act, shareholders are required to report with respect to the Company only if they exceed or fall short of certain reporting thresholds.

Currently, the known shareholder structure of the Company is as follows:

<table>
<tr><th>Shareholder</th><th>Number of shares</th><th>Proportion of share capital</th></tr>
<tr><td>Company Board</td><td>10,010</td><td>0.04%</td></tr>
<tr><td>Supervisory Board Member of the Company Diallo, held by SODINAF S.A., Bamako, Mali</td><td>534,697</td><td>2.14%</td></tr>
<tr><td>Other Supervisory Board members</td><td>67,900</td><td>0.27%</td></tr>
<tr><td>Free float</td><td>24,387,393</td><td>97.5%</td></tr>
<tr><td></td><td>25,000,000</td><td>100%</td></tr>
</table>

Each share confers one vote at the Shareholders Meeting of the Company. There are no differentiated voting rights.

There are no other direct or indirect participation or controlling interests known to the Company beyond the participating interests listed.</td></tr>
<tr><td>B.7</td><td>Selected historical financial data</td><td>Unless otherwise noted, the financial data contained in this prospectus comes from the</td></tr>
</table>

		following financial statements of PEARL GOLD AG, each as of 31 December of the given year, prepared under IFRS (International Financial Reporting Standards) as applied in the EU: • 2011 Individual Financial Statements under IFRS (audited) • 2010 Individual Financial Statements under IFRS (audited) • 2009 Annual Statement under the German Commercial Code (Handelsgesetzbuch - "HGB") (audited) with transition from HGB to IFRS as of 1 January 2010 (subjected to auditor's review) The figures referred to below are taken from the statements listed above. Preliminary remarks regarding the Annual Statement under HGB as of 31 December 2009: Since shares in the previous shell company Perle 16. AG (later reorganized as PEARL GOLD AG) were not transferred until November 2009, the Annual Statement for 2009 only shows subscribed capital of EUR 50 thousand as well as the net debt of EUR 92.5 thousand first reported in 2009 as an expense for consulting services performed in November and December 2009 but not yet paid for. Therefore, there is no tabular presentation of the financial data from 2009 in the summary. The 2011 (2010) income statement essentially shows the first limited revenues from consulting and project development activities, expenses paid to third parties for consulting services in the areas of financial markets, management, tax and law, as well as auditing fees (consulting fees). Income statement overview: 2011 EUR	2010 EUR

			x 000	x 000

Revenue	48.5	22.0
Consulting fees	-687.9	-738.3
Subtotal	-639.4	-716.3
Other income and expenses	128.9	109.8
Net loss	-510.5	-606.5

The balance sheet in 2011 (2010) essentially shows the 25% interest in the gold mining company Wassoul'Or, Bamako (Mali), and payment obligations for consulting services performed.

In January/March 2010, capital was raised through an in-kind capital increase with 9,950,000 new shares of PEARL GOLD AG issued to Mansa Moussa Gold Fund. For this, Mansa Moussa Gold Fund contributed a share of around 12.5% of Wassoul'Or that it held, which at that time had a fair value of EUR 70,000.0. The subscribed capital of PEARL GOLD AG therefore increased by EUR 9.950 million The difference of EUR 60.050 million – between the fair value of the in Wassoul'Or shares received and the amount by which the subscribed capital of PEARL GOLD AG increased – was placed in capital reserves.

In May/June 2010, an additional share of around 12.5% of Wassoul'Or held by Mansa Moussa Gold Fund was transferred to PEARL GOLD AG. The basis of this transfer was an arm's length purchase agreement between PEARL GOLD AG as buyer and Mansa Moussa as seller. In the purchase agreement, the parties presumed a fair value of EUR 70 million for the approximate 12.5% share of Wassoul'Or. In March 2011, Mansa Moussa Gold Fund finally transferred its purchase price claim resulting from the purchase agreement to PEARL GOLD AG against new shares in PEARL GOLD AG. At the same time, Mansa Moussa was issued 9,750,000 new shares as part of the capital increase. The subscribed capital of PEARL GOLD AG thereby increased by EUR 9.750 million. The difference of EUR 60.250 million – between the fair value of the shares received and the amount by which the subscribed capital of PEARL GOLD AG increased – was placed in capital reserves.

In the meantime, in November/December 2010, the subscribed capital was increased by EUR 250 thousand to EUR 10.250 million by means of a cash capital increase.

Other liabilities mainly include short-term current accounts payable to related parties. The funds received through this current account credit were applied to the payment of trade liabilities. These trade liabilities stem largely from consulting fees payable to third parties.

Balance sheet overview:

	2011 EUR x 000	2010 EUR x 000
Assets		
Financial investments	140,000.0	140,000.0
Other assets	611.0	239.8
Total assets	140,611.0	140,239.8
Equity and Liabilities		
Subscribed capital	20,000.0	10,250.0
Capital reserves	120,300.0	60,050.0
Net accumulated loss	-1,209.8	-699.3
Reserve for fair		

valuation	-114.8	-114.8
Total equity	138,975.4	69,485.9
Trade payables	391.4	70,318.0
Other reserves	128.9	57.5
Other liabilities	1,115.3	378.4
Total assets	140,611.0	140,239.8

The cash flow statement essentially shows the inflow of funds financed short-term from related parties in 2011 (2010) in the amount of EUR 736.9 thousand (EUR 378.4 thousand) as well as the inflow of cash in 2010 in the amount of EUR 250 thousand from the cash capital increase that took place in November/December 2010. These are offset by cash outflows to service invoices received from third parties.

Cash flow statement overview:

	2011 EUR x 000	2010 EUR x 000
Earnings before Tax	-510.5	-606.5
Increase in other reserves	71.4	5.2
Increase in deferred tax assets	-96.1	-113.9
Changes in working capital	-128.5	156.9
Cash flow from operations	-663.7	-558.3
Cash flow from investments	0.0	-114.8
Cash from the issue of new shares	0.0	250.0
Cash from short-term		

financing	736.9	378.4
Cash flow from financing	736.8	628.4
Increase (+) / Decrease (-) in cash	+73.2	-44.7
Cash at the beginning of the period	5.0	49.7
Cash at the end of the period	78.2	5.0

The first-time conversion to IFRS produced no material effects on the net assets, financial position and results of operations of PEARL GOLD AG.

The following significant developments took place after the balance sheet date:

In an agreement dated 9 March 2012, the Malian company SODINAF S.A. agreed to contribute claims for 48,000 troy ounces of gold (from among its claims against Wassoul'Or for delivery of certain quantities of troy ounces of gold) to PEARL GOLD AG as a contribution in kind in exchange for a grant of 5,000,000 new shares of PEARL GOLD AG.

Based on the resolution of the extraordinary Shareholders Meeting of 16 June 2011 approving authorized capital, the share capital of EUR 20,000,000.00 was increased by EUR 5,000,000.00 to EUR 25,000,000.00 for this purpose.

Only SODINAF was permitted to purchase the 5,000,000 new shares – due to SODINAF's claims for delivery of 48,000 troy ounces of gold against Wassoul‘Or which were contributed to PEARL GOLD AG. This utilization of 5,000,000.00 in authorized capital was recorded in the

		commercial register at the Local Court in Frankfurt am Main on 20 March 2012. As of 31 August 2012, there are claims for delivery of 48,000 troy ounces of gold, of which 14,000 troy ounces are due on 15 December 2012 and the remaining 34,000 troy ounces are due on 15 December 2013, representing a value of EUR 64.560 million based on the price on 31 August 2012 of approximately EUR 1.345 million [sic] per troy ounce. Accordingly, the first tranche due on 15 December 2012 has a value of approximately EUR 18.830 million – from which the funds likely to be needed this year can still be generated due to the high liquidity of pure gold. Even if 80% less value were realized and as a result 80% less additional currency, the Company, as long as it does not voluntarily take on additional debt in the future, would still be financed if the EUR 649.4 million on hand as of 31 August 2012 plus the liquidity of around EUR 3.766 million, i.e. a total of around EUR 4.415 million was available for the settlement of liabilities. Considering this, utilization of the additional credit line offered to the Company has not yet been considered.
B.8	Selected pro-forma financial data	Omitted. (No changes to the structure of the Company are pending or have taken place which would require submission of pro-forma information.)
B.9	Earnings outlook or estimate	n/a as no earnings outlook or estimate is available.
B.10	Qualifications in the audit opinions on historical financial data.	Independent auditors from the auditing firm of Warth & Klein Grant Thornton GmbH & Co. KG, Frankfurt am Main, have issued audit opinions for the Annual Statements of PEARL GOLD AG under HGB as of 31 December 2011 and 31 December 2010, as well as the Individual Financial Statements under IFRS as of 31 December 2011. Without qualifying the audit opinions, the

		auditors have pointed out that PEARL GOLD AG is exposed to special political, social and regulatory country risks due to the operation of Wassoul'Or in the Republic of Mali, and that one cannot rule out that negative consequences may arise for Wassoul'Or S.A. (and thus for PEARL GOLD AG) from this fact.
B.11	Statement concerning working capital	Omitted. (In the estimation of the Company, PEARL GOLD AG has sufficient working capital to meet obligations payable under the current plan for the next 12 months.)

Section C – Securities

C.1	Type and class of securities to be admitted for trading	All shares are bearer shares. All shares in the Company are issued as common shares in the name of the bearer without nominal value (no par-value shares). The shares have been registered as global certificates which are deposited with Clearstream Banking AG, Eschborn, as the central securities depository. ISIN: DE000A0AFGF3 WKN: A0A FGF Ticker symbol: 0P2
C.2	Currency of the securities issue	The currency of the securities issue is the euro ("EUR")
C.3	Number of issued and fully paid-in shares and issued but not fully paid-in shares, and nominal value per share	The Company's initial capital is EUR 25,000,000.00. It is divided into 25,000,000 no par-value bearer shares with no nominal value each with a proportionate amount of the initial capital of EUR 1.00 per share. The initial capital is fully paid-in. Payment took place in the form of cash and in kind contributions.
C.4	Rights associated with the securities	Each share confers one vote at the Shareholders Meeting of the Company. All shares in the Company are entitled to dividends for the entire current financial year of 2012.

C.5	Restrictions on the free transferability of the securities	Omitted. (The shares are freely transferable in compliance with legal provisions applicable to bearer shares. There are no restrictions or bans on transferring shares in the Company.)
C.6	Information as to whether an application has been or will be made for the securities being offered to be admitted for trading on a regulated market, and the name of all regulated markets on which the securities are traded or may be traded.	The shares under WKN A0A FGF are included on the Quotation Board on the Open Market/OTC Market of the Frankfurt Stock Exchange. Application for admission of all existing share capital for trading on the regulated Market of the Frankfurt Stock Exchange without additional post-admission obligations (General Standard) is expected to be made on or around the day this prospectus is approved. The admission notice is expected on 21 September 2012. Trading of shares under WKN A0A FGF on the regulated Market of the Frankfurt Stock Exchange (General Standard) is expected to begin on 25 September 2012.
C.7	Dividend policy	The shareholders' proportions of the earnings are determined by their proportions of the share capital of the Company. The regular Shareholders Meeting is responsible for decisions on dividend distributions. Under German law, if the Company does not record profits, it may not distribute dividends. Since its founding in 2008, the Company has made no dividend distributions.

Section D – Risks

D.1	Key information on major risks that apply to the issuer or its industry	PEARL GOLD AG is exposed to several risks which, either individually or together, may have material adverse effects on the net assets, financial position and results of operations of the Company. Since its interest in Wassoul'Or is a major asset of PEARL GOLD AG, all risks affecting Wassoul'Or are also risks to PEARL GOLD AG.

		In summary, these are: **Market-related Risks/Risks to the Gold Market and the Gold Mining Industry in General** • The financial performance of the Company is highly dependent upon the price of gold. • The business of gold mining involves a number of risks and hazards, many of which are outside the control of Wassoul'Or and which may not be covered by insurance. • Global economic conditions could adversely affect the profitability of the operations of Wassoul'Or. • Wassoul'Or's business operations are subject to extensive governmental and environmental regulations which could lead to additional costs that adversely affect the Company's results of operations. • Wassoul'Or currently possesses all required state and environmental licences for the mining operation. However, it cannot be guaranteed that significantly different conditions relating to environmental and other state licences will not be imposed on it in the future. **Specific Risks relating to the Operation of Wassoul'Or** • The anticipated production performance and/or cost estimates for Wassoul'Or may not be achieved. • The Company's stated mineral reserves and resources are only estimates based on a range of assumptions, and there can be no assurance that the anticipated tonnages or grades will be achieved. • Operational and technical problems

		could limit the production potential of Wassoul'Or or delay production. • Wassoul'Or faces competition from other mining companies for the acquisition of new properties and concessions. • Wassoul'Or faces certain risks in dealing with trespass and unauthorized small-scale mining in proximity to and on specific areas covered by Wassoul'Or's exploration and special mining licences in Mali. • Power outages and fluctuations and disruptions in electrical power supply could adversely affect Wassoul'Or's net assets, financial position and results of operations. • Wassoul'Or is reliant on sufficient local water resources and water supply systems for its production. • Currency fluctuations may adversely affect the net assets, financial position and results of operations of Wassoul'Or since income is generated almost completely in USD while a portion of the expenses are incurred in CFA Francs (CFA Franc BCEAO = Franc de la Communauté Financière d'Afrique - currency of the West African Economic and Monetary Union). • The operation of Wassoul'Or requires substantial ongoing capital expenditures. • Wassoul'Or's mining, processing, exploration and development operations rely on the availability of adequate infrastructure. • Wassoul'Or intends to sell a portion of the gold produced under futures contracts. Should Wassoul'Or not be in the position to fulfil its obligations at the agreed point in time, this could have adverse effects on its net assets, financial position

		and results of operations. • Wassoul'Or is reliant on the experience of the members of its senior management team. • Wassoul'Or is reliant on its employees since the operation of Wassoul'Or is significantly dependent on the contributions of individual employees in key positions. • Wassoul'Or is dependent on certain contractual partners and their failure could have adverse effects on the net assets, financial position and results of operations of Wassoul'Or. Wassoul'Or's business depends on good relations with its employees. A breakdown in these relations and/or restrictive labour and employment laws could have an adverse impact on Wassoul'Or's operations. • AIDS may pose a risk to productivity and create additional costs for Wassoul'Or if its employees are infected with HIV. • Wassoul'Or faces certain risks in connection with malaria and dengue fever and a wide range of infectious diseases, which may have an adverse effect on net assets. • Wassoul'Or's insurance coverage may prove to be insufficient. • Negative headlines could have an adverse effect on Wassoul'Or. • Dividend distribution depends on the shareholders agreement of 13 October 2011 between the Republic of Mali, the SOCIÉTÉ POUR LE DÉVELOPPEMENT DES INVESTISSEMENTS EN AFRIQUE S.A. (SODINAF S.A.) (referred to below as SODINAF), Mali, and PEARL GOLD AG. **Risks relating to the Structure of PEARL GOLD AG**

		• PEARL GOLD AG's ability to distribute dividends critically depends on whether it receives dividend distributions from its investment in Wassoul'Or • The timing of dividend distributions depends on factors that are beyond PEARL GOLD AG's control, and large fluctuations may therefore result. • There are risks related to the acquisition of other business interests or licences. • Major shareholders may exert great influence on the development of the Company. **Risks relating to Mali** • Emerging markets such as Mali, where Wassoul'Or currently operates, are subject to greater risks than markets which are already developed and any impairment of economic conditions in these markets could disrupt the operation of Wassoul'Or. • Wassoul'Or's operations are subject to the basic legal and political conditions in Mali, changes to which may have an adverse effect on the net assets, financial position and results of operations of Wassoul'Or and the Company. • Potential national and local resistance to mining could lead to disruptions in Wassoul'Or's current and planned operations and exploration projects. **Legal Risks** • In the course of its business operations, the Company may face regulatory and judicial proceedings

		which may result in financial obligations and expenses, especially advisory costs.
D.3	Key information on major risks that apply to securities.	• There is no guarantee that active trading of the shares will develop once they are approved and listed on the regulated market or, if trading does develop, there is no guarantee that it will continue long-term. • The Company cannot rule out additional increases in capital through the issuance of new shares in the future in order to cover potential capital needs. This may lead to dilution in the ownership interests of existing shareholders. • Once the shares are trading on the regulated market, they may be subject to considerable fluctuation. • An investment in shares entails risk to the investor's capital. If PEARL GOLD AG or Wassoul'Or S.A. becomes insolvent, a total loss of invested capital is possible.

Section E – Offer

E.1	Total net proceeds and estimated total cost of the issue/offering	Omitted. (No public offering of shares.)
E.2a	Reasons for the offering, purpose of the proceeds, estimated net proceeds	Omitted. (No public offering of shares.)
E.3	Terms of the offer.	Omitted. (No public offering of shares.)
E.4	Significant interests	Omitted. (No public offering of shares.)
E.5	Offerer of the securities/lock-up agreements	Omitted. (No public offering of shares.)
E.6	Dilution of shareholders	Omitted. (No public offering of shares.)
E.7	Expenses charged to the investor by the issuer or offerer	Omitted. (No public offering of shares.)

RISK FACTORS

Interested persons should carefully consider all the information contained in this prospectus, and the risks set forth below in particular, before they decide to invest in the Company. Since its interest in Wassoul'Or is a major asset of PEARL GOLD AG, all risks affecting Wassoul'Or are also risks to PEARL GOLD AG. The following risks and uncertainties may not be the only ones faced by the Company. Additional risks and uncertainties of which the Company is currently unaware or which the Company deems to be insignificant at this time may have material adverse effects on the net assets, financial position and results of operations of the Company. If one of these risks or a combination of them should arise, adverse effects on the net assets, financial position and results of operations of the Company could result. If this occurs, the trading price of the shares could decline and investors could lose part or all of their investments.

MARKET-RELATED RISKS / RISKS TO THE GOLD MARKET AND THE GOLD MINING INDUSTRY IN GENERAL

Risks relating to the price of gold

The financial performance of the Company is highly dependent upon the price of gold.

Essentially, all of the Company's revenues and cash flow are generated by the Company's ownership interest in Wassoul'Or, which, in turn, generates its income from the sale of gold. Accordingly, financial performance is highly dependent on the market price of gold.

Historically, the market price for gold has fluctuated widely and has been affected by numerous factors, over which neither the Company nor Wassoul'Or has control, including:

- demand for gold for investment purposes, industrial uses and use in jewellery;
- international or regional political and economic trends;
- the strength of the US dollar, the currency in which gold prices are generally quoted, and other currencies;
- market expectations regarding inflation;
- interest rates;
- speculative activity;
- actual or expected purchases and sales of gold bullion holdings by central banks, the International Monetary Fund, or other large gold bullion holders or dealers;
- hedging activities by gold producers; and
- production and cost levels for gold in major gold-producing nations.

The market price for gold on 31 August 2012 (closing spot price, London) was USD 1,691.00 per troy ounce. This price is significantly above the historic average, and the price of gold may decline significantly in the future. A decline in the gold price in the future could have adverse effects on income.

Depending on changes in the market price of gold, Wassoul'Or may determine that it is not commercially or economically feasible to continue production at some or all of its operations.

Furthermore, Wassoul'Or may decide to abandon its plans for future development of some or all of its current prospects. As a result, Wassoul'Or may curtail or suspend some or all of its exploration and production activities and/or be required to draw down and/or reduce its reserves (without replacement).

This could have a material effect on the net assets, financial position and results of operations of the Company.

Risks and hazards specific to gold mining operations

A range of risks and hazards is inherent in the mining business, many of which are partially beyond the control of Wassoul'Or and not eligible for insurance coverage.

The mining business is subject to risks and dangers over which Wassoul'Or's influence is limited. Such factors include environmental hazards, industrial accidents, encountering unusual or unexpected geological formations or seismic activity, cave-ins, flooding, earthquakes, periodic interruptions due to inclement or hazardous weather conditions, interruptions of power and water supplies, industrial actions or disputes, political instability, technical failures, fires, explosions, vandalism, crime and accidents at a mine, processing plant or related facility. These risks and hazards could result in damage to, or destruction of, mining equipment or production facilities, personal injury or death of workers, environmental damage, business interruption and delays in mining, asset depreciation, monetary losses, and possible legal liability, and may lead to differences, potentially significant, between actual and estimated production, – including estimates contained in this prospectus, whether expressed or implied.

Wassoul'Or has instituted measures in many of these areas in order to reduce risks, including: covering conveyor belts to protect against rain, performing regular repair and maintenance work, protecting mines, having regular exchanges with the works council, conducting safety studies, erecting barriers against trespassing, and much more. Nevertheless, these risks cannot be completely ruled out.

Accordingly, it can also not be ruled out that the materialization of these operating risks and the costs associated with them could have a significant adverse effect on the Company's net assets, financial position and results of operations.

Negative effect of global economic conditions on operating profits

Global economic conditions may negatively affect the operating profits of Wassoul'Or.

The operation and performance of Wassoul'Or depends to a great extent on the global economy. The recent trends since 2008 and their repercussions on the banking systems and financial markets have led to the consolidation of major financial institutions or their exit from the market. These have also brought about a tightening of credit and considerably more restricted liquidity in most financial markets and more extreme volatility in the fixed income, credit, equity and currency markets. General economic indicators have also deteriorated. This includes a weakening of consumer sentiment, rising unemployment, stagnating or negative economic growth, and uncertainty with respect to corporate earnings.

Furthermore, the insolvency of key suppliers could lead to disruptions in the supply chain. Declining credit ratings and potential insolvency of major customers for enriched gold ore could result in lower sales and earnings. The absence of available credit may make it more difficult or more expensive for Wassoul'Or to obtain financing for its operations and capital expenditures.

As a consequence of these disruptions in the financial markets and weakening in the global economy, the net assets, financial position and results of operations of Wassoul'Or may be adversely affected.

Risks with respect to government and environmental regulation

Wassoul'Or's business operations are subject to extensive governmental and environmental regulations, which could lead to additional costs that adversely affect the Company's results of operations.

Wassoul'Or's mining facilities and operations are subject to comprehensive government laws and regulations concerning mine safety, land use and environmental protection. Wassoul'Or must comply with requirements regarding exploration operations, public safety, employee health and safety, use of explosives, air quality, water pollution, noxious odours, noise and dust controls, reclamation, solid waste, hazardous waste and plant and wildlife protection, as well as laws protecting the rights of other property owners and the public.

Any failure by Wassoul'Or to comply with these laws, regulations, and requirements could result in the Company being subject to substantial penalties, fees and expenses, significant delays in its operations or even the complete shutdown of its operations. The Company carries reserves for expected environmental rehabilitation costs in the event that it destroys the environment. Estimates of rehabilitation costs are continuously revised due to pending changes in regulations and new bases for calculation.

The costs associated with compliance with legal provisions may have an adverse impact on the net assets, financial position and results of operations of Wassoul'Or.

Wassoul'Or's reliance on government and environmental permits

At this time (the date of publication of the prospectus), Wassoul'Or possesses all required government and environmental permits for its mining operations.

Under state and environmental regulations, Wassoul'Or's mining operations require official approval. Some permits require periodic renewal or review of whether the prerequisites continue to be met. Wassoul'Or cannot guarantee that the required permits will be issued or that signification changes to the terms of permits will not be imposed during permit issuance proceedings.

If certain permits are not renewed, Wassoul'Or may have to cease the relevant activities, and the imposition of additional conditions on approval may impose additional compliance costs on Wassoul'Or.

Both situations may have adverse effects on the net assets, financial position and results of operations of Wassoul'Or.

SPECIFIC RISKS RELATING TO THE OPERATION OF WASSOUL'OR

Deviation from planned targets

Wassoul'Or prepares budgets for future production volume, cash on hand and capital expenditures for the Kodiéran project. The Kodiéran project encompasses the area of the concession currently being worked, including open pit mine, water supply and production unit. There is no guarantee these estimates will be realized. The production performance and/or cost estimates for Wassoul'Or may not be achieved.

The actual production and costs of Wassoul'Or may deviate from the estimates for a variety of reasons. In particular, these include:

- the actual ore mined can deviate from expectations due to the gold content, tonnage and distribution of the deposits within the mining area, as well as metallurgical and other characteristics;
- changes to the layout of the mine;
- risks and hazards specific to mining;
- natural events such as unfavourable weather patterns, availability of water, flooding and earthquakes;
- unexpected labour shortages or work stoppages and
- sabotage.

Production costs can also be affected by various factors including: changing waste-to-ore ratios; ore grade metallurgy; labour costs; the cost of consumables; general inflationary pressures; and currency exchange rates.

The failure to meet production or cost estimates or a significant rise in costs may have an adverse impact on the net assets, financial position and results of operations of Wassoul'Or.

Risks related to reserves and resources

The Company’s stated mineral reserves and resources are only estimates based on a range of assumptions and there can be no assurance that the anticipated tonnages or grades (gold content) will be achieved.

To realize future production growth, extend the life of its mines and ensure the continued operation of the business, Wassoul’Or must in the future continually expand its identified reserves, convert resources into reserves, develop its resource base through the investigation of identified mineral potential, tap these resources successfully and/or develop new reserves and resources.

Wassoul’Or’s mineral reserves and resources described in this prospectus and in the valuation report constitute estimates that comply with standard evaluation methods generally used in the international mining industry.

These estimates offer no assurance that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that mineral reserves or resources can be mined or processed profitably. Actual reserves, resources or mineral potential may not conform to geological, metallurgical or other expectations, and the volume and grade of ore recovered may be below the estimated levels. In addition, there can be no assurance that on-site drilling or other exploratory work will affirm the previous small-scale laboratory tests since actual conditions on-site and during production may produce deviations. The estimated resources described in this prospectus should not be interpreted as a statement of the commercial viability, potential or profitability of any future operations.

Recovery of the reserves and resources of Wassoul’Or may be rendered unprofitable due to lower market prices, increased production costs, reduced recovery rates and other factors, which may, on occasion, result in a reduction of economically extractable gold deposits and therefore a reduction of the estimated or documented reserves reported by Wassoul’Or. The data on reserves currently available do not necessarily reflect the future results of business operations.

If Wassoul’Or’s actual gold reserves are less than current estimates or are rendered uneconomic, or if Wassoul’Or fails to develop its resource base through the realization of new mineral potential, Wassoul’Or’s net assets, financial position and results of operations may be materially adversely affected.

Operational and technical problems could limit the production potential of Wassoul’Or or delay production.

Potential operational and technical difficulties with full utilization of planned machine capacity for gold production at Wassoul’Or and the planned expansion of this capacity as well as operational and technical problems in using the production equipment may result in a reduction or delay in revenues that can be realized from gold production. In addition, operational and technical difficulties may disrupt or delay the production process, which would then result in lower than expected revenues. If Wassoul’Or fails to identify and rectify defects in the production process, this could lead to significant losses in revenue and considerable additional financial costs in some cases. This could have adverse effects on the net assets, financial position and results of operations of Wassoul'Or.

Risks due to competition from other mining companies for the acquisition of new properties and concessions

Wassoul'Or may face competition from other mining companies for the acquisition of new properties and concessions.

Mines have finite lives and, as a result, one of the ways Wassoul'Or seeks to expand its reserves is through the acquisition of new mineral concessions and properties. There is a limited supply of desirable mineral concessions and properties with the potential to host economic mineral deposits that are currently available in Mali and other countries, particularly in Africa. Because (i) Wassoul'Or faces competition for new mineral concessions and properties from other exploration and mining companies, some of which may have greater financial resources than Wassoul'Or, and (ii) the current owners of desirable properties may be unwilling to sell the property to Wassoul'Or, Wassoul'Or may be unable to acquire attractive new mineral concessions and/or properties on terms that it considers acceptable, or at all.

As a result, Wassoul'Or's revenues may decline over time, thereby materially adversely affecting its net assets, financial position and results of operations.

Risks in dealing with trespass and unauthorized small-scale mining in proximity to and on the territory developed by Wassoul'Or and for which it possesses the special Malian mining licenses

Wassoul'Or faces certain risks in dealing with trespass and unauthorized small-scale mining in proximity to and on specific areas covered by Wassoul'Or's exploration and mining licenses in Mali.

Wassoul'Or has taken measures to protect its employees, mines and production facilities and the mining license area from these risks. For example, Wassoul'Or has engaged security personnel and installed fencing and walls. While Wassoul'Or regularly reviews its security risks and the measures it takes and adapts its response to perceived threats, these measures represent additional costs to Wassoul'Or's operations and do not guarantee that similar incidents will not occur in the future. Despite the efforts of management, there can be no guarantee that there will be no additional occurrences of trespass. It is possible that Wassoul'Or's mining operations will continue to be affected by these incidents or similar incidents and this may interrupt or delay production, increase operating costs, result in harm to employees, decrease operational efficiency or result in criminal and/or civil liability for Wassoul'Or or its employees and/or financial losses or criminal penalties.

As a consequence of this, the added cost of business operations and the possible delays and disruptions in production may reduce the operation's efficiency, which would have an adverse effect on its net assets, financial position and results of operations.

Risks relating to the electrical power supply

Power outages, interruptions and disruptions of the electrical power supply could adversely affect Wassoul'Or's net assets, financial position and results of operations.

Due to the limited capacity of the national electricity generation and transmission system in Mali, the supply of electricity is inconsistent and can result in outages. Mali could face interruptions in electrical power supply, and it seems unlikely that additional generation capacity can be built in time to prevent anticipated supply shortfalls.
In addition, the national power system can be subject to system disturbances and voltage fluctuations, which can damage Wassoul'Or's machinery and equipment and may adversely affect production. Therefore, Wassoul'Or has an independent power supply based on diesel generators. Supply with self-generated electricity could be jeopardized by shortfalls in the supply of diesel fuel as well as by technical problems with the generators. The future profitability and financial condition of Wassoul'Or may be adversely affected if the number of power outages continues or increases and/or if its machinery and equipment are damaged by system disturbances or voltage fluctuations.

The cost of electricity, particularly the cost of self-generated electricity, can fluctuate significantly. An increase in power costs will make production more costly, and alternative power sources may not be available.

The cost of power generation is one of Wassoul'Or's single largest operating expenses. If the cost of electricity increased as a result of higher input costs for self-generated electricity, this would have a material adverse effect on Wassoul'Or's net assets, financial position and results of operations.

Risks relating to the water supply

Wassoul'Or is dependent on adequate local water resources and supply for its production.

If this were lacking, it would have adverse effects on production and thus a material adverse effect on Wassoul'Or's net assets, financial position and results of operations.

Risks relating to currency fluctuations

Fluctuations in currencies may adversely affect Wassoul'Or's net assets, financial position and results of operations.

Wassoul'Or revenue is almost entirely in USD, while a proportion of its costs (such as certain goods, electricity and local wages) are incurred in CFA Franc BCEAO. The CFA Franc BCEAO is pegged to the euro (exchange rate: EUR 1 equals 655.957 CFA Franc BCEAO). Although it may choose to do so in the future, Wassoul'Or does not currently undertake any hedging activities in relation to the currency fluctuation risk of the USD and the CFA Franc, which are floating currencies, and, accordingly, is fully exposed to any adverse fluctuations in the USD/CFA Franc exchange rates.

As a result, if the CFA were to strengthen against the USD, this could have an adverse effect on Wassoul'Or's net assets, financial position and results of operations. If inflation in Mali were to increase without a corresponding devaluation of the CFA relative to the USD, this could have a material adverse effect on Wassoul'Or's net assets, financial position and results of operations.

Risks relating to ongoing capital expenditures

Wassoul'Or's business requires substantial ongoing capital expenditures.

The mining business is capital-intensive as the development and exploitation of gold reserves, the conversion of resources into reserves as well as the acquisition and maintenance of machinery and equipment (accessories) require substantial ongoing capital expenditures.

For example, additional studies that show the economic viability of a project are necessary prior to expanding a mining area. Furthermore, in the case of ongoing mining operations, the mine site has to be adequately protected against all geotechnical and hydrologic effects. In this regard it should be noted that the Company has not yet started the additional expert reports and studies on geotechnical conditions and hydrology and hydrogeology in the mine area suggested by the expert. The geotechnical study focuses, in particular, on whether other areas of the quarry can be mined in an economically efficient manner today since the price of gold has risen substantially since the preparation of the feasibility study. Wassoul'Or's management is of the opinion that this issue does not represent any risks for Wassoul'Or and can be resolved later. The study on hydrology and hydrogeology focuses on the prevention of water leakage into the quarry. However, this issue is non-existent at this time as the quarry still encompasses a hill. Technically water leakage cannot occur prior to this hill being mined; this is not anticipated within the next six months.

Should the management of Wassoul'Or decide to have such or similar studies prepared, substantial costs are potentially associated therewith, which may not be offset by appropriate revenues.

Wassoul'Or's strategy is to increase production, initially by expanding the mining of existing reserves and developing new exploration prospects. The implementation of this expansion and the development of exploration prospects will involve significant capital expenditures. Furthermore, Wassoul'Or must continue to invest significant capital to tap into or develop existing gold reserves and increase the amount of gold that it produces. Some of Wassoul'Or's expansion plans and exploration prospects may require greater investment than currently planned.

There can be no assurance that, in the longer term, Wassoul'Or will be able to maintain its planned production levels and generate sufficient cash flow, or that Wassoul'Or will have access to sufficient equity or loan capital. This could have adverse effects on Wassoul'Or's net assets, financial position and results of operations.

Risks relating to the existence of an adequate infrastructure

Wassoul'Or's mining, processing, development and exploration activities depend on the availability of adequate infrastructure.

Wassoul'Or's mining, processing, development and exploration activities require a suitable infrastructure. Wassoul'Or's current operations and prospects are remotely located and difficult to access, resulting in excessively long delivery times. For example, transportation of supplies from the port to Wassoul'Or's mine can take up to ten days because of poor road conditions and there are often delays at the port. An aircraft runway has been built in order to transport the mine gold by air. Only certain aircraft may use the runway. Wassoul'Or requires accessible roads, reliable power sources and water supply and functional runways to access and operate its mines.

Any interference with the infrastructure could adversely affect the production volume of the mine, the exploration and development activities with respect to other mines or projects and Wassoul'Or's net assets, financial position and results of operations.

Risks resulting from forward transactions

Wassoul'Or intends to sell about 25% of the gold it produces through forward transactions. Should Wassoul'Or not be able to meet its obligations by the agreed-upon delivery date, this could adversely affect its net assets, financial position and results of operations.

Reliance on the experience of the members of the senior management team

The many years of experience of Wassoul'Or's senior management team in organizing, managing, financing, operating and developing raw material projects is an essential component of the future success of Wassoul'Or. Termination of the employment of a member of this team could adversely affect Wassoul'Or's business and its future development. A search for and selection of suitable successors could also tie up capacity and result in delays in exploiting the mine's potential, which in turn could adversely affect net assets, financial position and results of operations.

Risks relating to personnel

Wassoul'Or is dependent on its personnel.

Wassoul'Or's business depends to a significant extent upon the contributions of a number of Wassoul'Or's key personnel, in particular its skilled team of engineers and geologists. There can be, however, no certainty that the services of its key personnel will continue to be available to Wassoul'Or. Moreover, Wassoul'Or competes with mining and other companies at all levels to attract and retain personnel with appropriate technical skills and operating and managerial experience necessary to continue to manage and safeguard its business operations. Wassoul'Or's future success will be dependent on its ability to attract and retain qualified personnel. A deciding factor critical to both retaining Wassoul'Or's present staff and attracting additional qualified personnel is Wassoul'Or's ability to provide these individuals with competitive compensation agreements. If Wassoul'Or is not successful in retaining or attracting highly qualified individuals in key management positions and highly skilled engineers and geologists, its business may be materially harmed. The long-term success of Wassoul'Or's operations also depends on its ability to localize as many of the key roles in Wassoul'Or as possible and ensure a pipeline of local talent in order to avoid the higher costs associated with employing expatriates and to meet the expectations of the Malian government and local communities. Due to the shortage of qualified individuals, it may be difficult for Wassoul'Or to hire sufficiently skilled and qualified people locally or to obtain and retain all of the necessary expertise locally at reasonable rates.

If qualified people or the necessary local expertise cannot be obtained or cannot be obtained under satisfactory terms, this could result in delays to or higher costs in respect to Wassoul'Or's ongoing operations and the development of its projects.

If any one of these risks materialized, either individually or in conjunction with another risk mentioned above, this could result in delays and loss of production as well as higher costs, which could adversely affect Wassoul'Or's net assets, financial position and results of operations.

Risks relating to contractors

Wassoul'Or depends on certain contractors. An interruption of contracted services could result in production slowdowns or stoppages. In the event that these contracted services were terminated or interrupted, Wassoul'Or would be required to engage new contractors on less favourable terms for Wassoul'Or. This could adversely affect production.

The loss of SODINAF as a future provider of capital could threaten the future financing of Wassoul'Or, which could adversely affect Wassoul'Or's operations and productive assets.

If any one of these risks materialized, it could adversely affect Wassoul'Or's net assets, financial position and results of operations.

Risks associated with employee relations

Wassoul'Or's business depends on good relations with its employees. A breakdown in these relations and/or restrictive labour and employment laws could have an adverse effect on Wassoul'Or's business.

Although management believes its labour relations with its employees are good, there can be no assurance that a work slowdown or a work stoppage will not occur at any of Wassoul'Or's operating units or exploration sites. Wassoul'Or does not currently have any collective labour agreements in place. Wassoul'Or's employees are unionized. Wassoul'Or's Kodiéran project is exposed to the risk of labour disruptions caused by strikes, which could last for indefinite periods and could affect other industrial activities.

Future work slowdowns, stoppages, disputes with employee unions or other labour-related developments or disputes or sabotage could result in a decrease in Wassoul'Or's production levels and adverse publicity and/or increased costs, which could have a material adverse effect on Wassoul'Or's net assets, financial position and results of operations.

Risks posed by AIDS

AIDS could jeopardize Wassoul'Or's productivity and result in additional costs if employees are infected with HIV.

The incidence of AIDS in Mali, which has been forecast to increase over the next decade, poses the potential risk of reduced productivity and increased medical and insurance costs. The exact extent to which Wassoul'Or's workforce is infected is not known at present. The prevalence of AIDS in Mali and among Wassoul'Or's workforce could become significant.

Significant increases in the incidence of AIDS infection and AIDS-related diseases among members of Wassoul'Or's workforce could adversely affect Wassoul'Or's net assets, financial position and results of operations in the future.

Risks relating to infectious diseases

Wassoul'Or is exposed to certain risks relating to malaria, dengue fever and a wide range of infectious diseases, which could have a material adverse effect on its net assets.

Malaria, dengue fever and a wide range of infectious diseases pose significant health risks to all the employees of Wassoul'Or in Mali, where such diseases may assume epidemic proportions. Malaria is the main cause of mortality in young children and pregnant women in Mali and is a leading cause of absenteeism among employees in general. Waterborne diseases (such as diarrhoea, dysentery and typhoid) are prevalent in rural areas and exacerbated by factors such as poor nutrition, lack of clean water and inadequate health services. While Wassoul'Or has comprehensive malaria control programmes, both at its mine sites and in the surrounding communities, if such diseases remain uncontrolled, they could have an adverse effect on Wassoul'Or's productivity and profitability levels in these regions. The threat of a global pandemic, such as the H1N1 virus, that either originates locally in Mali or spreads into Mali, has the potential to cause a significant risk of disease and mortality and adversely affect business continuity and even operational productivity through absenteeism due to illness.

Wassoul'Or provides occupational health services and its own mine clinics to its employees and continues to improve preventative occupational hygiene initiatives. The primary areas of focus in respect to occupational health services within Wassoul'Or's operations are noise-induced hearing loss and occupational lung diseases, which include pulmonary tuberculosis in individuals exposed to silica dust. Wassoul'Or's occupational health programmes include periodic health-examinations for all employees and contractors both during and after termination of employment. Programmes also include identification, assessment, and monitoring of ongoing workplace health hazards and subsequent mitigation of any occupational health hazards and risks. Also included in the programmes are health awareness and educational sessions and treatment and care for illnesses and injuries.

The treatment of occupational diseases and potential liability due to occupational diseases and the costs associated with providing occupational health services could have an adverse effect on Wassoul'Or's net assets, financial position and results of operations.

Risks relating to insurance coverage

Wassoul'Or's insurance coverage may prove to be insufficient.

Wassoul'Or maintains insurance against certain environmental and industrial risks, including third party liability insurance, workers' compensation insurance and motor vehicle insurance. Wassoul'Or's liability insurance and other insurance policies may not provide sufficient coverage for losses related to these or other risks or hazards. In addition, Wassoul'Or does not have coverage for certain environmental risks and some other risks as such coverage cannot be purchased at commercially reasonable cost.

The lack of or insufficient insurance coverage could adversely affect Wassoul'Or's net assets, financial position and results of operations.

Risks posed by adverse publicity

Adverse publicity could have an adverse effect on Wassoul'Or.

There is an increasing level of public concern both on a regional and national level relating to the effect of mining operations on their surroundings, communities and the environment. Non-governmental organizations ("NGOs"), some of which oppose globalization and the exploitation of resources, are often vocal critics of the mining industry, including the use of cyanide and other hazardous substances. Whilst Wassoul'Or seeks to operate in a socially responsible and environmentally friendly manner, adverse publicity related to the extractive industry in general, or Wassoul'Or's operations specifically, could have an adverse effect on Wassoul'Or's reputation or its relationships with the communities in which it operates.

Consequently, adverse publicity could have an adverse effect on Wassoul'Or's net assets, financial position and results of operations.

Risks relating to dividend distributions

In the Shareholder Agreement of 13 October 2011 between the Republic of Mali, Société pour le développement des Investissements en Afrique (SODINAF) S.A., Bamako/Mali ("SODINAF"), Mali, and PEARL GOLD AG, the parties agreed to distribute at least 75% of Wassoul'Or's profits distributable from the annual surplus in the form of dividend payments. The Shareholder Agreement will become void as soon as one or more parties cease to be Wassoul'Or shareholders. If, contrary to this agreement, the Republic of Mali and SODINAF unlawfully refused to distribute at least 75% of Wassoul'Or's profits distributable from the annual surplus in the form of dividend payments, PEARL GOLD AG would have to seek recovery of the distribution by filing a lengthy action with the ICC (International Chamber of Commerce) in Paris under the arbitration agreement in the Shareholder Agreement.

This risk could have an adverse effect on the Company’s business and competitive position, particularly on its net assets, financial position and results of operations.

RISKS RELATING TO THE STRUCTURE OF PEARL GOLD AG

PEARL GOLD AG’s ability to pay dividends depends largely on whether it receives dividend distributions from its investment in Wassoul’Or.

PEARL GOLD AG pays dividends under the condition that it has distributable reserves. Since PEARL GOLD AG is currently a holding company and receives income primarily in the form of investment income from its interest in Wassoul’Or, it is largely dependent on whether Wassoul’Or pays dividends. All the major activities are carried out as part of the 25% investment in Wassoul’Or S.A., which has its own management. The Company’s success depends largely on the extent to which Wassoul’Or’s local management reaches the goals that have been set. In the event that targets are missed to a significant degree, the Group’s performance could be significantly below expectations. In addition, an inability to receive dividend distributions from Mali due to, for example, changes in exchange control regulations, could have an adverse effect on PEARL GOLD AG’s ability to pay dividends.

As of the date of this Prospectus, the Company has no distributable reserves.

The aforementioned factors could have an adverse effect on the Company’s net assets, financial position and results of operations.

PEARL GOLD AG’s interim results could be subject to significant fluctuations

The vast majority of the Company’s anticipated revenues consists of investment income (dividends) from the investment in Wassoul’Or S.A. The dates of potential dividend distributions depend on factors that PEARL GOLD AG is unable to influence. As a result, there could be significant fluctuations in the revenues and financial results from period to period with a potential corresponding effect on the share price. The quarterly and annual results published by the Company only allow very limited conclusions to be drawn about future income.

Thus, interim results could have a material effect on the Company’s net assets, financial position and results of operations.

There are risks associated with the acquisition of further interests in companies or licences

PEARL GOLD AG intends to acquire further interests in companies and licences for mining projects in order to diversify its future earning potential. The success of PEARL GOLD AG’s business model thus depends to a large extent on its ability to identify suitable companies or licences, to purchase these at reasonable prices and to develop them using either internal or external advice.

As a rule, the acquisition of interests or licences entails a considerable business risk and it cannot be ruled out that these risks will not be recognized or will be wrongly assessed. In spite of careful analyses, significant tax and legal risks are always associated with an acquisition. Liabilities, obligations and other encumbrances of the investment or an acquired licence that were unknown or could not be identified at the time of the acquisition, in spite of careful analyses, could delay development of the earning potential of the acquired company or the acquired licence or render it impossible. There are other risks, particularly the possibility that the mining potential of raw materials may be wrongly assessed. If the achievable mining and earnings potential, the potential for expansion or other significant success factors are wrongly assessed, this can have consequences for the return on investment and may also mean a complete write-off. Moreover, the Company's profitability could suffer as a result of a write-down of the acquired goodwill or other assets. In the event of a permanent loss in the value of the investment, the Company will be forced to write down the value of its investment, which could have an adverse effect on PEARL GOLD AG's net assets, financial position and results of operations. This could have an adverse effect on the Company's overall net assets, financial position and results of operations.

Major shareholders can exercise considerable influence on the Company's development

The existing shareholder structure is currently unknown. The company assumes that there are unnamed major shareholders who hold an interest in the Company's shares. These could exercise considerable influence on the Company's future development. In particular, if a low number of minority shareholders is present at the Shareholders Meeting or if there is coordinated voting among one another, these major shareholders may be able to exercise considerable influence on all affairs requiring shareholder approval. These include the appointment and dismissal of Supervisory Board members as well as capital increases and profit distributions, business combinations or the sale of the Company's assets. The major shareholders could also delay, postpone or prevent a change of control at the Company or a merger or consolidation, takeover or other form of business combination, which could be beneficial to minority shareholders.

The law provides that, as a rule, resolutions of the Shareholders Meeting can be passed by a majority of the votes cast (simple majority of votes). Under certain circumstances, resolutions that require a simple majority of votes could even be passed by the major shareholders alone. Resolutions such as capital increases, including the granting of authorized capital and possibly also excluding shareholders' subscription rights, approval of control and profit transfer agreements, and amendments to the Articles of Association require the consent of at least 75% of the share capital represented at the time the resolution is voted on at the Shareholders Meeting. If the major shareholders hold a majority of at least 75% in relation to all the share capital represented at the time the resolution is voted on at the Shareholders Meeting, it could pass such resolutions as well.

RISKS RELATING TO MALI

Economic risks

Emerging markets, such as Mali, in which Wassoul'Or is currently operating, are subject to greater risks than more developed markets and any adverse effect on the economies of such markets could disrupt the business of Wassoul'Or.

In the event there is an economic crisis in Mali, Wassoul'Or could face various severe difficulties in the operation of its business, and the value of its assets in Mali may decrease.

Inflation and government efforts to combat inflation may contribute significantly to economic uncertainty in Mali and could harm Wassoul'Or's business. Mali has experienced high rates of inflation in the past. Inflation, along with government measures to combat inflation and speculation about possible future governmental measures, has had an adverse effect on the Malian economy and has led to economic uncertainty. The Malian government's measures to control inflation have often included maintaining a tight monetary policy with high interest rates, thereby restricting the availability of credit and reducing economic growth and development. Malian government actions, including interest rate decreases, intervention in the foreign exchange market and actions to adjust or fix the value of the CFA Franc could trigger increases in inflation.

Furthermore, Mali could be subject to currency fluctuations. In the event of currency fluctuations, Wassoul'Or could face various severe difficulties in the operation of its business, and the value of its assets may decrease.

A change in the local economy could have an adverse effect on Wassoul'Or's net assets, financial position and results of operations.

Political risks

Wassoul'Or's business is subject to political and legal developments in Mali. Past governments have imposed controls on exchange rates and local and foreign investment as well as limitations on imports, and have enacted regulations regarding the dismissal of employees.

Wassoul'Or's business could be adversely affected by the following politically based factors:

- new exchange controls and restrictions on financial transfers abroad;
- the lack of experience of political institutions or administrative agencies and the potential for corruption;
- new tax policies; or
- new policies regarding the employment of expatriate workers in Mali and the issuance of work visas.

Uncertainty over whether the Malian government will implement political or legal changes affecting these or other factors in the future could contribute to economic uncertainty in Mali and to heightened volatility of the investment in Mali and PEARL GOLD AG's shares.

For the last fifteen years, Mali has experienced relative stability, which has recently come to an end due to the military coup. Currently there is a transitional government in Mali. The political system and the democratic process in Mali have made noteworthy progress in recent years. The series of elections that passed without incident has strengthened the democratic process and created a political environment ripe for the implementation of economic and political reforms.

The country's North Eastern section is currently not subject to any kind of governmental control. On 06 April 2012, the three northern administrative regions and the territory around Douentza in the northeast part of the Mopti region were declared independent by a "national liberation movement" in the Republic of Mali. In these regions, over which the Malian security forces do not exercise any kind of control, major destruction and human rights violations took place, and there continue to be refugee movements in various directions. In this region, foreigners are continuously exposed to a high risk of assaults, attacks or other violent crimes, such as abductions.

It is difficult to predict the effects of the developments in the North and North East and the military coup of 21/22 March 2012 in the capital Bamako on the security and general living conditions in the densely populated areas of Southwest Mali, including the capital Bamako. There continues to be a risk of long-term instability and uncertain power relations.

After the coup, the southern part of Mali has been evolving favourably and seeks to maintain a constitutional order. In addition, the transitional government has declared that its clear objective is to pursue a return to a democratic system. Finally, the population and the various social classes and interest groups have shown their willingness to support democratic development as a necessary prerequisite for social and economic development and their commitment to continue to fight against corruption.

The ongoing uprisings in the North currently do not impact the South of Mali, as none of the parties concerned has ever raised any territorial claims against the South. The previous government, the military government and the transitional government have publicly expressed their strong support for compliance with all international agreements and have emphasized the value of the mining industry and of international interests.

If these uprisings expand into the southern part of Mali, this could have an adverse effect on Wassoul'Or S.A. and thus on the Company.

The value of African companies and companies that operate primarily in Africa is affected by the political and market conditions in other African and emerging market countries. Although economic and political conditions in these other countries may differ significantly from those in Mali, investors' reactions to developments in these countries may have an adverse effect on PEARL GOLD AG's share price. This could also make it more difficult for the Company to gain access to the capital markets and to finance its operations on acceptable terms or at all in the future.

If one or more of the aforementioned risk factors materialized, this could have an adverse effect on the Company's net assets, financial position and results of operations.

Risks relating to potential national and local opposition to mining

Potential national and local opposition to mining could lead to interruptions of Wassoul'Or's existing and planned future operations and exploration prospects.

As a consequence of public concern about the perceived adverse effects of economic globalization, mining businesses generally faces increasing public scrutiny of their activities.

As these mine operators seek to generate satisfactory returns on investment to shareholders and are also expected to take into account and promote the interests of other stakeholders, they are under pressure to demonstrate that these other stakeholders, including the employees of mining companies and the members of the surrounding communities and countries concerned, benefit and will continue to benefit from these commercial activities. Such pressure tends to be applied most strongly against companies whose activities are perceived to have a high negative impact on the social and physical environment of other stakeholders. The potential consequences of such pressure include damage to the reputation of, legal suits against and social spending obligations on the part of the mine operators, which could threaten the foundation of the business. Accordingly, Wassoul'Or seeks to find a fair balance between the interests of the local stakeholders and the shareholders' anticipated return on investment, for example operational measures to increase the productivity of the mine in order to maintain or increase economic efficiency in order to counteract the potentially higher labour costs stemming from taking into account the interests of employees. However, Wassoul'Or cannot guarantee that it will continue to succeed in this in the future.

Maintaining a good working relationship with the government of Mali is important to Wassoul'Or because its mining operations there are among Mali's most significant business enterprises and can only be conducted pursuant to a mining licence from the Malian government. Because of their significance to Mali's economy, the impact of mining on the environment and the number of people employed, Wassoul'Or's operations could become the subject of criticism in the Malian press and in political debates.

While Wassoul'Or attempts to maintain good relations with local communities in Mali, it cannot rule out the possibility of local opposition arising in the future to its operations or projects or in relation to obtaining or renewing mining rights for current or future projects. If Wassoul'Or were to experience opposition to any future projects, this could interfere with Wassoul'Or's ability to operate its mines or develop its projects and could have an adverse effect on Wassoul'Or's net assets, financial position and results of operations.

RISKS RELATING TO LEGAL DEVELOPMENTS

In the course of its operations, the Company could be exposed to judicial and administrative procedures, which could result in financial obligations and expenses (particularly consulting fees).

Changes in national laws and administrative regulations could have an adverse effect on the Company's operations and competitive position. Changes in tax laws, their application and interpretation or present or future tax audits could have adverse effects on the Company as it could be subject to higher taxes, which could have an adverse effect on its net assets, financial position and results of operations.

RISKS RELATING TO THE SHARES

There can be no assurances that active trading in the shares will develop or will continue on a sustained basis.

Prior to the listing of the shares on the Regulated Market, the Company's shares are included in trading in the Open Market / Quotation Board of the Frankfurt Stock Exchange. Although the Company has applied to the Frankfurt Stock Exchange for admission to trading on the Regulated Market in the General Standard segment, there can be no assurances that active trading in the shares will develop after admission or listing on the Regulated Market or, if such trading develops, that it will continue in the long term. Low liquidity in the trading of shares can result in purchases and sales of even a small quantity of shares having considerable impact on the share price. In addition shareholders might not be able to rapidly sell the Company's shares at the desired time or price if there is no active trading in the shares.

The Company's share price may be subject to considerable fluctuation

The price of PEARL GOLD AG's shares may be subject to considerable fluctuation. The volatility of the Company's share price can result in a partial or complete loss in value. In addition to the high volatility in the securities markets in general, the following factors could adversely affect PEARL GOLD AG's share price:

- lack of reporting by securities analysts about changes in the financial valuation;
- changes in earnings forecasts or failure to meet the earnings expectations of securities analysts or other capital market participants;
- activities of competitors and suppliers;
- future sales of the shares by the shareholders;
- investor perception of the Company and the industry in which we operate;
- investor assessment of the success of the Company's strategy described in this Prospectus;
- issuance of large volumes of Company shares;

- investor assessments and changes in the valuation of other companies;
- the quarterly or annual earnings of the Company or those of its competitors;
- changes in the number of free-float shares;
- public announcements of insolvencies or similar restructuring measures and investigations of the accounting practices of other companies;
- the public's reaction to press releases and ad hoc releases; and
- general economic conditions and the situation on the financial markets.

As a result of these factors, shareholders may not be able to sell their shares at or above the purchase price. In addition, the stock market often experiences large fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These considerable market fluctuations and industry factors may adversely affect the market price of the shares, regardless of the Company's operating performance.

Dilution of the investment as a result of future capital increases

The Company cannot rule out the possibility that it will carry out further capital increases in the future by issuing new shares to cover a potential capital requirement. For example, the Company can be under pressure to raise additional funds in the form of equity capital to acquire companies or licences. If the Company's growth plans materialize, there may also be considerable long-term demand for investment and capital. While the Company intends to finance most of its future equity investments from anticipated cash flows, the Company may procure additional equity capital through capital increases, issue convertible or warrant bonds, finance the purchase of other companies, licences or investments in companies through the future issuance of shares and take other capital measures. Any of these measures may considerably dilute the existing shareholders' percentage of interest in the Company, especially if subscription rights are excluded or if such rights are not exercised by the existing shareholders. If the market comes to believe that such capital measures will be taken, this can have an adverse effect on the price of the Company's shares. The implementation of the capital increase can also have an adverse effect on the price of the Company's shares. When it comes to the implementation of capital measures, the Company cannot give any assurances that it will be able to raise capital on reasonable terms in the future, especially if circumstances exist that are beyond the control of PEARL GOLD AG, such as general capital market conditions.

Equity and insolvency risk

An investment in shares generally involves an exposure to equity risk and a risk of total loss. If the Company is unable to generate sufficient revenues from investment income, no assurances can be made that PEARL GOLD AG will always be able to meet its obligations in future periods. If the Company's earnings and cash flows are not sufficient to meet any obligations and to secure the financing of the operations, the Company's insolvency cannot be ruled out. PEARL GOLD AG's insolvency could lead to a total loss of the capital invested. In particular, the creditors' claims will be satisfied first. Shareholders will receive repayment of their shares only after these claims had been fully satisfied.

GENERAL INFORMATION

RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS

PEARL GOLD AG, An der Welle 4, 60322 Frankfurt am Main, and biw Bank für Investments und Wertpapiere AG, Hausbroicherstraße 222, 47877 Willich, assume responsibility for the contents of this Prospectus under § 5 (4) WpPG [*Wertpapierprospektgesetz* (Securities Prospectus Act)] and hereby declare that, to their knowledge, the information in this Prospectus is correct and that no material circumstances have been omitted. Further, they declare that they have used the requisite care to ensure that, to the best of their knowledge, the information specified in this Prospectus is correct and that no circumstances or facts have been omitted that are likely to change the statements in the Prospectus. If an investor makes claims in court on the grounds of information contained in this Prospectus, the plaintiff investor may be required, under application of the individual statutory provisions of the European Economic Area countries, to bear the costs for the translation of the Prospectus prior to the opening of the trial.

Irrespective of § 16 WpPG (amendment to the Prospectus), neither the Company nor biw Bank für Investments und Wertpapiere AG are required to update the Prospectus.

PURPOSE OF THE PROSPECTUS

The purpose of the Prospectus is the admission of all Company shares, which at present consist of 25,000,000 common shares (shares without par value) in the name of the bearer with full entitlement to dividends from 1 January 2012. These shares represent the total share capital of the Company on the regulated market without further post-admission obligations (General Standard) on the Frankfurt Stock Exchange.

STATEMENTS ABOUT THE FUTURE

This Prospectus contains statements about the future. Statements about the future include all statements that do not refer to historical or current facts and events. This is especially true for statements in the Summary of the Prospectus, in its section "Summary of the Prospectus - Section D - Risks", as well as in the "Course of Business and Outlook" section and anywhere that the Prospectus contains information regarding future earning potential, plans and expectations regarding PEARL GOLD AG's business, growth and profitability, and general economic conditions to which PEARL GOLD AG is subject.

The statements about the future are based on current Company estimates made according to the best knowledge available. Such statements about the future are based on assumptions and contributing factors and are therefore subject to risks and uncertainties. For this reason, the sections "Section D - Risks", "General Information About PEARL GOLD AG", "Business

Activity", "Operating and Financial Review (OFR)", "Capitalization and Debt", and "Course of Business and Outlook" should in particular be read since they contain a detailed presentation of the contributing factors that could affect PEARL GOLD AG's business development and the industry in which PEARL GOLD AG is active.

The statements about the future are based on PEARL GOLD AG'S current plans, estimates, prognoses, and expectations, as well as on certain assumptions that, although PEARL GOLD AG considers them to be reasonable at the present time, could prove to be inaccurate. Numerous factors could cause the actual growth or the earnings achieved or the performance of PEARL GOLD AG to differ significantly from the growth, earnings, or performance explicitly or implicitly assumed in the statements about the future.

These factors include:

- changes in general economic, business, or legal conditions;
- political or regulatory changes;
- changes in PEARL GOLD AG's competitive environment;
- the ability of PEARL GOLD AG to identify and develop suitable future mining projects;
- other factors, which are explained in greater detail in the section "Risk Factors", and
- factors not known to PEARL GOLD AG at this time.

Should one or more of these risks or uncertainties become reality, or should PEARL GOLD AG's basic assumptions prove to be incorrect, the actual results may differ significantly from those described as assumed, estimated, or expected in this Prospectus. Due to this, PEARL GOLD AG could be prevented from reaching its financial and strategic goals.

Prospective investors should not place undue trust in statements about the future. For this reason, they should make sure to read the sections in the Prospectus that, among other things, present the factors that could have an effect on the business development of the Company, its associated company, and the markets in which both are active.

It cannot be guaranteed that all the information in this Prospectus on the business activities and the legal and economic situation of PEARL GOLD AG will continue to be accurate at all times after publication. Beyond what they are required to do by law, the Company and biw Bank für Investments und Wertpapiere AG do not intend to update the statements about the future and/or or to adjust them to future events or developments. PEARL GOLD AG'S duties to amend under § 16 WpPG remain unaffected by this. § 16 WpPG requires each important new circumstance, or each material inaccuracy regarding the information contained in the Prospectus, to be named in an amendment and published in the same way this Prospectus was published if the circumstance/inaccuracy could affect the value of PEARL GOLD AG's shares and could occur or be determined after approval of the Prospectus or after the introduction of the shares for trading on an organized market, should this occur later.

REMARKS ON MARKET INFORMATION SOURCES AND TECHNICAL TERMS

PEARL GOLD AG has not verified the information, based on third-party studies, presented in this Prospectus with regard to the market environment, market performance, growth rates, market trends, and competitive environment. The Company has reproduced this information accurately and based on information published by these third parties, no facts were suppressed, to the Company's knowledge, which would render the reproduced information inaccurate or misleading.

The information on the markets in which PEARL GOLD AG is active was mainly taken from written documents, the Internet website of the IMF at www.imf.org, the Internet website of the London Bullion Market Association at www.lbma.org.uk, the World Gold Council at www.gold.org, and the corresponding articles in the trade press.

The information regarding the market environment, market performance, growth rates, market trends, and the competitive environment in the sectors in which PEARL GOLD AG is active, is also based on Company evaluations.

Information derived from these evaluations, which therefore does not come from independent sources, could differ from evaluations by PEARL GOLD AG's competitors or from future information from independent sources.

REMARKS ON FINANCIAL INFORMATION AND FIGURES

The financial information contained in this Prospectus from Company financial statements derives from the PEARL GOLD AG annual financial statements as at 31 December 2011, which were drawn up according to IFRS as applied in the EU. If financial information derives from Company annual financial statements under commercial law (according to HGB [the German Commercial Code]) as at 31 December 2010 and 31 December 2009, this information is accordingly identified. If financial information in this Prospectus is declared to be "unaudited", this means that that it has not been audited or subjected to review under Number 20.6 of Annex I of Regulation (EU) No. 809/2004 of the European Commission.

The Prospectus contains, among other things, information on the calculation of mineral deposits, according to the regulations relevant to the preparation of securities prospectuses, i.e. the ESMA update of the CESR recommendations (ESMA/2011/81, hereinafter referred to as the "ESMA update"), which can be based on different calculation methods and/or standards. In this case, the Canadian Institute of Mining, Metallurgy and Petroleum or "CIM" guidelines were applied to the expert's report required of mining companies under No. 133 Letter i) of the ESMA update in conjunction with Annex I of the ESMA update. This information may not be comparable with the information of other companies, even if these companies use the same terms. Individual figures (including percentages) in this Prospectus are rounded half up. Such figures rounded half up in tables may not add up exactly to the totals that may also be in the tables. In contrast, the percentages used in the text do not reflect half-rounded-up but rather actual values. Thus, in individual cases, percentages in the text can differ from percentages based on values rounded half up.

THE INTERESTS OF NATURAL AND LEGAL PERSONS PARTICIPATING IN THE STOCK EXCHANGE ADMISSION

Via its representative office BankM, biw Bank für Investments und Wertpapiere AG has a contractual relationship with the Company with regard to the capital market transaction (stock exchange admission of shares) described in this Prospectus. Biw Bank für Investments und Wertpapiere AG will, in conjunction with the Company, via BankM, its representative office in Frankfurt, request the admission of the shares to the regulated market (General Standard). It will receive a commission for the performance of this service. In addition, biw Bank für Investments und Wertpapiere AG or its affiliated companies can enter into business relationships with the Company from time to time, or perform services in the course of ordinary business.

Likewise, PEARL GOLD AG has an interest in the stock exchange admission. Contractual agreements with regard to a projected stock exchange admission were not made with existing shareholders or outside investors.

In addition, the persons participating in the stock exchange admission have no interests that might have decisive significance for the execution of the stock exchange admission. There are no conflicts of interest significant to the shares that pertain to this Prospectus.

EXPERT RESPONSIBLE FOR THE EXPERT'S REPORT

Mr. Pierre LaBrèque, geological engineer, 245 des Chrysanthèmes, La Prairie, Quebec, Canada, J5R 4G4, is the expert who in this case prepared the Expert's Report ("Expert's Report or 2Survey") required of mining companies under No. 133 Letter i) of the ESMA update of the CESR recommendations and who checked the Reserves and Resources Report ("Independent Technical Report and Economic Valuation Report for the Mining of the Kodiéran Gold Deposit" – hereinafter referred to as the "Bumigème Report") by Bumigème Inc., 615, René Lévesque O, Suite 750, Montreal (Quebec), an independent mining assets expert. The preparation of the Expert's Report was done in accordance with ESMA/2011//81 under application of the Canadian Institute of Mining, Metallurgy and Petroleum or "CIM" guidelines (see ESMA/2012/417 on Annex I of Regulation (EU) No. 809/2004 of 2 July 2012). Mr. LaBrèque communicated to the Company his agreement with the form and context of its incorporation in this Prospectus. The company also agreed with the form and context of its incorporation in this Prospectus.

We expressly point out that the Bumigème Report was prepared on 15. March 2012. Changes in the status of the production facility installation and in the political situation in Mali after this date are therefore not taken into account. These changes are, however, covered in the Prospectus, e.g. detailed comments are made on the political situation in Mali in the section "Risk Factors". When the expert LaBrèque confirms statements in the Bumigème Report, he always refers to the date of the Bumigème Report.

Between the preparation of the Expert's Report and the publication date of this Prospectus, there have been no material changes that affect the presentation in the Expert's Report of the resources and reserves for the projected service life of the mine, the validity of the licence, or the progress of the mining.

DOCUMENTS AVAILABLE FOR INSPECTION

Throughout the period in which the Prospectus is valid, copies of the following hardcopy documents can be inspected during normal business hours at the Company's address, An der Welle 4, 60322 Frankfurt am Main:

- the Company's articles of association,
- the Company's annual financial statements under commercial law for the fiscal years ended on 31 December 2011, 31 December 2010, and 31 December 2009, consisting of balance sheet, earnings statement, and annex,
- the cash flow statement and statement of changes in equity that supplement the 2009 annual financial statements under commercial law,
- the Company's individual financial statements as at 31 December 2011, consisting of balance sheet, the statement of comprehensive income, cash flow statement, statement of changes in equity capital, and annex as at 31 December 2011, which were prepared according to IFRS as applied in the EU,
- the individual financial statements of Wassoul'Or S.A. as at 31 December 2011, consisting of balance sheet, the statement of comprehensive income, cash flow statement, statement of changes in equity capital, and annex as at 31 December 2011, which were prepared according to IFRS as applied in the OHADA [Organisation for the Harmonisation of Business Law in Africa] treaty countries,
- Expert's Report.

Future Company business reports and interim reports will be available at the Company.

CURRENCY INFORMATION

This Prospectus contains currency data in euro, which refer to the legal currency of the Federal Republic of Germany and other EU member countries, currency data in CFA, which refer to the legal currency of Mali and other member countries of the West African Economic and Monetary Union, and currency data in US dollars, which refer to the legal currency of the United States of America. Currency data in euro is identified by placing "EUR" before the corresponding amount. Currency data in CFA francs is identified by placing "CFA" before the corresponding amount.

Currency data in US dollars is identified by placing “USD” before the corresponding amount. “,000” is used to express values in thousands of currency units.

REMARKS ON THE GLOSSARY

A glossary with the technical terms and abbreviations used is to be found in the last section of the Prospectus, before the Financial Information.

GENERAL AND PARTICULAR INFORMATION ON THE SHARES

VOTING RIGHTS

Each share grants the bearer a vote at the Shareholders Meetings. There are no restrictions on voting rights, except in those cases determined by law. The voting rights are not subject to limitations. There are no differences in voting rights.

DIVIDEND RIGHTS, OTHER PROPERTY RIGHTS, AND VOTING RIGHTS

All Company shares are fully participating for the entire current fiscal year 2012.

The Shareholders Meeting, held once a year in the first eight months of the fiscal year, rules upon the use of any net profits and, so, upon their full or partial distribution to the shareholders. The management board and supervisory board may recommend an allocation of profits, to which Shareholders Meeting is not bound.

Individual shareholders have a right to payment of dividends only in the case of a corresponding resolution on allocation of profits by the Shareholders Meeting (for further details, see the section "Share of Earnings and Dividend Policy"). Claims for dividends are subject to the legal statute of limitation of three years, after which the Company can refuse payment.

As the global share certificates that securitise the Company shares have been deposited with Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Germany ("Clearstream"), Clearstream will in the future automatically credit the respective custodian banks with the dividends due on the shares. The domestic custodian banks will make a corresponding commitment to their clients. Shareholders whose shares are in safekeeping at foreign custodian banks should seek information from these custodian banks on the procedure in force there.

If the Company is dissolved, the shareholders have a right, in proportion to their shareholdings, to the surplus liquidity remaining after liabilities have been adjusted under § 271 AktG [*Aktiengesetz* (German Stock Corporation Act)]. Each share grants the right to an allocation of a portion of the new shares, issued in the course of future increases in share capital, corresponding to the proportion of shares in the existing share capital (pre-emption right). A pre-emption right does not exist in the case of certain increases in share capital; in addition, it can also be excluded via a resolution of the Shareholders Meeting and, if there is a corresponding authorisation by the Shareholders Meeting, via a resolution of the management board, with approval by the supervisory board (for further details, see the section "Information on the Capital of PEARL GOLD AG and Applicable Regulations – General Provisions for a Change in Share Capital").

FORM AND SECURITISATION OF THE SHARES

Under the Company's articles of incorporation, all Company shares are issued as bearer shares without par value. The Company's share capital on hand of EUR 25,000,000.00 is, as at the date of this Securities Prospectus, securitised in four global share certificates without global dividend warrant, which have been deposited with Clearstream Banking AG, 60485 Frankfurt am Main (business address: Mergenthalerallee 61, 65760 Eschborn), Germany. § 6 (2) of the Company's articles of incorporation excludes shareholders' rights to individual or multiple securitisations in the measure allowed by law when the regulations of the stock exchanges on which the shares have been admitted do not regulate these individual or multiple securitisations. The Company has the right to issue individual or global share certificates.

GERMAN SECURITIES IDENTIFICATION NUMBER (WKN) / ISIN / TRADING SYMBOL

German Securities Identification number (WKN):	A0A FGF
International Securities Identification Number (ISIN):	DE000A0AFGF3
Trading Symbol	0P2

TRANSFERABILITY, OWNERSHIP TRANSFER PROHIBITIONS

The shares are freely transferable under the legal regulations valid for the shares in the name of the holder. There are no ownership transfer prohibitions or limitations of the transferability of the Company's shares.

LOCK-UP AGREEMENTS

There are no lock-up agreements.

STOCK EXCHANGE ADMISSION AND LISTING

The shares are traded under WKN A0A FGF on the Quotation Board in the open market of the Frankfurt Stock Exchange. The application to admit the entire existing share capital for trading on the regulated market of the Frankfurt Stock Exchange without further post-admission obligations (General Standard), is projected to be submitted on or around the day on which this Prospectus is approved. The admissions decision is expected on 21 September 2012. The trading of the shares under WKN A0A FGF on the regulated market (General Standard) of the Frankfurt Stock Exchange is projected to begin on 25 September 2012.

DESIGNATED SPONSOR

BankM – representative office of biw Bank für Investments und Wertpapiere AG – has assumed the function of Designated Sponsor for the Company shares traded on the Frankfurt Stock Exchange in the electronic trading system XETRA under WKN A0A FGF, and will also fulfil this function after admission and introduction of these shares to trading on the regulated market

(General Standard). The Company has entered into a contract with BankM – representative office of biw Bank für Investments und Wertpapiere AG – for this purpose. The content and purpose of the contract is to govern the Designated Sponsor's support of the Company. Under the Designated Sponsor contract between BankM – representative office of biw Bank für Investments und Wertpapiere AG – and the Company, BankM – representative office of biw Bank für Investments und Wertpapiere AG – will, among other things, place limited buy and sell orders for Company shares in the electronic trading system XETRA of the Frankfurt Stock Exchange under WKN A0A FGF, in accordance with the house rules and minimum requirements of the Frankfurt Stock Exchange. This should improve the ease of trading of the Company shares in question. For its services, the Designated Sponsor receives compensation customary in the market.

TRADING REGULATIONS

Trading of Company shares on the Quotation Board is subject to the laws and provisions in effect, as well as to the relevant provisions of the Frankfurt Stock Exchange's exchange regulations and other trading regulations. Trading in Company shares on the regulated market (General Standard) on the Frankfurt Stock Exchange will be subject to the laws and provisions in effect, as well as to the relevant provisions of the Frankfurt Stock Exchange's exchange regulations and other trading regulations. Trading on the open market of other German stock exchanges is subject to the trading regulations of these exchanges applicable in each case.

SECURITIES TRADING ON THE FRANKFURT STOCK EXCHANGE

The Frankfurt Stock Exchange is the most important stock exchange for equity trading in Germany. It is operated by Deutsche Börse AG. As at 30 June 2012, the shares of more than 250 German and foreign companies were introduced to trading on the regulated market (General Standard).

Trading on the Frankfurt Stock Exchange (floor trading) begins each trading day at 8:00 a.m. and ends at 8:00 p.m. The so-called specialists, who replaced the former lead brokers on the trading floor as of 23 May 2011, accept buy and sell orders from 8 a.m. to 8 p.m. Trading on the electronic trading system XETRA (Exchange Electronic Trading) begins at 9 a.m. and ends at 5:30 p.m.

Securities admitted to the Frankfurt Stock Exchange can also be traded regularly outside the stock exchange, on the interbank market.

The stock exchange prices are determined during floor trading by specialists or via electronic trading. The price determination process is monitored by the market surveillance units of the stock exchanges. In addition, the Exchange Supervisory Office monitors this price determination process. The neutrality of the specialist is prescribed by law. The price of a share in electronic trading is determined by the execution of two opposed offers (buy and sell offer). Shares are quoted in euro.

Deutsche Börse AG publishes order book statistics at http://www.deutsche-boerse.com, under the heading "Listing", "Statistics", "Spot Market", where one can call up the prices for the most important shares traded, both in electronic trading (Xetra) and floor trading.

On the Frankfurt Stock Exchange, trades executed as spot transactions must be fulfilled on the second day after the day the transaction in question was closed. Securities transactions that are not executed on the Frankfurt Stock Exchange are in principal also to be fulfilled on the second day after the day the transaction in question was closed; the parties can agree to a different deadline.

Quotation can be suspended by the Frankfurt Stock Exchange if proper stock exchange trading appears to be temporarily jeopardised or if it deems the public needs protection. If proper stock exchange trading no longer appears guaranteed, the Frankfurt Stock Exchange can discontinue quotation. Price-setting or stock exchange trading can be interrupted if required for technical reasons or to avoid other dangers to stock exchange trading.

Trading on the German stock exchanges is monitored by Market Surveillance [*Handelsüberwachungsstelle* (HÜSt)].

SHARE OF EARNINGS AND DIVIDEND POLICY

OVERVIEW OF DIVIDEND PERFORMANCE IN RECENT YEARS

The Company was founded in the year 2008. The Company made no profit or dividend distributions in the fiscal years 2008, 2009, or 2010. German law allows the Company not to distribute dividends in fiscal year 2011, since the balance sheet in its annual financial statements according to the German Commercial Code shows no profits. The Company plans to distribute dividends in the future. In so doing, the Company will consider both the interests of the shareholders and the Company's economic situation. Accordingly, future dividend distributions will depend on the Company's financial, profit, and general situation (in particular its tax and legal situation).

In the case of future dividend distributions, the Board is currently of the opinion that a distribution quota of at least 50% of the distributable profits is reasonable. Under the condition of a successful feasible sale of gold in December 2012 out of the gold delivery rights resulting from the capital increase by way of contribution in kind in March 2012 as well as taking a further increase in the gold price as a basis, the Board currently anticipates that it will be able to propose the distribution of a dividend in the amount of EUR 0.05 per share in the General Meeting, which decides hereon.

OPERATING AND FINANCIAL REVIEW (OFR)

OVERVIEW

The following presentation of PEARL GOLD AG'S financial situation and business performance derives from the audited annual financial statements according to the rules of the German Commercial Code (HGB) for the fiscal years 2009 and 2010, as well as from voluntarily prepared and audited individual financial statements according to IFRS for the fiscal year 2011 and the figures it contains from the previous fiscal year 2010.

PEARL GOLD AG prepared for the first time, on a voluntary basis, the individual financial statements as at 31 December 2010 according to IFRS (International Financial Reporting Standards) as applied in the EU.

There are no voluntarily prepared IFRS individual financial statements as at 31 December 2009.

In the course of the voluntary transition from HGB to IFRS, on the IFRS transition date of 1 January 2010, a balance sheet was prepared, applying IFRS 1, on the basis of the audited HGB annual financial statements as at 31 December 2009. The balance sheet as at the IFRS transition date of 1 January 2010 was subjected to a review.

For ease of comparison, the operating and financial review (OFR) is prepared on the basis of the IFRS financial data and the IFRS classifications normally used on the capital market. For the fiscal years 2011 and 2010, the financial data are taken from the IFRS individual financial statements as at 31 December 2011 and the comparable figures for the previous year contained in those financial statements.

In addition, the financial data were adjusted to IFRS classifications and adopted on the basis of the audited annual financial statements according to HGB as at 31 December 2009, which were augmented by a cash flow statement and a statement of changes in equity. No material adjustments needed to be made. Both the above-mentioned additional elements in the annual financial statements according to HGB as at 31 December 2009 were subjected to a review. Nevertheless, the HGB financial data as at 31 December 2009 are not IFRS-conformant financial data. A comparison with the IFRS financial data is therefore not possible or is possible only with qualifications.

As at 31 December 2009, the audited annual financial statements according to HGB contained a debt overload on the balance sheet. As at 31 December 2011 (2010), the audited annual financial statements according to HGB still show a net loss on the balance sheet of EUR -1.4198 million. There is no debt overload, however, in view of the subscribed capital and capital reserves, which together total EUR 140.300 million (EUR 70.300 million).

Preparation of the IFRS Individual Financial Statements

Some of the balance sheet data in the voluntarily prepared individual financial statements as at 31 December 2011, which were prepared according to IFRS as applied in the EU, differ from the those in the mandatory annual financial statements under commercial law as at 31 December 2011. The material differences relate to the following balance sheet data:

Financial Assets and Financial Instruments

Only items designated to serve in business operations permanently are required to be shown as fixed assets by HGB.

The most important types of financial assets are taken from the balance sheet classification system in § 266 (2) III HGB.

If share rights are acquired by a third party, the acquisition costs are to be stated in the amount of the actual purchase price, including incidental acquisition costs. If shares are admitted in the course of a contribution in kind during an increase in share capital, the acquisition costs are to be stated as the values of the contributions in kind, plus the incidental costs borne by the shareholders.

Under HGB, financial assets are to be written down on an unscheduled basis only when a presumably permanent depreciation occurs, in order to state them with a lower value than that to be assigned to them on the balance sheet date.
Under IFRS, in contrast, financial instruments are divided into four categories:

- Financial instruments held for trading,
- Financial instruments held to maturity,
- Financial assets available for sale,
- Loans and receivables.

The classification is dependent on the type and purpose of the financial assets in the Company and is made upon entry in the balance sheet. The 25% interest in Wassoul'Or via contributions in kind was classified under IFRS as financial assets available for sale.

Financial assets are valued upon initial recognition at fair value, plus the additional assumed transaction costs arising directly from the purchase.

In subsequent valuations, however, financial assets available for sale are valued under IFRS at fair value without consideration of transaction costs. Profits and losses arising from subsequent valuations at fair value are thereby in principal recorded as equity, as long as the financial asset is not sold, withdrawn, derecognised elsewhere, or re-valued. Under IFRS, the cumulative profits or losses recorded as equity are to be included in the total results for the period.

These differing valuation bases lead to a valuation of the interest in Wassoul'Or in the voluntarily prepared and audited PEARL GOLD AG IFRS individual financial statements as at 31 December 2011 (2010) that is lower by EUR 114.8 thousand (EUR 114.8 thousand) than in the corresponding audited HBG annual financial statements.

Deferred Taxes

Under IFRS, there is a duty to recognise deferred taxes for all temporary differences between the tax values and the values on the balance sheet. In making the valuation, one must use the applicable future tax rate on the basis of the legal situation on the balance sheet date.

Furthermore, under IFRS, deferred taxes assets for taxable losses carried forward and for tax credits are to be recorded on the balance sheet.

Deferred tax assets from

- temporary differences in values,
- taxable losses carried forward, and
- tax credits

must, however, be recognised only in so far as these tax advantages can be realised with sufficient probability.

Under German accounting law, on the contrary, an option to recognise exists for the backlog of deferred tax assets. The Company exercised this option by not recognising any deferred tax assets under HGB.

In this regard, the recording as assets of deferred taxes for taxable losses carried forward results in assets being stated as higher by EUR 210 thousand (EUR 113.9 thousand) in PEARL GOLD AG'S voluntary IFRS individual financial statements as at 31 December 2011 (2010) than in the HGB annual financial statements.

For ease of presentation and comparability of the selected financial data, the previous year's comparable figures from the IFRS individual financial statements as at 31 December 2010 are presented for the fiscal year 2010. In addition, the audited annual financial statements according to HGB as at 31 December 2009 only needed to be adjusted to the classifications in the annual financial statements according to IFRS as at 1 January 1010. No further adjustments were made.

The financial data contained in this Prospectus come from the following PEARL GOLD AG financial statements, where "IFRS" means "IFRS as applied in the EU":

- individual financial statements according to IFRS as at 31 December 2011 (audited),
- individual financial statements according to IFRS as at 31 December 2010 (audited), and

- annual financial statements according to HGB as at 31 December 2009 (audited) with transfer from HGB to IFRS as at 1 January 2010 (which was reviewed).

The numerical data below have been taken from the above-mentioned financial statements.

PEARL GOLD AG EARNINGS PERFORMANCE

The income statement in 2011 (2010) is principally characterised by initial, low sales revenues from consulting and project development activities, by expenses connected with the use of other third-party consultants for economic, legal, and tax matters, and by financial accounting fees (consulting fees).

The following is an explanatory overview of the income statement that calls out the material items:

	2011 EUR '000	2010 EUR '000
Sales revenues	48.5	22.0
Consulting fees	-687.9	-738.3
Interim balance	-639.4	-716.3
Balance of the remaining revenues and expenses, above all from the recording of deferred taxes as assets	128.9	109.8
Annual net loss	-510.5	-606.5

Sales revenues in the year 2011 resulted principally from passing on of costs from consulting and project development services to Wassoul'Or, while the sales revenues realised in the year 2010 resulted exclusively from consulting services to other third parties.

Deferred taxes were recorded as assets in the full amount as at 31 December 2011 (2010) for the losses carried forward in 2010 and 2011 subject to corporate tax. No deferred taxes needed to be recorded as assets for the corresponding trade-taxable losses carried forward, since it cannot be sufficiently determined whether future trade tax reductions can be achieved.

PEARL GOLD AG Earnings Performance for the Fiscal Years 2011, 2010, and 2009 in EUR '000

	1.1.-31.12.2011	1.1.-31.12.2010	1.1.-31.12.2009
	IFRS	*IFRS *)*	*HGB **)*
	audited	*audited*	*audited*
Sales revenues	48.5	22.0	0.0
Other operating revenues	50.8	0.0	0.0
Other operating expenses	-705.9	-742.4	-92.8
Earnings before interest and taxes (EBIT)	***-606.6***	***-720,4***	***-92.8***
Financing revenues	0.0	0.0	0.0
Financing expenses	0.0	0.0	0.0
Financial income	***0.0***	***0.0***	***0.0***
Earnings before taxes (EBT)	***-606.6***	***-720.4***	***-92.8***
Income taxes	96.1	113.9	0.0
Annual net loss	**-510.5**	**-606.5**	**-92.8**

*) Previous year's figures are from the individual financial statements according to IFRS as at 31 December 2011

**) The annual financial statements as at 31 December 2009 are audited and adjusted only to the IFRS classifications. These financial data do not represent, however, IFRS-conformant data.

A comparison with IFRS financial data as at 31 December 2011 is therefore not possible or is possible only with qualifications.

PEARL GOLD AG Earnings Comparison for the Fiscal Years 2011 and 2010

Sales revenues from consulting and project development activities more than doubled, from EUR 22 thousand in 2010 to EUR 48.5 thousand in 2011.

The other operating expenses are principally expenses for consulting and auditing services used in the areas of capital market law, economic law, auditing, and tax consulting. These expenses remained at about the same level in 2010 and 2011.

Stated earnings from income taxes in 2011 and 2010 relate to the recording as assets of deferred taxes for taxable losses carried forward. Since the negative result before taxes is slightly better (it improved by 15.8 percentage points) while the governing regulations remained similar, the fact that appropriations are lower by EUR 17.8 thousand (a reduction of 15.6 percentage points) is due exclusively to the reduction of the annual net loss before taxes in 2001 as compared to 2010.

PEARL GOLD AG Earnings Comparison for the Fiscal Years 2010 and 2009

Sales revenues from consulting and project development activities were realised for the first time, in 2010, in the amount of EUR 22.0 thousand.

The other operating expenses principally relate to expenses for consulting services used in the areas of capital market law, economic law, auditing, and tax consulting. These expenses rose significantly between 2009 and 2010. Since, in an economic sense, the Company was newly founded in November 2009 with the purchase of the shelf company shares, the year 2009 is economically comparable with an abbreviated fiscal year from the date of the acquisition of the shares in November 2009 to 31 December 2009. If this is taken into consideration, brisk Company activity is revealed in this, economically speaking, abbreviated fiscal year, which continued at a similar level in the year 2010, however for an entire fiscal year.

Stated earnings from income taxes in the individual financial statements according to IFRS as at 31 December 2010 relate to the recording as assets of deferred taxes for taxable losses carried forward.

No deferred taxes for taxable losses carried forward are considered in the annual financial statements under commercial law as at 31 December 2009, since no use was made of the HGB option to record deferred taxes as assets.

Deferred taxes for taxable losses carried forward were also not considered during the transition from HGB to IFRS as at 1 January 2010, since, as at 31 December 2009, all material decisions had already been reached to exchange 100% of the shareholders of PEARL GOLD AG, such that, given the prevailing legal status, these taxable losses carried forward could no longer affect the tax load in the future.

PEARL GOLD AG TOTAL ASSET PERFORMANCE

The balance sheet in 2011 (2010) was principally characterised by the 25% interest in Wassoul'Or and the obligations to pay for the consulting services used.

In January / March 2010, 9,950,000 new shares of PEARL GOLD AG were issued to Mansa Moussa Gold Fund during the capital increase by means of contributions in kind. In return for this, Mansa Moussa Gold Fund ceded to PEARL GOLD AG approx. 12.5% of the Wassoul'Or shares it held, which at the time had a fair value in the amount of EUR 70.000 million. PEARL GOLD AG's subscribed capital was thereby increased by EUR 9.950 million. The difference – between the fair value of the Wassoul'Or shares ceded and the amount by which PEARL GOLD AG's subscribed capital was increased – in the amount of EUR 60.050 million was placed in the capital reserves.

In March 2011, also during an in-kind capital increase, Mansa Moussa Gold Fund sold a further approx. 12.5% share of Wassoul'Or to PEARL GOLD AG and ceded the purchase price asked to PEARL GOLD AG. The 9,750,000 new shares issued during the in-kind capital increase were distributed, with exclusion of purchase rights, to the other shareholders excluding Mansa Moussa Gold Fund. In the course of this transaction, PEARL GOLD AG's subscribed capital was increased by EUR 9.750 million. The difference – between the fair value of the Wassoul'Or receivables ceded and the amount by which PEARL GOLD AG's subscribed capital was increased – in the amount of EUR 60.250 million was placed in the capital reserves.

In November / December 2010, in the meantime, the subscribed capital was raised from EUR 250.0 thousand to EUR 10.250 million during a capital increase by means of cash.

According to the annual financial statements as at 31 December 2011 (2010), prepared according to local accounting regulations, Wassoul'Or shows equity in the amount of the subscribed capital of EUR 3.3539 million (EUR 3.3539 million), using a currency conversion factor of CFA 655.96/EUR. The long-term assets recorded as assets as at 31 December 2011 (2010) in the amount of EUR 150.5575 million (EUR 131.3152 million), converted into euro, are balanced by trade liabilities in the amount of EUR 4.9118 million (EUR 5.0963 million) as well as other liabilities due to gold deliveries, which are valued at EUR 145.9929 million (EUR 126.8226 million). These liabilities were already taken into consideration when determining the fair value of the Wassoul'Or shares.

The other liabilities are mainly comprised of short-term open account liabilities to related parties. These open-account-credit funds were used to pay trade liabilities. These trade liabilities are mainly due to consulting services by other third parties.

The following is an explanatory overview of the balance sheet that calls out the material items:

	2011 EUR '000	2010 EUR '000
Assets		
Financial assets	140,000.0	140,000.0
Other assets	611.0	239.8
Total assets	*140,611.0*	*140,239.8*
Liabilities		
Subscribed capital	20,000.0	10,250.0
Capital reserves	120,300.0	60,050.0
Net loss	-1,209.8	-699.3
Other	-114.8	-114.8
Equity	138,975.4	69,485.9
Trade liabilities	391.4	70,318.0
Other reserves	128.9	57.5
Other liabilities	1,115.3	378.4
Total assets	*140,611.0*	*140,239.8*

Total Assets Performance for the Fiscal Years 2011, 2010, und 2009
in EUR '000

	31.12.2011	31.12.2010	31.12.2009
	IFRS	*IFRS *)*	*HGB **)*
	audited	*audited*	*audited*
ASSETS			
Financial assets	140,000.0	140,000.0	0.0
Long-term deferred tax assets	210.0	113.9	0.0
Long-term assets	***140,210.0***	***140,113.9***	***0.0***
Receivables and other assets	322.8	120.9	7.7
Cash	78.2	5.0	49.7
Short-term assets	***401.0***	***125.9***	***57.4***
Total assets	**140,611.0**	**140,239.8**	**57.4**
LIABILITIES			
Subscribed capital	20,000.0	10,250.0	50.0
Capital reserves	120,300.0	60,050.0	0.0

Net loss	-1,209.8	-699.3 ***)	-92.8
Fair value reserves	-114.8	-114.8	0.0
Equity	***138,975.4***	***69,485.9***	***-42.8***
Trade liabilities	391.4	70,318.0	47.8
Other reserves	128.9	57.5	52.2
Other liabilities	1,115.3	378.4	0.0
Short-term liabilities	***1,635.6***	***70,753.9***	***100.2***
Total assets	**140,611.0**	**140,239.8**	**57.4**

*) Previous year's figures are from the individual financial statements according to IFRS as at 31 December 2011

**) The annual financial statements as at 31 December 2009 are audited and adjusted only to the IFRS classifications. These financial data do not represent, however, IFRS-conformant data. A comparison with IFRS financial data as at 31 December 2011 is therefore not possible or only possible with qualifications. Under IFRS, as opposed to under HGB, a "a net loss not covered by equity" is not recorded as an asset. As a result, the total assets as at 31 December 2009 differ in comparison with HGB by this amount of EUR 42.7 thousand.

***) To permit a comparison with IFRS, the comparable figures in the individual financial statements according to IFRS as at 31 December 2010, the loss carried forward of EUR -92.8 thousand, and the annual net loss in the amount of -606.54, were combined to a net loss in the amount of EUR -699.3 thousand.

PEARL GOLD AG Total Assets Comparison for the Fiscal Years 2011 and 2010

The balance sheet in 2011 and 2010 is principally characterised by the 25% interest in Wassoul'Or and obligations to pay for the consulting services used.

In January / March 2010, 9,950,000 new shares of PEARL GOLD AG were issued to Mansa Moussa Gold Fund during the in-kind capital increase. In return for this, Mansa Moussa Gold Fund ceded to PEARL GOLD AG approx. 12.5% of the Wassoul'Or shares it held, which at the time had a fair value in the amount of EUR 70.000 million. PEARL GOLD AG's subscribed capital was thereby increased by EUR 9.950 million. The difference – between the fair value of the Wassoul'Or shares ceded and the amount by which PEARL GOLD AG's subscribed capital was increased – in the amount of EUR 60.050 million was placed in the capital reserves.

In May / June 2010, Mansa Moussa Gold Fund transferred an additional 12.5% of the Wassoul'Or shares it held to PEARL GOLD AG. The basis of this transfer was a purchase agreement meeting the arms' length test between PEARL GOLD AG as purchaser and Mansa Moussa Fund as seller. The parties to the contract assumed a fair value of approx. 12.5% of the Wassoul'Or shares in the amount of EUR 70.000 million. In March 2011, Mansa Moussa Gold Fund finally ceded the purchase price asked in the purchase agreement to PEARL GOLD AG in exchange for new PEARL GOLD AG shares. In return, 9,750,000 new shares were issued to Mansa Moussa during the in-kind capital increase. PEARL GOLD AG's subscribed capital was thereby increased by EUR 9.750 million. The difference – between the fair value of the Wassoul'Or shares ceded and the amount by which PEARL GOLD AG's subscribed capital was increased – in the amount of EUR 60.250 million was placed in the capital reserves.

In November / December 2010, in the meantime, the subscribed capital was raised from EUR 250.0 thousand to EUR 10.250 million during a capital increase by means of cash.

As at 31 December 2010, therefore, there was a purchase price liability in the amount of EUR 70.000 million, balanced by EUR 10.250 million in subscribed capital and EUR 60.050 million in capital reserves.

The balance sheet as at 31 December 2011, in contrast to the previous year, no longer shows a purchase price liability after the legal validity of the in-kind capital increase from the cession of the asking price in return for new PEARL GOLD AG shares, while PEARL GOLD AG's equity rose by this amount of EUR 70.000 million, in that namely the EUR 9.750 million raised the subscribed capital to EUR 20.000 million und the EUR 60.250 million raised the capital reserves to EUR 120.300 million.

The other liabilities are mainly comprised of short-term open account liabilities to related parties. These open-account-credit funds were used to pay trade liabilities. These trade liabilities are mainly due to consulting services by other third parties.

PEARL GOLD AG Total Asset Comparison for the Fiscal Years 2010 and 2009

The total assets as at 31 December 2009 show only the subscribed capital paid in the amount of EUR 50.0 thousand, and an annual net loss in the amount of EUR 92.8 thousand, which results from the reserves affecting expenses that were set aside for the consulting services used in November and December 2009. Since the shares of the former shelf company Perle 16. AG (whose name was later changed to PEARL GOLD AG) were not taken over until November 2009, the annual financial statements under commercial law as at 31 December 2009 are only characterised by the subscribed capital in the amount of TEU 50 and the net debt incurred in 2009 for the consulting services used in the amount of EUR 92.5 thousand in November and December 2009 but not yet paid. The balance sheet as at 31 December 2010, in contrast, is already mainly characterised by the 25% interest in Wassoul'Or and the obligations to pay the consulting services used for a fiscal year.

STATEMENT OF CHANGES IN EQUITY

We provide the following explanatory overview of the changes in equity, since only immaterial effects have arisen from the recording of deferred taxes as assets and from the reserves for the incidental acquisition costs for the Wassoul'Or participation, which IFRS mandate should be taken into consideration directly in equity:

STATEMENT OF CHANGES IN EQUITY (IFRS)

FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2011 (2010)
in EUR '000

	Subscribed capital *IFRS*	Capital reserves *IFRS*	Net loss *IFRS*	Fair value reserves *IFRS*	Total equity *IFRS*
Status on 1 January 2010	***50.0***	***0.0***	***-92.8***	***0.0***	***-42.8***
Earnings before taxes (EBT)			-606.5		-606.5
Unrealised profits / losses				-114.8	-114.8
Total earnings after income taxes	***0.0***	***0.0***	***-606.5***	***-114.8***	***-721.3***
Capital increases	10,200.0	60,050.0			70,250.0
Status on 1 January 2011	***10,250.0***	***60,050.0***	***-699.3***	***-114.8***	***69,485.9***
Earnings before taxes (EBT)			-510.5		-510.5
Total earnings after income taxes	***0.0***	***0.0***	***-510.5***	***0.0***	***-510.5***
Capital increases	9,750.0	60,250.0			70,000.0
Status on 31 December 2011	***20,000.0***	***120,300.0***	***-1,209.8***	***-114.8***	***138,975.4***

Since PEARL GOLD AG's equity in the period from 1 January 2009 to 31 December 2009 or to 1 January 2010 only changed by the net loss for the fiscal year 2009 in the amount of EUR -92.8 thousand, this period was not included in the presentation of the changes in equity above, since no additional information would result from this.

PEARL GOLD AG CASH FLOW STATEMENT PERFORMANCE

The cash flow statement mainly shows the short-term financed cash inflows from related parties in 2011 (2010) in the amount of EUR 736.9 thousand (EUR 378.4 thousand) and in 2010 the cash inflow in the amount of EUR 250.0 thousand from the capital increase in November / December 2010. These are balanced by cash outflows to pay the incoming invoices of other third parties.

The following is an explanatory overview of the cash flow statement that calls out the material items:

CASH FLOW STATEMENT (IFRS)

FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2011 (2010)
in EUR '000*)

	1.1.-31.12.2011	1.1.-31.12.2010
	IFRS	*IFRS*
	audited	*unaudited*
Earnings before taxes (EBT)	-510.5	-606.5
Increase of other reserves	71.4	5.2
Increase in deferred tax assets	-96.1	-113.9
Changes in		
Receivables and other assets	-201.9	-113.3
Trade liabilities	73.4	270.2
Cash flow from operating activities	***-663.7***	***-558.3***
Payments made for financial investments	0.0	-114.8
Payments made for other investments	0.0	0.0
Cash flow from investment activity	***0.0***	***-114.8***
Payments received for emission of new shares	0.0	250.0
Payments received for short-term other liabilities	736.9	378.4
Cash flow from financing activity	***736.9***	***628.4***
Increase (+) / decrease (-) in cash	***+73.2***	***-44.7***
Cash at the start of the period	***5.0***	***49.7***
Cash at the end of the period	***78.2***	***5.0***

*) Since PEARL GOLD AG was acquired in 2009 as a shelf company, and in this connection only the deposits still outstanding on the subscribed capital have been paid in, but no other events affecting payments have taken place in the period from 1 January to 31 December 2009, this period was not included in the above presentation of the statement of changes in equity, since no additional information would result from this.

The cash flow statement (IFRS) for 2011 (2010) shows the cash flow performance.

The first-time conversion to IFRS produced no material effects on the net assets, financial position and results of operation of PEARL GOLD AG.

CAPITALISATION AND DEBT

The following table provides an overview of the Company's capitalisation as at 31 August 2011 in accordance with IFRS. The table should be read in conjunction with the HGB annual financial statements for financial years 2011, 2010 and 2009, and voluntary audited IFRS individual financial statements for financial year 2011, together with associated notes, which are provided elsewhere in this Prospectus (see "Financial Information").

Capitalisation and Debt in EUR '000	31.08.2012 *IFRS* *unaudited*
Current liabilities	**2,625.1**
of which guaranteed	0.0
of which secured	0.0
of which not guaranteed / not secured	2,625.1
Non-current liabilities	**0.0**
of which guaranteed	0.0
of which secured	0.0
of which not guaranteed / not secured	0.0
Equity	**200,191.7**
of which subscribed capital	25,000.0
of which capital	177,050.0

reserves	
of which net accumulated losses	-1,743.5
of which other comprehensive income	-114.8
Total equity and liabilities	**202,816.7**

Net Financial Debt in EUR '000		31.08.2012 *IFRS* *unaudited*
A.	Cash (demand deposits)	649.4
B.	Cash equivalents	0.0
C.	Securities held for trading	0.0
D.	**Liquid assets (A + B + C)**	**649.4**
E.	**Current financial receivables**	**106.0**
	Subtotal	*755.4*
F.	Current financial liabilities	-2,625.1
G.	Current portion of non-current financial liabilities	0.0
H.	Other current financial liabilities	0.0
I.	**Current financial liabilities (F + G + H)**	**-2,625.1**
J.	**Current net financial debt (I - E - D)**	**-1,869.7**
K.	Non-current financial liabilities	0.0
L.	Bonds issued	0.0
M.	Other non-current financial liabilities	0.0
N.	**Non-current financial liabilities (K + L + M)**	0.0
O.	**Net financial debt (J + N)**	**-1,869.7**

As at 31 August 2012, there were receivables for the delivery of 48,000 troy ounces of gold, of which 14,000 troy ounces of gold are due on 15 December 2012 and the remaining 34,000 troy ounces of gold are due on 15 December 2013. At the market price of approximately EUR 1,345 per fine ounce of gold on the 31 August 2012 balance sheet date, these receivables represent a value of EUR 64.560 million. The first tranche due on 15 December 2012 therefore corresponds to a value of approximately EUR 18.830 million, and due to the high fungibility of fine gold it should also be possible to generate sufficient cash to cover any requirements in this year. Even if 80% less value were realized and as a result 80% less additional currency, the Company, as long as it does not voluntarily take on additional debt in the future, would still be financed if the EUR 649.4 million on hand as of 31 August 2012 plus the liquidity of around EUR 3.766 million, i.e. a total of around EUR 4.415 million was available for the settlement of liabilities.. This analysis does not include utilisation of the additional credit lines offered to the Company.

CONTINGENT LIABILITIES AND OTHER FINANCIAL COMMITMENTS

As at 31.08.2012

in EUR '000

	31.08.2012 *IFRS* *audited*	
Contingent liabilities from lease agreements	96	
Contingent liabilities from financial services agreements	40	
Contingent liabilities from advisory agreements	678	
	814.0	

Other financial commitments are shown at nominal value. In each case, a period of five years as from the respective balance sheet date is observed.

For the lease commitments, it was assumed that the existing lease agreement would continue in its present form to the end of the five-year period.

The due date structure of the commitments is as follows:

As at 31.08.2012

in EUR '000

	31.08.2012 *IFRS*

	audited
< 1 year	257.2
1 to 5 years	556.8
	814.0

WORKING CAPITAL STATEMENT

The Company believes that PEARL GOLD AG has sufficient working capital to cover the payment obligations coming due in the next 12 months based on current projections.

MARKET ENVIRONMENT AND COMPETITION

THE GOLD MARKET

General Information about Gold

The use of gold has a long history and gold has played an important role in the history of mankind. Originally used to make jewellery due to its lustre and purity, gold has also been used as a means of payment and a global currency reserve for more than 3,500 years and consequently represents the only supranational, internationally accepted currency in the world. A number of gold standards providing backing for currencies have been used since the beginning of civilisation as a basis for money market policies. As a natural resource, gold mainly appears in mineral form and to a small extent in rock, and can be found in almost every country of the world. Due to its rarity, gold has always been a symbol of wealth, power and extravagance. In addition, gold has always been associated with a great many cultural and symbolic meanings and ideologies around the world. In East Asia, India and the Middle East in particular, gold is still used today as a "holy metal" for religious and social occasions. As a result, no other country in the world imports and consumes as much gold as India.

In addition to these monetary and symbolic functions, the special chemical characteristics of gold, such as high malleability, electrical conduction and corrosion resistance, are leading to new applications in many industrial sectors, such as electronics, glass production and technical and medical applications. Global gold consumption currently consists of 50% for jewellery, 40% for investments and 10% for industry.

Of all the precious metals, gold is also the most desired investment metal, as it is one of the few assets not associated with obligations to other parties. Investors therefore mainly buy gold for portfolio diversification and as a hedge against the loss of purchasing power and currency devaluation. Since gold is considered a "safe haven" in financial markets, the last economic crisis increased demand considerably, leading to an increase in the price of gold. In 2011, the price of gold consequently rose for a short period of time to a high of USD 1,896.50 per ounce, and many market experts currently expect the positive trend to continue.

Availability of Gold

Gold deposits exist on all of the continents and in the oceans, so that gold is not, in principle, one of the rare elements. With the exception of Antarctica, in which mining is prohibited, proven gold deposits exist in almost all countries and regions. Currently (as at 2010), proven gold deposits have been found at approximately 19,500 locations around the world[1]. Approximately 40% of the gold mined today comes from South Africa, the USA, Australia and Russia. There is, however, great variation in the concentration and form of the gold deposits. Gold appears on earth in the form of gold-bearing rock (gold ore) or as a native metal (pure chemical element). The metal is, however, almost never found in pure form, but mostly in combination (as an alloy) with other metals, generally silver, copper, palladium and rhodium. The gold content of the 30-

[1] http://www.mindat.org/show.php?id=1720&ld=1#themap

60 km thick continental earth crust is approximately 0.004 g/t, that is, approximately 4 grams per thousand tonnes of rock[2]. The ratio varies according to region, with deposits in active mining areas generally showing a ratio of several grams per tonne. Profitable mining of the gold present in the earth's crust is, however, only possible in a small number of locations. The deepest gold mine in the world is in South Africa, where gold is mined close to 4,000 metres under the surface of the earth. At the beginning of 2011, the mining company AngloGold Ashanti Ltd. was planning shafts reaching down to 5,000 metres[3]. Significant amounts of gold are produced when other metals, such as copper, nickel or other precious metals are refined and may make an otherwise uneconomical deposit profitable to extract. New precious-metal finds reached a high point in the 1980s, and exploitation of these finds reached a peak at the beginning of the 21st century. According to estimates by the World Gold Council[4], approximately 165,000 tonnes of gold have been extracted during human history, which corresponds to a cube with sides approximately 20 m in length.

As is the case for all resources, gold is not inexhaustible. According to information from the United States Geological Survey (USGS), there are approximately 51,000 tonnes of gold reserves that can be extracted using currently known technical means[5]. The lion's share of these reserves, approximately 7,000 and 6,000 tonnes, are in Australia and South Africa, respectively. In 2009, the USGS estimated that approximately 100,000 tonnes was the total amount of gold it would ever be possible to mine. As a result, one can state that even though gold is not rare on earth, the high cost of extraction greatly limits its availability.

Unit of Measure and Fineness

"Troy ounces" or "ounces" are used internationally as the unit of weight for gold (1 troy ounce = 31.10348 grams). The troy ounce relates to a 100% gold purity, referred to as "fineness". Fineness indicates the ratio of pure precious metal to total weight in millesimals. The carat is also used as a second unit of measure for fineness. The carat is only used to indicate the fineness of gold, and is not the same as the carat used for gemstones. The carat used for gemstones is a unit of weight (1 carat = 0.2 grams). Fineness is therefore not equivalent to weight.

By definition, gold with a minimum gold content of 33.3% (333 fineness) can be called gold in Germany. The statutory limit is 37.5% in Great Britain and Switzerland, and 250 fineness in Austria (25.0%). The following table gives an overview of the fineness scale and alternative carat designations:

Fineness	Gold Content	Carats
999.9 (=1000)	99.99%	24
917	91.7%	22

[2] David R. Lide (ed.): CRC Handbook of Chemistry and Physics, 90th Edition, CRC Press, Boca Raton, Florida, 2009. Section 14, Geophysics, Astronomy, and Acoustics; Abundance of Elements in the Earth's Crust and in the Sea

[3] http://www.goldreporter.de/goldsuche-extrem-sudafrikaner-wollen-auf-5-000-meter-runter/gold/6101/

[4] World Gold Council; http://www.gold.org/about_gold/story_of_gold/demand_and_supply/

[5] USGS; http://minerals.usgs.gov/minerals/pubs/commodity/gold/mcs-2011-gold.pdf

750	75.0%	18
585	58.5%	14
416	41.6%	10
375	37.5%	9
333	33.3%	8

Source: Goldseiten.de

Deposits

Gold deposits can be divided into primary and secondary deposits. Primary deposits contain gold in the form of gold-bearing rock (gold ore), which is found in quartz veins together with sulphides. Primary deposits are also called "rock gold". Quartz veins generally have a gold content of approximately 0.001%, i.e. 10 g/t or 10 kilograms per 1000 tonnes of rock, with content varying considerably by location compared not only to other deposits, but also within a deposit. Whether a gold deposit can be mined profitably depends on the extraction method and the achievable gold price. If production costs are low or the price of gold is high, it could be feasible to mine ore deposits with a gold concentration of approximately 1 g/t. A maximum gold concentration of 5-25 g/t can be achieved if the rock surrounding the quartz veins is also extracted. Large primary gold deposits are found, for example, in South Africa, Australia and North America.

In secondary deposits, gold is found as native metal in the form of dust or grains ("nuggets"). Most of these nuggets are extremely small and rarely weigh more than one gram. These deposits are also referred to as "alluvial gold" or "placer gold", and are created over millions of years by the erosion and weathering of primary gold deposits located on the surface and deposition of the gold in river plains. Significant secondary deposits exist in the Klondike region (Alaska), Russia (Ural) and in Eastern Australia. There were also historically known deposits in the Rhine and in Sacramento (USA).

Gold Mining Companies

Purchasing shares in gold mining companies is a popular and widely-used method of investing in gold. The shareholders hold shares in the company and are therefore the legal owners of the company's share capital. The gold mining industry is a large and profitable sector in which a number of factors determine the price formation and valuation of gold shares, such as the geographical aspects of a mining project, profitability, expected costs, management quality and, of course, the value of the gold in the mine reserves.

Natural resource shares are categorised based on the fact that natural resources need to be located, extracted and processed in consecutive stages. The process of gold exploration and production can therefore be broken down into a variety of steps requiring different operational strategies and involving different risks.

The first phase of extraction includes a detailed screening of available geographical data for the future area of gold production. This is followed by regional analyses, surface test excavations, geophysical analyses and finally scoping studies. Explorers assume the financial risk and the task of finding potential mineral deposits. When there is evidence of potential resource deposits in the region examined, the resources are referred to as inferred resources. Subsequent test borings over a lengthy period then lead to a categorisation as possible or indicated resources. If the size of the gold deposit can be determined from further test borings, it is referred to as a probable deposit. If the type and size of the resource deposit is known and confirmed, the mines are further developed to the point of production. Companies in the process of transition from explorers to an advanced development stage as a producing company are referred to internationally as junior gold producers or junior miners.

A (bankable) feasibility study is generally prepared before the decision is made to build a producing mine. This study analyses data on production methods, expected costs and infrastructure. If the global resource is profitable, the financing round begins, i.e. the acquisition of equity and/or debt for construction of the mine.

The period between the feasibility study and start of production is generally 18 to 36 months. In most cases, the same amount of time is required between the time a deposit is found and the start of the study, which means a total period of three to six years before the start of mine production.

Depending on the type of gold deposits, either underground or open pit mines are set up, and the construction of these is time and cost-intensive.

The beginning of the exploration project is therefore highly risky, and these risks decline during the course of the process until the start of production by the gold mine, which represents a low risk for investments.

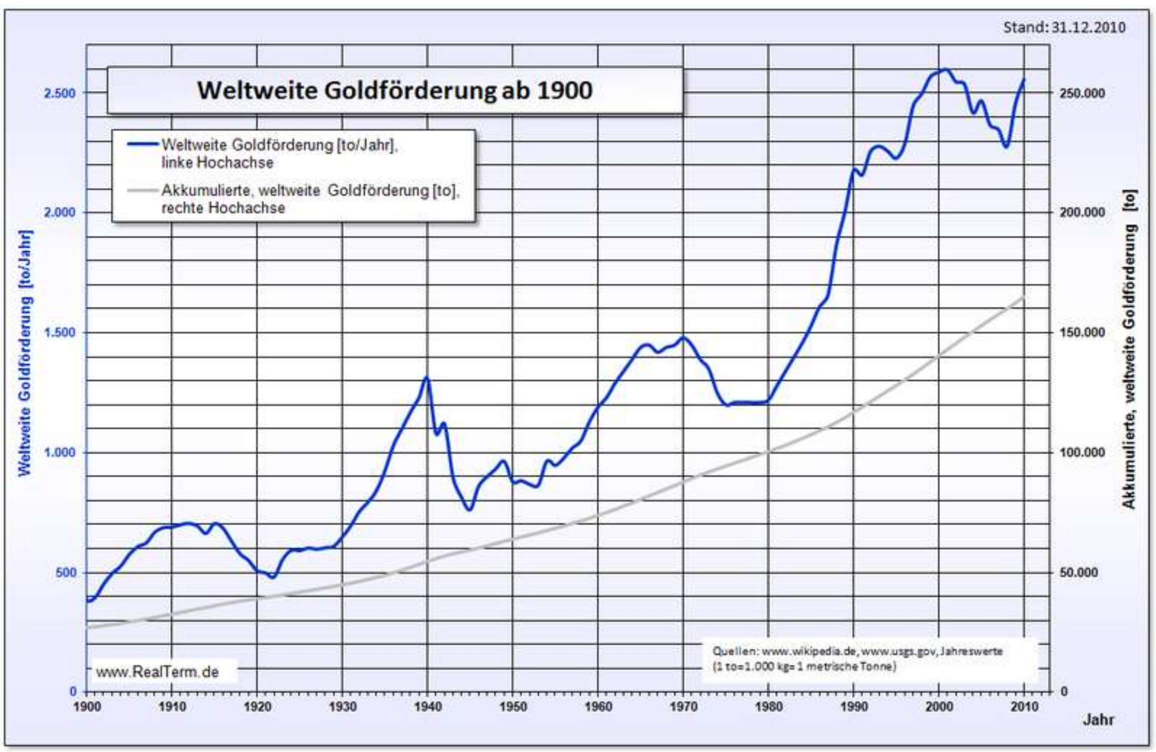
Supply and Demand

In spite of the increase in the price of gold in recent years, gold production and the supply of mineable gold cannot increase appreciably over a short period of time. Due to the low price of gold in the 1980s and 1990s, mining companies worldwide had no or few resources available for exploration to develop new deposits. Since a number of years generally pass between exploration and large-scale production of the first ounces of gold in a mining project, due in particular to the complexity of the process, a rapid increase in production was not possible even after a significant increase in the gold price.

The decrease in gold stocks in the earth's crust also forces mine operators to take on increasingly costly projects in order to find significant gold deposits, In addition, there has been a general increase in production costs. The high price of extraction therefore also determines the equilibrium between supply and demand. If the price of gold falls significantly, many mines are no longer profitable and cease operations. This reduces the supply of gold, which then tends to increase prices. The costs of supplying gold also determine its inherent value, i.e. the value that results from an objective calculation of mining and production costs and represents the pure physical value of the metal. Since mine operators must operate at a profit just like other industrial companies, they will only develop new gold deposits when it appears that development will be profitable. The fact that the gold price has been rising for decades is also due to the general increase in mining costs.

The demand for gold naturally fluctuates as a result and also depends on economic and political factors, as well as certain country-specific events. At present, the Asian demand for gold is following a rising trend, resulting in part from the increased economic strength and greater prosperity in this region.

According to the World Gold Council[6], the total demand for gold was close to 4,600 tonnes in 2011. The largest share of this was used for jewellery (approx. 2,000 tonnes), followed by stores of value (coins, medals, bars, ETFs (exchange traded funds) and similar products: approximately 1,700 tonnes). Only a comparatively small share, approximately 450 tonnes, was used for technological applications, with the electronics sector being the major buyer (approximately 320 tonnes). Central banks and public institutions made large purchases in the market last year that also totalled approximately 450 tonnes. The countries with the greatest demand were India, China, the USA, countries in the Middle East, Germany and Switzerland. On the other hand, according to data from the World Council, annual mine production was only 2,800 tonnes in 2011, with the difference essentially supplied by reprocessing (scrap gold).



[Translation of text in graphic]

German	English
Stand: 31.12.2010	As at 31.12.2010
Weltweite Goldförderung ab 1900	Global Gold Production Since 1900

6 World Gold Council, Gold Demand Trends, second quarter 2012

Weltweite Goldförderung [to/Jahr], linke Hochachse	Global gold production [t/yr], left axis
Akkumulierte, weltweite Goldförderung [to], rechte Hochachse	Accumulated global gold production [t], right axis
Weltweite Goldförderung [to/Jahr]	Global gold production [t/yr]
Akkumulierte, weltweite Goldförderung [to]	Accumulated global gold production [t]
www.RealTerm.de	www.RealTerm.de
Quellen: www.wikipedia.de, www.usgs.gov, Jahreswerte (1 to=1.000 kg=1 metrische Tonne)	Sources: www.wikipedia.de, www.usgs.gov, annual values (1 t = 1,000 kg = 1 metric tonne)
Jahr	Year

According to information from the World Gold Council, in 2011 central banks and supranational institutions (such as the International Monetary Fund) held approximately 31,000 tonnes or approximately 20% of the gold produced in the form of reserves[7]. The private reserves of exchange traded funds (ETFs) added another approximately 2,000 tonnes. Both of these reserves holders were (net) buyers in the market last year[8]. The largest gold reserves in the world are held by the USA, followed by Germany, the International Monetary Fund (IMF), Italy and France. According to official information, the largest share of the USA's gold is stored in Manhattan, in the basement of the Federal Reserve Bank of New York, where the US Federal Reserve operates the largest gold storage facility in the world for around 60 countries, containing approximately 550,000 bars. Approximately 30,000 tonnes of gold reserves are stored in banks worldwide[9]. Gold represents approximately 11% of the total currency reserves held by countries, with large differences between individual countries (for example, the percentage is higher than 70% in Germany, Italy and the USA, while it is significantly below 10% for China, Japan and Russia). The largest gold holdings are privately held. For example, it is estimated that approximately 20,000 tonnes of gold are privately owned in India.[10].

Extraction

The oldest known method of gold extraction is gold panning. Gold-containing sand and gravel are mixed with water and moved until the gold components, which have a higher specific weight, separate from the other mud and sand. Cloths and furs were used in the ancient world, and were replaced by the gold washing pans that are still in use in some places today. These versions were not effective, however, since more than 50% of the gold remained in the material that was washed out. It was not until chemical processes were developed that yields could be increased.

The following chemical processes must be differentiated:

- Amalgamation process;

[7] http://de.wikipedia.org/wiki/Goldreserve; http://www.gold.org/government_affairs/gold_reserves/

[8] http://www.goldreporter.de/diese-lander-waren-im-august-auf-dem-goldmarkt-aktiv/gold/14699/; http://www.goldreporter.de/gold-europaische-zentralbanken-wechseln-auf-die-kauferseite/gold/14400/; World Gold Council, Gold Demand Trends, second quarter 2012

[9] http://de.wikipedia.org/wiki/Goldreserve

[10] http://in.reuters.com/article/idINIndia-49309120100615

- Cyanide leaching;
- Chlorine gas refining;
- Electrolysis.

The amalgamation process takes advantage of the solubility of gold in mercury, which combines with it to form an alloy (gold amalgam). The mercury initially combines with the gold in the rock to form a liquid amalgam that flows out of the lighter rock remnants due to its higher density. In order to obtain pure gold, the amalgam is heated to the boiling point of mercury at 360°C in order to boil off the mercury. This creates highly poisonous vapours, but the gold remains.

Cyanide leaching is another process that takes advantage of the ability of sodium cyanide and oxygen to dissolve precious metals. Cyanide leaching is used in particular when the amalgamation process would no longer be profitable due to the gold content of the ore. In this process, ground rock is mixed with an alkaline sodium and potassium cyanide solution while supplying atmospheric oxygen. A complex cyanide compound is formed with the gold, which can be recovered by reduction with zinc. This causes deposition of the gold, which is then dried, roasted, melted using a flux and poured to produce bars. The raw gold produced by cyanide leaching already has a fineness of approximately 900‰, which is considerably higher than the amalgamation process.

Chlorine gas refining (Miller process), which is used in South Africa in particular, can achieve a higher fineness of up to 995‰. Chlorine gas refining takes advantage of the fact that gold is very slow to react with chlorine gas compared to the accompanying metals present in the rock (e.g. silver, zinc, lead, iron or copper). An earthenware pipe is used to introduce chlorine gas into the raw gold and rock melt. The chlorine gas binds with the accompanying metals to form chlorides, which then escape as vapours. The silver chloride that is created is subsequently skimmed from the molten gold. The remaining gold is then poured to form standard bars with a fineness of 995‰.

Electrolysis (electrolytic gold separation using the Wohlwill process) can produce gold with a fineness of 999.9‰ (highest degree of purity). This process is generally only used in specialised separation facilities and refineries that further purify the lower purity gold produced by mining companies and standard bars. The Wohlwill process completely removes the approximately 4‰ silver and 1‰ other non-precious metals remaining in bars with 995 fineness.

Processing

Gold is poured to form metal bars for processing. A standard commercial gold bar weighs approximately 400 ounces (approx. 12.5 kg). The bars are stamped with the fineness, the manufacturer's trademark and a bar number. The gold in standard bars must have a fineness of at least 995‰. The bar number is used to identify every bar and is recorded in a register by the producer. Some standard bars are purchased by central banks and stored in vaults, but most of them are melted for further processing to form small bars (e.g. weighing 1 kg, 100 g, or 1 oz), planchets for coin minting, granulate for the jewellery industry, rods and sheet metal profiles.

The jewellery industry in Germany mainly processes gold alloys with a fineness of 750‰, 585‰ and 333‰. Other metals, usually copper or silver, are alloyed with the gold to increase its strength, change its colour or for cost reasons. Numerous variations of this exist. For investment bars and coins a fineness of 999.9‰ is preferred or, in the case of the South African krugerrand and American gold eagle, for example, a fineness of 916.66‰.

MARKET ENVIRONMENT OF WASSOUL'OR S.A.

The African continent generates up to 30% of global production, making it one of the top regions for gold extraction and production in the world. The region in the modern country of Mali in West Africa has a very long tradition of gold mining that extends back to the 14th century. The country has substantial amounts of natural resources, with many reserves still remaining undeveloped. Gold production has increased sharply in Mali since the 1990s, making Mali the third largest gold producer in Africa after South Africa and Ghana today. Mali's gold production is concentrated in open pit mines and underground work in the southern and western parts of the country. Exploration activities are mainly concentrated on gold deposits that are suitable primarily for low-cost open pit mining methods, such as gold leaching. These methods focus on gold deposits present in the upper layers of earth and rock that contain surface-weathered, gold-bearing lateritic and saprolitic rock which make it possible to use relatively low-cost mining methods.

In addition to these attractive geological characteristics, unlike other gold producing countries Mali also offers a positive legal framework, particularly for foreigners that operate mines. The government of Mali provided major support for development of the mining sector in previous years.

Gold exports are consequently now also the country's greatest source of foreign exchange, replacing cotton which previously held first place as the most important export commodity for many years. The economy of Mali is, however, strongly dominated by the agricultural sector. The gold industry nevertheless plays a key role in the economic development of the country and has become one of the biggest providers of employment. This occurred as a result of investments by foreign operating companies (including in South Africa) that pushed forward the exploration of gold deposits in Mali in previous years. Large gold deposits were developed, for example, at the Sadiola (1997), Morila (2000) and Yatela (2001) mine sites. Loulo (2005) and Tabakoto (2006) were two other large mines that began production operations. Currently, more than ten mines are in operation or at an advanced stage before production. Gold exports rose from 6.5 tonnes in 1995 to 58 tonnes in 2006. Although industrial production fell slightly again between 2008 and 2011 to 53 and 45.5 tonnes, respectively, production is projected to increase again in following years as there are plans to develop additional mining deposits and production at existing sites will be continued or expanded. Taking into account the increase in the price of gold, planned industrial gold production of 60 tonnes is expected over the medium term.[11]

A number of other large gold mine operators are present in Mali besides Wassoul'Or, all of which are held by foreign gold producers. These Mali mine operators include the listed companies AngloGold Ashanti Ltd. (South Africa), Randgold Resources Ltd. (South Africa) and

[11] Länder-Informationsportal, giz; http://liportal.inwent.org/mali/wirtschaft-entwicklung.html

Iamgold Corporation (Canada). These are significantly larger competitors, some of which have considerable financial resources and worldwide production sites. Other large mining groups, such as Gold Fields Ltd., also invest in deposits in Mali. The interest shown in Mali by international mining groups has increased in overall terms in recent years. At the end of August 2011, for example, Newmont Mining Corporation, one of the largest gold producers in the world, announced a joint venture agreement for exploration of the Namarana gold deposits in Mali. Like Wassoul'Or there are also other smaller companies, such as Avion Gold Corporation, that have already begun and are expanding gold production as junior miners. Wassoul'Or differs from these other producers by the fact that a majority of the shares in Wassoul'Or are domestically held. In addition, a number of international exploration companies also operate in Mali, such as Legend Gold Corporation, African Gold Group Inc. and Robex Resources Inc. All of these companies have feasibility studies and some of them are exchange-listed. The publicly available reports from these exploration companies operating in Mali indicate that many undeveloped gold deposits still exist in the west-southwest zone of Mali.

Unlike other countries in the region of West Africa, the government of Mali explicitly allows foreign companies to explore gold deposits and operate gold mines. The political and legal environment, which the Company feels is relatively secure, particularly for the southern part of Mali, in spite of the coup that occurred in Mali in March, and favourable tax terms for producers (tax-free for five years after the beginning of production and low corporate income tax) therefore make Mali attractive for many internationally active gold explorers and producers, which means that there is generally strong competition for suitable mining sites.

MARKET ENVIRONMENT OF PEARL GOLD AG

PEARL GOLD AG is an investment company following an active management approach that focuses on holding and acquiring interests and providing advice to promising exploration and mining projects in West Africa, particularly those in the precious metals sector. PEARL GOLD AG is therefore in competition with other companies acquiring or intending to acquire interests in such companies. PEARL GOLD AG's acquisition of a 25% interest in Wassoul'Or, which operates the Kodiéran gold mine in Mali and has a mining licence covering a territory more than 100 km^2 in size, is the Company's first investment in the West Africa market, which it believes is on the verge of major developments. PEARL GOLD AG believes that, due to its positioning in the capital market and its management, which has knowledge relevant to the region, it is well prepared to participate in the expected growth of the gold industry in West Africa.

BUSINESS OF PEARL GOLD AG

The discussion below should be read in conjunction with the annual financial statements and associated notes and explanations in the Prospectus.

OVERVIEW

PEARL GOLD AG is a German stock corporation acting as a project developer and active investor with a clear focus on gold mining projects in West Africa.

PEARL GOLD AG is the successor to Perle 16. AG, Frankfurt am Main, which was established in 2008. PEARL GOLD AG began business operations on 19 August 2009.

The business of PEARL GOLD AG is the direct and indirect acquisition and development of interests in and concessions of foreign mining companies, in particular in the area of gold and other precious metals mining, and the provision of advisory and project development services in the area of development and execution of projects for mining gold and other precious metals and the area of financing for such projects. Its focus is on the strategic development of, and investment in, West Africa exploration and mining projects, particularly in the area of gold and other precious metals. PEARL GOLD AG plans to invest in projects that promise to achieve low-cost production. PEARL GOLD AG has made its first investment in an interest in Wassoul'Or, one of the few Mali gold mining companies, which operates the Kodiéran gold mine located south-east of Bamako in Mali.

CORPORATE STRATEGY

PEARL GOLD AG's focus is on the strategic development of, and investment in, West Africa exploration and mining projects, particularly in the area of gold and other precious metals. The special knowledge and experience that the PEARL GOLD AG team will be able to acquire in connection with the Kodiéran project will be used to make further investments in comparable geological, political and economic regions.

The Company does not feel that it is necessary to define a minimum investment stake. Even minority interests in projects that are already at an advanced stage are viewed as reasonable value-added investments. The Company nevertheless plans to create a healthy mix with its next investments between preliminary exploration, advanced exploration and possibly, as with Wassoul'Or, projects about to start production.

PEARL GOLD AG plans to invest in projects promising low-cost production and, therefore, high profitability, while also placing special importance on the social responsibility of the projects in their respective regions.

AREAS OF ACTIVITY

PEARL GOLD AG is a German share Corporation with its registered office in Frankfurt, Germany, and a clear focus on acting as a project developer and active investor in gold mining projects in Africa.

The business of PEARL GOLD AG is the direct and indirect acquisition and development of interests in and concessions of foreign mining companies, particular in the area of gold and other precious metals extraction, and the provision of advisory and project development services in the area of development and execution of projects for extracting gold and other precious metals and the area of financing for such projects. Its focus is on the strategic development of, and investment in, West Africa exploration and mining projects, particularly in the area of gold and other precious metals. PEARL GOLD AG plans to invest in projects that promise to achieve low-cost production. PEARL GOLD AG has made its first investment in an interest in Wassoul'Or, one of the few Mali gold mining companies, which operates the Kodiéran gold mine located south-east of Bamako in Mali.

INTELLECTUAL PROPERTY RIGHTS, PATENTS, TRADEMARKS AND LICENCES

PEARL GOLD AG currently has no trademarks, patents or licences.

The name "PEARL GOLD" is not protected.

The Company is proprietor of the Internet domain www.pearlgoldag.com.

RESEARCH AND DEVELOPMENT

The Company performs no research and development.

LOCATIONS, REAL PROPERTY AND OTHER PROPERTY, PLANT AND EQUIPMENT

The Company has no land or other property, plant and equipment.

The Company has its registered office and business address at the following location: An der Welle 4, 60322 Frankfurt am Main, Germany. The Company's Internet website can be accessed at www.pearlgoldag.com. The Company does not maintain any other branch offices.

The Company currently has an insignificant level of current assets.

INSURANCE COVERAGE

The Company has a D&O (Directors and Officers) policy that covers all members of the Company's Board of Management and Supervisory Board. Insurance coverage is generally adjusted to meet the current business requirements of the Company and is limited by risk-related or statutory maximum coverage levels and deductibles. The Company feels that the Company's current insurance coverage, including insurance terms and conditions and insured amounts, is customary for this industry and that the protection offered is reasonable when insurance costs and business risks are taken into account. The Company cannot guarantee, however, that PEARL GOLD AG will suffer no losses, or that no claims will be asserted against the Company that exceed existing insurance coverage.

INVESTMENTS

No investments in fixed assets were made during the period from 2009 to 2011 except for the purchase of a 25% interest in Wassoul'Or S.A. in 2010.

In the spring of 2012, the Company acquired a claim for delivery of 48,000 ounces of fine gold as a contribution in kind during a capital increase (see section entitled "Information on the Capital of PEARL GOLD AG and Applicable Provisions – Changes in Share Capital"). In addition, small investments will be made in operating and office equipment in 2012, such as software. These investments can be made using existing equity capital.

No decisions have been made to date for further specific investments in the next 12 months.

LITIGATION AND ADMINISTRATIVE PROCEEDINGS

At the present time, there are no pending government interventions, court proceedings, or arbitration proceedings that successfully ended or came to a conclusion during the last twelve months or that will have or have recently had a material effect on the financial position or profitability of the Company. In addition, the Company is unaware of any proceedings that are still pending or that could be initiated.

EMPLOYEES

Except for the Board of Management, the Company had no employees at the date of this Prospectus and did not employ any persons in 2009 – 2011.

MATERIAL AGREEMENTS

The Company is a contracting party to the following material agreements that were entered into outside of the normal course of business in the past two years, or that are of material importance and were legally valid at the time this Prospectus was published:

1. With the approval of the Shareholders Meeting of 28 January 2010, the Company entered into a capital contribution agreement with MANSA MOUSSA GOLD FUND on 25 January 2010 for the post-formation contribution of 137 shares of Wassoul'Or S.A. (also see the section entitled "INFORMATION ON THE CAPITAL OF PEARL GOLD AG AND APPLICABLE PROVISIONS – Changes in Share Capital").

2. With the approval of the Shareholders Meeting of 27 July 2010, the Company entered into a purchase agreement with MANSA MOUSSA GOLD FUND on 25 May 2010 for the post-formation acquisition of capital via the purchase of 138 shares of Wassoul'Or S.A. With the approval of the Shareholders Meeting of 8 March 2011, as an amendment to the above-mentioned capital contribution agreement of 25 May 2010, the Company entered into another capital contribution agreement on 28 December 2010 for the post-formation acquisition of capital in the form of the purchase price claim that MANSA MOUSSA GOLD FUND acquired under the capital contribution agreement of 25 May 2010 (also see the section entitled "INFORMATION ON THE CAPITAL OF PEARL GOLD AG AND APPLICABLE PROVISIONS – Changes in Share Capital").

3. On 13 October 2011, the Company entered into a shareholder agreement with SODINAF and the Republic of Mali that has an initial term of 10 years and automatically extends by another 5 years unless terminated. The shareholder agreement between these parties (hereinafter referred to as the "Principal Shareholders") included the following provisions:

   - The Republic of Mali shall not increase its 20% interest in Wassoul'Or.

   - The Supervisory Board shall have 9 members at all times. The Republic of Mali shall have the right to nominate two candidates, SODINAF five candidates and PEARL GOLD AG two candidates, and each Principal Shareholder shall support the candidates nominated by the other Principal Shareholders (Art. 3).

   - The Principal Shareholders shall ensure that an appropriate instrument (e.g. rules of procedure) is used to achieve a qualified majority or unanimity for extraordinary resolutions of the Supervisory Board (Art. 4).

   - Unless the contracting parties agree otherwise, at least 75% of the net income for a financial year shall be paid out as dividends (Art. 5).

   - The other Principal Shareholders shall have the right of first refusal in the event that one of the Principal Shareholders intends to sell its shares (Art. 7).

- The shareholder agreement entered into effect upon signing on 13 October 2011. It has a term of 10 years, unless the contracting parties withdraw as shareholders of Wassoul'Or. The shareholder agreement automatically extends by another 5 years if it is not terminated at the latest one year before the end of term (Art. 8).

- The shareholder agreement includes an arbitration clause (Art. 10) in accordance with the rules of the International Chamber of Commerce Paris (ICC).

4. As part of a capital increase from authorised capital, the Company entered into a capital contribution agreement with SODINAF on 15 March 2012 for the contribution of a claim against Wassoul'Or for delivery of 48,000 ounces of gold (also see the section entitled "INFORMATION ON THE CAPITAL OF PEARL GOLD AG AND APPLICABLE PROVISIONS – Changes in Share Capital").

BUSINESS OF WASSOUL'OR S.A.

OVERVIEW

Wassoul'Or is an important mining company in Mali with its registered office in Bamako, Mali, that has 30-year mining rights (1997-2027) for the 100 km^2 Faboula concession, which is approximately 300 km south of Bamako and comprises five mineralised mining areas (Kodiéran, Traorela, Faboula, Kobala and Daolila). These five areas include one area at the beginning of production (Kodiéran) and one in exploration (Traorela). Wassoul'Or was established in 2002 by the former owner of the concession, SODINAF S.A., represented by the Mali businessman Aliou Boubacar DIALLO, together with the Republic of Mali to operate the Mali Kodiéran gold mine project. The concession areas have well-developed logistics and infrastructure facilities compared to other local conditions (e.g. access to the Kodiéran deposits by developed roads and gravel roads 300 km southwest of the Mali capital city of Bamako, their own runway and medical facilities).

The Kodiéran deposits have approximately 2.6 million ounces (80.9 tonnes) of proven geological gold reserves in 52.1 million tonnes of gold ore and offer favourable topographical and geological conditions. This corresponds to an average gold content of 1.56 g/t of raw material. Of this amount, currently mineable reserves equalling 1.75 million ounces (54.2 tonnes) in 33.09 million tonnes of gold ore with an average gold content of 1.78 g/t rock had been classified at the time this Prospectus was approved. The lifespan of the deposits is, according to the Expert's Report, 6.5 years. The Kodiéran deposits mostly lie in earth layers down to a depth of 70 metres, so that mining can be performed without expensive boring and explosives work at an operating production cost of approximately USD 300 per ounce of gold.

The favourable topographical conditions also led to a decision by the management of Wassoul'Or to begin work in the mine pit before the hydrology and hydrogeology study suggested by the expert is completed, as there is currently no risk of water ingress until the entire hill of the current pit has been removed.

Wassoul'Or set up a pilot plant with a capacity of 1,000 t (raw material) per day that was operated successfully for a period of twelve months during the years 2007/2008. The purpose of this plant was to test the gold extraction process and provide proof of gold content. It also led to an optimisation of processing and the start of operations at the beginning of 2012 in the actual production plant producing 11,000 t/day. In the past approximately ten years, Wassoul'Or has invested more than EUR 120 million for logistics, infrastructure and setting up the initial running operations for the Kodiéran project.

The 11,000 t/day production plant with a projected average yield of approximately 630 ounces of gold per day is designed to use a gravimetric process for gold extraction that, compared to other mine operators, only requires chemical treatment of 1/1000 of the extracted raw material (closed cycle). This allows a higher extraction rate in excess of 92% from the treated concentrated gold ore.

HISTORY AND DEVELOPMENT OF WASSOUL'OR S.A.

The Republic of Mali has been working on the extraction of its mineral resources, in particular gold deposits, since the 1980s.

For this purpose, the Republic of Mali entered into a "Convention d'établissement" with SODINAF S.A. that grants SODINAF the right to prospect for mineable gold, silver and platinum metal deposits and related materials in an area approximately 100 km² in size in the Faboula, Cercle de Yanfolila, Sikasso region, and to establish an operating company to mine the deposits if any are found.

SODINAF is owned by Aliou Boubacar DIALLO, a Mali businessman resident in Rabat, Morocco, who also holds French citizenship and has a master of economics degree from the University of Amiens in France (Maîtrise en Sciences Economiques de l'Université de Picardie à Amiens).

Since exploration in the concession territory discovered mineable gold deposits, SODINAF engaged the mining advisory company "Roche Limitée Ingénierie-Conseil Inc.", Quebec, Canada, to prepare a feasibility study on the technical and economic possibilities of mining the gold deposits in the concession territory. Based on the positive results of this study, SODINAF applied to the government of the Republic of Mali for a licence to mine the gold deposits in the concession territory. The government of Mali issued the licence in 1997 under DECREE NO. 97179/PM-RM of 30 May 1997. The licence included the following material provisions:

- Subject matter is approval for mining gold, silver and similar deposits as well as platinum metals;

- The licence territory of Kodiéran is determined by 10 geographical locations and is 100 km² in size;

- The licence has a term of thirty years starting as of the date of the decree, i.e. starting as of 30 May 1997.

In accordance with the provisions of the Mali Mining Act of 1991 (Code Minier 1991) and the "Convention d'établissement" concluded with the government of Mali, SODINAF, represented by Mr Diallo, established the stock corporation Wassoul'Or in 2002 together with the Republic of Mali in accordance with Mali law. Wassoul'Or has its registered office in Bamako, Mali, and was established for the purpose of setting up and operating the gold mine. Mr Diallo is the Chairman of the Board of Management (Président du Conseil d'Administration = for the Conseil d'Administration, also see Glossary) and therefore a legal representative of the mining company Wassoul'Or.

Wassoul'Or is registered in the commercial register of Bamako administered by the Commercial Court (Cour d'Appel) of Bamako under No. 2002.B.03.74 and has share capital of 2,200,000,000.00 CFA francs.

This share capital is divided into 1,100 registered shares, each with a par value of 2,000,000.00 CFA francs.

As is the case with all other Mali mining companies, the Republic of Mali holds an interest in the share capital of Wassoul'Or in accordance with the provisions of the Mali Mining Act. It has held an interest of 20% since Wassoul'Or was established. Under the provisions of the "Convention d'établissement", the Mining Act of 1991 still applies to Wassoul'Or even though a new Mining Act was introduced in Mali in 1999. The continued validity of the Mining Act of 1991 is stipulated in Art. 21 of the "Convention d'établissement".

The provisions of the Mining Act of 1991 give the government of Mali the right to obtain a 10% interest in the share capital of all Mali mining companies free of charge. The interest in a mining company granted to the government can be up to 20%, depending on whether the government previously made investments in the licence territory of the company concerned that benefit the mining company. The Republic of Mali exercised this right in the case of Wassoul'Or, which explains the government's 20% interest.

On 25 February 2002, SODINAF entered into an agreement with Wassoul'Or on the transfer to Wassoul'Or of the mining licence received under Decree No. 97 179 PM-RM with all rights and obligations.

The Republic of Mali did not officially approve this transfer at the time, but all of the parties concerned, in particular the government of Mali, assumed clearly and without doubt that the transfer was valid. This can be seen, for example, in the fact that it consistently made use of its right to nominate two members of the board of directors (Conseil d'administration) of Wassoul'Or.

In order to provide legal security to the shareholders of PEARL GOLD AG, the government of Mali issued DECREE No. 09-655/PM-RM on 10 December 2009 with the following provisions:

- Approval was granted for the transfer of the mining licence (permis d'exploitation), Wassoul'Or per Decree No. 97-179/PM-RM of 30 May 1997 for the remaining term of the licence.

- Declaration that all rights and obligations under the decree and all obligations entered into by SODINAF have passed over to Wassoul'Or.

Wassoul'Or had the following former shareholders:

- SODINAF, with an 80% interest (= 880 shares) in the share capital, and

- The Republic of Mali, with a 20% interest (= 220 shares) in the share capital in accordance with the provisions of the "Code Minier 1991".

Under an agreement of 21 March 2005, SODINAF transferred 770 Wassoul'Or shares, representing 70% of the share capital of Wassoul'Or, to MANSA MOUSSA GOLD FUND, which has its registered office in Montreal, Canada. Because SODINAF gave other shares to third parties, Wassoul'Or had a variety of natural and legal persons as small shareholders at the end of 2009.

In January 2010, Mansa Moussa transferred 137 of its Wassoul'Or shares to PEARL GOLD AG as a contribution in kind for a PEARL GOLD AG capital increase. MANSA MOUSSA GOLD FUND also transferred 138 of its Wassoul'Or shares to PEARL GOLD AG in December 2010 as a contribution in kind for a PEARL GOLD AG capital increase, so that PEARL GOLD AG currently holds 275 Wassoul'Or shares, representing 25% of the share capital of Wassoul'Or S.A. MANSA MOUSSA GOLD FUND was dissolved in 2011, and prior thereto, this company made an offer to the fund unit holders to convert fund unit certificates into shares of PEARL GOLD AG upon return of the held unit certificates. This was availed of in the amount of more than ten million shares in PEARL GOLD AG. This concerned approx. 100 natural or legal entities respectively.

After dissolution of MANSA MOUSSA GOLD FUND, the remaining shares of PEARL GOLD AG and Wassoul'Or S.A. accrued to SODINAF S.A., which also assumed the obligation to provide financing to Wassoul'Or S.A.

As a result, Wassoul'Or currently has the following shareholders:

Republic of Mali	220 shares
SODINAF S.A.	597 shares
PEARL GOLD AG	275 shares
Jean-Louis Dupuy	5 shares
Emmanuel Bodule Sosso	3 shares
	1,100 shares

In countries like the Republic of Mali, which have been influenced by the French legal system, stock corporations are normally governed by a "conseil d'administration" that is comparable to a "board" (see explanation in the Glossary) in the English legal system. This also applies to Wassoul'Or.

The conseil d'administration of Wassoul'Or currently has nine members, two of whom were nominated by the Republic of Mali.

These are:

Members nominated by SODINAF S.A.:

- Mr Aliou DIALLO, resident in Rabat, Morocco, chairman of the board of directors
- Mr Emmanuel Boudolé SOSSO, resident in Amiens, France
- Mr Mamadou DIALLO, resident in Bamako, Mali
- Mr Dominique FOUQUET, resident in Bois-le-Roi, France
- Ms Aminata Nandy OUATTARA, née DIALLO, resident in Bamako, Mali

Members nominated by PEARL GOLD AG:

- Mr Jean-Louis DUPUY, resident in Saint-Romain-au-Mont-d'Or, France
- Mr Robert Francis GONINON, resident in Abu Dhabi, U.A.E.

Members nominated by the Republic of Mali:

- Mr Mamadou Lamine BALLO, resident in Bamako, Mali
- Mr Ibrahima YATTARA, resident in Bamako, Mali

AREAS OF ACTIVITY

Wassoul'Or has mineable gold reserves in the Kodiéran deposits that have been proven by a feasibility study prepared by a recognised institution and provide favourable topographical and geological conditions. The two tables below show these reserves together with their respective gold content.

Geological Deposits, All Categories

Gold content (g/t)	Upper zone ore: Proven C-I Quantity (t)	Au (g/t)	Probable C-II Quantity (t)	Au (g/t)	Lower zone ore: Probable C-I Quantity (t)	Au (g/t)	Probable C-II Quantity (t)	Au (g/t)	Total ore Quantity (t)	Au (g/t)
0.00-0.14	144,000	0.11	112,000	0.12	2,416	0.1	3,020,800	0.09	5,692,800	0.1
0.14-0.30	1,049,600	0.23	518,400	0.24	4,393,600	0.21	1,952,000	0.21	7,913,600	0.21
0.30-0.50	1,036,800	0.39	515,200	0.39	1,712,000	0.42	860,800	0.37	4,124,800	0.40
0.50-2.00	5,491,200	1.16	2,291,200	1.18	7,993,600	1.07	3,388,800	1.14	19,164,800	1.12
2.00-3.00	6,918,400	3.41	4,144,000	3.47	1,904,000	2.63	838,400	2.65	13,804,800	3.27
6.00 and +	944,000	7.57	467,200	7.23	0		0		1,411,200	7.42
	15,584,000	**2.42**	**8,048,000**	**2.58**	**18,419,200**	**0.84**	**10,060,800**	**0.7**	**52,112,000**	**1.56**
		23,632,000	**2.48**			**28,480,000**	**0.79**			

Mineable Deposits, All Categories

Height (m)	Upper zone ore: Proven C-I Quantity (t)	Au (g/t)	Probable C-II Quantity (t)	Au (g/t)	Lower zone ore: Probable C-I Quantity (t)	Au (g/t)	Probable C-II Quantity (t)	Au (g/t)	Total ore Quantity (t)	Au (g/t)	Waste (t)	Total (t)	Total quantity: Ore qty. (t)	Au (g/t)	Waste (t)	Total (t)	Ratio S/M
390			19,200	7.09					19,200	7.09	15,814	35,014	19,200	7.09	15,814	35,014	0.824
385	76,800	4.15	46,000	4.39					124,800	4.24	5,959	130,759	144,000	4.62	21,773	185,773	0.151
380	368,000	3.19	87,200	3.25					435,200	3.20	115,605	550,605	579,200	3.55	137,378	718,578	0.237
375	1,107,200	2.20	86,400	3.76					1,193,600	2.31	157,252	1,350,852	1,772,800	2.72	294,630	2,067,430	0.166
370	2,390,400	2.04	332,800	3.00					2,723,200	2.15	159,055	2,682,255	4,496,000	2.38	453,685	4,949,665	0.101
365	3,459,200	2.13	742,400	2.77					4,201,600	2.25	448,530	4,650,130	8,697,600	2.31	902,215	9,599,615	0.104
360	3,107,200	2.76	723,200	3.25	320,000	2.7	70,400	3.55	4,220,800	2.65	449,319	4,670,119	12,918,400	2.49	1,351,534	14,269,934	0.105
355	2,297,600	3.04	707,200	3.01	1,068,000	2.32	89,600	2.49	4,163,200	2.84	373,177	4,536,377	17,081,600	2.57	1,724,711	16,806,311	0.101

350	883,200	2.22	313,600	2.34	1,715,200	1.67	624,000	1.13	3,536,000	1.77	869,165	4,405,165	20,617,600	2.44	2,593,876	23,211,478	0.126
345					1,699,200	1.14	457,600	1.00	2,156,800	1.11	336,974	2,493,774	22,774,400	2.31	2,930,850	25,705,250	0.129
340					1,667,200	0.65	428,800	0.72	2,096,000	0.66	304,389	2,400,389	24,870,400	2.17	3,235,239	28,105,639	0.130
330					1,657,600	0.57	390,400	0.38	2,048,000	0.53	260,265	2,308,265	26,918,400	2.05	3,495,504	30,413,904	0.130
335					1,574,400	0.63	294,400	0.41	1,868,800	0.60	348,788	2,217,588	28,787,200	1.95	3,844,292	32,631,492	0.134
325					1,529,600	0.63	246,400	0.53	1,776,000	0.62	352,265	2,128,265	30,563,200	1.68	4,196,557	34,759,757	0.137
320					1,388,800	0.52	153,600	0.68	1,542,400	0.54	497,852	2,040,252	32,105,600	1.81	4,694,409	36,800,009	0.146
315					899,200	0.63	73,600	0.81	972,800	0.64	980,965	1,953,765	33,078,400	1.78	5,675,374	38,753,774	0.172
	13,689,600	2.46	3,040,000	3.01	13,520,000	0.89	2,828,800	0.89	33,078,400	1.78	5,675,374	38,753,774					

Wassoul'Or began industrial gold mining operations at the beginning of the current year. The infrastructure needed to achieve a mining capacity of 11,000 t/day was built at the beginning of this year.

Wassoul'Or built a pilot plant with a capacity of 1,000 t/day that was successfully operated for a period of 24 months. Operation was, however, discontinued in 2008. The purpose of this plant was to test the gold extraction process and provide proof of gold content. It also led to an optimisation of processing and the start of commercial operations during the course of 2012 in the actual production plant producing 11,000 t/day. After operation of the pilot plant was discontinued in 2008, financing was arranged for the production plant with a mining capacity of 11,000 t/day, and construction was prepared and performed.

PRODUCTS AND SERVICES

The product produced by Wassoul'Or is gold, which is extracted from the mine. The Company aims to achieve 90% purity for the gold produced, which is easily achievable with current production means. No subsequent processing is performed.

CUSTOMERS

Wassoul'Or currently sells the gold it produces directly to the precious metals processors MKS Finance SA (Geneva, Switzerland) and Metalor Technologies International SA (Neuchâtel, Switzerland) and therefore does not operate a large distribution or marketing department.

INTELLECTUAL PROPERTY RIGHTS, PATENTS, TRADEMARKS AND LICENCES

Aside from the Faboula concession, Wassoul'Or S.A. currently has no trademarks, patents or licences.

RESEARCH AND DEVELOPMENT

Wassoul'Or performs no research and development. Commercial law does, however, provide for mining companies to record certain expenses (such as the costs for borings, costs of laboratory analyses and reports, etc.) during the exploration phase as research and development expenses. Wassoul'Or therefore reports large amounts in this area in its annual financial statements.

SUPPLIERS

Total Mali, Shell Mali, Manutention Africaine (mining machinery), Metal Soudan (metal frames), SECURICOM (security services), Imagri (engineering and metal construction work) are currently the most important suppliers of Wassoul'Or. It must be noted that Wassoul'Or will terminate existing agreements and enter into other agreements with a number of suppliers.

INSURANCE COVERAGE

Management has developed a comprehensive insurance programme aimed at achieving efficient asset and personnel management.

Insurance coverage for company assets

Business and industrial risks to company assets, such as industrial risks or global losses due to fire, machinery breakdown, recourse claims by neighbours or third parties, damage to electrical systems, burglary, water damage, all electronic risks, industrial liability, operating losses due to fire or machinery breakdown, goods and freight insurance for land, sea and air imports, and mandatory liability insurance for damage to motor vehicle and equipment resulting from fire, burglary and flat glass breakage during the transport of people, money or raw materials will be covered by Les Assurances Bleues CNAR-SA-MEDINA.

Personnel Insurance

LAFIA-SA provides co-insurance that covers 20% (target share) of personnel risks. The guarantee covers both the working and personal lives of employees and includes death benefits, occupational disability pensions, costs of medical treatment, pharmaceutical drugs and hospital stays, return of mortal remains in the case of death due to illness or accident, and dental and ophthalmology treatment.
A company pension system that provides further assistance to employees after closure of the mine is guaranteed by a new product from "Assurances Bleues CNAR-SA".

The reinsurers and European and African partners of these three insurance companies include AVENI RE, SCOR, CICAR RE, BEST RE, SENE RE and Continental RE.

The current insurance programme of Wassoul'Or should not be considered complete, as new risks could arise and be included in the programme if gold production operations intensify.

INVESTMENTS

(The data below is in EUR based on an exchange rate of 1 EUR = 655.96 CFA)

Wassoul'Or has made the following significant investments in the last three years non-audited information):

In EUR	2009	2010	2011
Research and development expenses	3,803,860	2,658,750	5,796,430
Runway	1,495,160	-	-
Dike and water boreholes	15,054,300	-	-
Plant construction	54,333,900	22,633	15,495,300
Machinery	-	-	482,757
Laboratories	-	-	594,655
Expansion of the mine village	-	-	494,026
Transport materials	-	-	217,485
Total	**74,687,220**	**2,681,383**	**23,080,653**

LITIGATION AND ADMINISTRATIVE PROCEEDINGS

Wassoul'Or did not conduct any (judicial and/or extrajudicial) litigation in the last three years.

EMPLOYEES

Wassoul'Or has approximately 400 employees as on the date of the Prospectus.

The members of management of Wassoul'Or are:

- Aliou Boubacar DIALLO: Chairman of the Board of Directors
- Dramane TRAORE: Project Manager
- Broulaye BAYOKO: Chief Finance Officer (CFO)
- Sekou Oumar Tidiani KANE: Geology and Mine Manager
- Tapa DIAWARA: Human Resources Manager
- Boubacar Habib COULIBALY: HSSE Manager (Health, Safety, Security and Environment)
- Corneille DENA: Plant Manager

Aliou Boubacar DIALLO: Chairman of the Board of Directors

Founder and principal owner of the Wassoul'Or gold mine at the Kodiéran site and of Petroma, an oil exploration company operating in Mali. Master of economics (France) with diverse experience in the areas of corporate development, financing of natural resource companies and financial communications. Established the first pan-African company specialising in the strategic trading of African government debt and assets backed by African government debt. Invests in the development (project planning and preliminary exploration) of mineral resource concessions in Mali. Was and is a personal strategic and economic advisor to many multinational companies looking for investment opportunities in West and Central Africa. A respected community leader with extensive cultural and social responsibilities in the resource-rich countries of West Africa.

Dramane TRAORE: Project Manager

Project Manager of the Kodiéran project of Wassoul'Or. Electromechanical engineering degree from the polytechnic university in Yamoussoukrou, specialised in high and medium-speed diesel engines at the ESPM (Ecole Supérieure Privée de Management / private college of management) (Paris, France). Numerous training courses and workshops in the areas of business management, finance, technical applications in the areas of mining and hydrocarbons, primarily in Europe (Great Britain, Germany, Belgium and France). More than 20 years of experience in the oil processing and distribution business with a variety of technical and commercial products (14 years with Shell in Europe and Africa and team member of the BFI process in West Africa). West Africa Business Expansion Manager for Shell (five company start-ups in the oil processing and distribution business in Senegal, Mali, Gambia, Guinea, Ivory Coast) and Director of ELTON Oil Company in the last eight years before coming to Wassoul'Or. Former Shell Mining and Technical Projects Manager for West and Central Africa, with more than six years of experience in mine development and plant construction at both the project and company levels. Extensive practical experience in all aspects of the mining industry. Has worked at all levels in a number of mines in South America, Jamaica, Europe and Africa. Member of the team managing implementation of the emerging mines of Société Ashanti Guinee and Société Miniere de Dinguiraye (Guinea), Morila (Mali), Tarkwa (Ghana) and Geita (Tanzania). Has managed many projects for the design and construction of hydrocarbon plants for leading engineering companies.

Broulaye BAYOKO: Chief Finance Officer (CFO)

Chief Finance Officer responsible for the accounting and financial systems of Wassoul'Or, tax matters, internal procedures, annual reports and provision of legal data for auditing. Master of Science in accounting and finance, expert degree in West African accounting. Numerous training courses in management methods. More than twenty years of experience in financial administration, accounting and business administration, with practical experience in a variety of business areas (major international oil and mining companies, international auditing companies). 18 years of practical experience with SODINAF and Wassoul'Or in all aspects of accounting and finance in the mining industry at all levels in the entire development history of these companies. Completed expert degree in accounting and finance with a paper on "Mining Financing in West Africa".

Sekou Oumar Tidiani KANE: Geology and Mine Manager

Geology and Mine Manager responsible for all aspects of the geological and mining processes of Wassoul'Or. Leads the exploration programme for prospecting areas in the Wassoul'Or concession. Master of applied sciences specialising in metallogeny from ENI (Ecole Nationale d'Ingénieurs / a French engineering college). Numerous technical training courses and workshops on all aspects of mining operations at international mining companies. 22 years of geological experience with a variety of natural resources at P.D.R.M, SMK-RA (ROCHAT et ASSOCIE) and SODINAF-Wassoul'Or, with opportunities for sharing experience with relevant international mining companies operating in Mali. Engineer for the last 15 years, with experience including development of new projects and field engineering, feasibility studies, commissioning and plant operation, and has experience with exploring for oil reservoirs in sedimentary basins. Has been with SODINAF and Wassoul'Or for 17 years.

Tapa DIAWARA: Human Resources Manager

Legal and Human Resources Manager with direct responsibility for the Wassoul'Or insurance policy, and also manages the training programme for all personnel. Master of law from the Ecole Nationale d'Administration (National College of Administration). Numerous training courses and assignments in the areas of law (labour and business provisions of OHADA), human resources (CFDT - DAGRIS - Paris) and insurance (GRAS SAVOYE and FAUGERES & JUTHEAUX of the Marsh Lennon Group in Levallois-Perret, France). Former human resources manager for the fourth largest company in Mali, with more than 21 years of experience in human resources management and social matters in a variety of large companies with international standards. Had 17 years of experience at all levels of responsibility in the administrative and finance department of the cottonseed oil mill of Mali (HUICOMA) before coming to Wassoul'Or in 2007.

Boubacar Habib COULIBALY: HSSE Manager

HSSE Manager responsible for all aspects of environmental impact assessment, promotion of sustainability in connection with Wassoul'Or operations by preparing guidelines, programmes and plans. Bachelor of science in chemistry (Algeria) and master of environmental studies at the University of Moncton in New Brunswick, Canada. Numerous technical training courses and workshops on all aspects of mining operations at international mining companies. More than 13 years of experience with a variety of natural resources in a number of North American (USA and Canada) and African companies. Published a number of articles on environmental impact in the business area of Wassoul'Or in Canada and Mali. Environmental officer experience, including new project development and site issues, feasibility studies and establishing green zones.

Corneille DENA: Plant Manager

Plant Manager responsible for the complete technical production process, maintenance and repair of all mechanical and technical components of the process, and monitoring and evaluation of tests. Qualified metals foreman (University of Bamako) and metallurgist (Gold Plant Centre Kalana) with a University of Applied Sciences degree in technical maintenance and repair (ECICA Bamako). More than 26 years of experience in a variety of Mali gold mines, including the Kalana gold mine. With SODINAF and then Wassoul'Or since 1993 in a variety of areas during exploration, pilot operation and construction of the production unit.

MATERIAL AGREEMENTS

Wassoul'Or has now set up all important functions internally and operates the mine itself with its own personnel. Good, long-term relationships exist with a variety of suppliers. These do not, however, constitute continuing obligations. The following are important agreements:

- Agreement with MANSA MOUSSA GOLD FUND

  Wassoul'Or entered into an agreement with MANSA MOUSSA GOLD on 5 April 2005 (together with an Addendum 1 of 25 June 2010) in which Mansa Moussa undertook to provide financing for the Kodiéran project, for which it would receive 150,000 ounces of fine gold as consideration. Delivery of the ounces was distributed over a number of years. In an Addendum 2 of 1 February 2011 in connection with dissolution of Mansa Moussa, SODINAF S.A. assumed the financing obligation and consequently also the claim to delivery of the ounces of fine gold. A new schedule for the deliveries was agreed to at the same time whereby the ounces are to be delivered in instalments of 34,084 ounces each in December 2012, 2013, 2014 and 2015.

- Agreement with Total S.A., Mali

  Total supplies Wassoul'Or with diesel and lubricants according to a contractually specified margin. Total also installs and maintains the diesel storage unit on the mine property.

- Agreement with Sécuricom S.A., Mali

  Sécuricom is responsible for the security of the mine and the mining town. It provides suitable security personnel for this purpose and must monitor processes agreed to with Wassoul'Or (e.g. entry and exit).

- Agreement with ATS S.A., Mali

  ATS is responsible for food services in the mining town. In particular, it must operate the cafeteria in accordance with specified hygiene and quality standards.

LEGAL FRAMEWORK

Wassoul'Or is a Mali stock corporation registered in the commercial register of Bamako administered by the Commercial Court (Cour d'Appel) of Bamako under No. 2002.B.03.74 and has share capital of 2,200,000,000.00 CFA francs. This share capital is divided into 1,100 registered shares, each with a par value of 2,000,000.00 CFA francs.

The current version of the articles of association of Wassoul'Or (last amended on 30 July 2011) contains the following material articles:

- Wassoul'Or is a stock corporation subject to the international OHADA Treaty (OHADA = Organisation for the Harmonisation of Business Law in Africa) of 1993, the uniform OHADA system of rules, the commercial code of Mali and these Articles of Association (Art. 1).

- The main object of Wassoul'Or is mining and the operation of a mine in the Faboula region, the sale of extracted products, and the mining of other natural resource deposits in the territory covered by the mining licence (Art. 2).

- Wassoul'Or has its registered office in Bamako and was established for a term of 99 years (Art. 4 and 5).

- Wassoul'Or has share capital of 2,200,000,000.00 CFA francs. This share capital is divided into 1,100 registered shares, each with a par value of 2,000,000.00 CFA francs.

- Resolutions on capital increases can be made during Extraordinary Shareholders Meetings based on a proposal by the Board of Management ("Conseil d'administration"). Existing shareholders have a right of first refusal in the event of a capital increase. In the case of a capital increase against cash contributions, at least one quarter of the share price shall be due immediately (Art. 6).

- The share capital can be reduced by resolution of an Extraordinary Shareholders Meeting based on a proposal by the conseil d'administration (Art. 7).

- The shares are registered shares (Art. 8).

- Disposals of Wassoul'Or shares (transfer, pledging, etc.) shall be subject to the shareholder agreement concerned and the OHADA Act (Art. 9).

- The conseil d'administration shall have no fewer than seven and no more than eleven members. Mr Aliou Diallo is the Chairman of the conseil d'administration (Art. 11).

- The Chairman shall represent Wassoul'Or externally. Restrictions of the power of representation vis-à-vis third parties shall be invalid. The Chairman can only open branch offices or representative offices in Mali or abroad or acquire interests in Mali or foreign companies with the consent of the conseil d'administration (Art. 15).

- Agreements entered into between Wassoul'Or and a member of the conseil d'administration or a director shall require the consent of the conseil d'administration (Art. 17).

- The Annual Shareholders Meeting shall approve the annual financial statements, make decisions on dividends and appoint and dismiss the members of the conseil d'administration and the auditors. The Shareholders Meeting may also approve legal transactions and authorise the conseil d'administration to perform future legal transactions that fall outside of the powers of the conseil d'administration (Art. 19).

- An Extraordinary Shareholders Meeting can approve any amendment to the Articles of Association, provided the amendments create future duties for the shareholders. It can, in particular, change the nationality of Wassoul'Or, the object of Wassoul'Or, increase or decrease its share capital, shorten or extend the term of Wassoul'Or, make decisions on mergers and demergers with other companies, and change the legal form of Wassoul'Or (Art. 20).

- Auditors shall be appointed for a period of six years. The Shareholders Meeting can remove auditors from office under extraordinary circumstances. The auditing firm SARECI has been appointed auditor for Wassoul'Or (Art. 21).

- At least 25% of the distributable profits shall be paid out to the shareholders (Art. 23).

- Wassoul'Or shall be wound up before the end of its term if its assets fall below one quarter of its share capital or if the value of its assets falls below the statutory minimum of 50,000,000.00 CFA francs (Art. 24).

- The courts at the registered office of Wassoul'Or shall have jurisdiction (Art. 26).

The shareholder agreement between the Republic of Mali, SODINAF and PEARL GOLD AG of 13 October 2011 is also highly important for the activities of Wassoul'Or. This shareholder agreement contains the following main provisions:

- The Republic of Mali shall not increase its 20% interest in Wassoul'Or (Art. 2).

- The conseil d'administration shall always have nine members. The Republic of Mali shall have the right to nominate two candidates, SODINAF five candidates and PEARL GOLD AG two candidates, and each Principal Shareholder shall support the candidates nominated by the other Principal Shareholders (Art. 3).

- The Principal Shareholders shall ensure that an appropriate instrument is used (e.g. rules of procedure) to achieve a qualified majority or unanimity for certain resolutions of the conseil d'administration (Art. 4).

- 75% of distributable profits shall be paid out as dividends, unless the parties agree otherwise on a case-by-case basis (Art. 5).

- Conditions on the disposal of shares, in particular rights of first refusal (Art. 6).

- The shareholder agreement entered into effect on the date of signing on 13 October 2011. It shall have a fixed term of ten years, unless the parties withdraw as shareholders of Wassoul'Or. The shareholder agreement automatically extends by additional 5-year periods if it is not terminated at the latest one year before the end of term (Art. 8).

- The shareholder agreement includes an arbitration clause (Art. 10) in accordance with the rules of the International Chamber of Commerce Paris (ICC).

Taxation of Wassoul'Or is governed by a "Convention d'établissement" entered into by SODINAF S.A. and the Republic of Mali on 4 March 1992.

This "Convention d'établissement" also includes provisions on the tax situation of Wassoul'Or and its shareholders, and detailed provisions on the transfer of capital contributions abroad. This is because Art. 90 of the CM 1991 requires that the taxes applicable to the owner of the mining rights for the period of validity of the acquired mining rights be listed in the "Convention d'établissement". This article also stipulates that these provisions of the "Convention d'établissement" cannot be amended during the term of the mining rights to the detriment of the owner of the rights, in this case Wassoul'Or.

Art. 22 of the "Convention d'établissement" accordingly stipulates that Wassoul'Or is exempt from all direct and indirect taxes, including value-added tax and TPS (taxe sur la préstation de services – services tax) for the first three years of production, with the exception of the following taxes:

- The "contribution forfaitaire des employeurs" (CFE), whose tax base equals the total gross wages paid by Wassoul'Or,

- The income tax owed by employees,

- A 3% tax on the value of the gold produced ("taxe ad valorem"),

- A 3% tax on the value of services provided ("CPS") and

- A number of economically insignificant stamp taxes.

Notwithstanding the above, the exemption from income tax ("impôts sur les bénéfices") under Art. 22(5) of the "Convention d'établissement" applies for a period of five years starting as of the beginning of commercial production.

The Mali Tax Act ("Code Général des Impôts") governs tax bases, tax rates, and the method of calculating and collecting taxes, with the exception of taxes related exclusively to mining activities, which are governed by the Mining Act ("Code Minier").

ASSET TRANSFER

Art. 25 of the "Convention d'établissement" contains provisions on capital transfers. In these provisions, the government of Mali guarantees the free transfer of foreign currencies when needed in order to

- Make debt and interest payments to suppliers and creditors outside of Mali,

- Pay net profits due to shareholders outside of Mali and repay funds provided by institutions outside of Mali.

ENVIRONMENTAL LEGISLATION

Wassoul'Or's environmental obligations were primarily governed by Art. 28 of the "Convention d'établissement". However, this article only contains general obligations, such as the duty to maintain the environment and the public facilities made available to Wassoul'Or, and the duty to develop mined-out areas, etc.

On 8 July 2008, the Ministry of the Environment ("Ministère de l'Environnement et de l'Assainissement") granted Wassoul'Or environmental permit 08-0018 /MEA-SG.

This permit once again expressly permitted Wassoul'Or to exploit the gold deposits in the Kodiéran licence territory. However, the permit also stated that it would expire if the project was not realised within a period of three years after the permit was issued.

The permit also requires Wassoul'Or to carry out the equalisation and compensation measures specified in the "Final Report on the Environmental Impact of the Kodiéran Gold Deposits" ("Rapport final mise à jour de l'évaluation des impacts sur l'environnement et social du gisement aurifère de Kodiéran au Mali") (hereinafter the "Environmental Impact Study") of September 2007 during realisation of the project.

According to the Environmental Impact Study, which is based on 2007 plans and therefore does not include the cyanide leaching mentioned below, relatively little environmental damage can be expected from mining at the gold mine site. One of the main reasons for this is that only water, i.e. no chemicals, will be used for mining the gold.

The environmental impact of past and planned future measures mainly concerns timber cutting over an area of approximately 220 hectares of forest for the mine pit, gold production facilities and transport routes in the mine, borings, the construction of dams, reservoirs and the airfield.

Reforestation of 4 hectares of land each year and the creation of a tree nursery are planned as regeneration measures during operation of the gold mine and after completion of mining activities. The open pit mine created by the extraction will either be filled or used as a water reservoir.

The Environmental Impact Study also includes an estimate of the costs to be expected for the environmental measures during the period the gold mine is in use. The study estimates these costs as 46,400,000.00 CFA francs per year. At an exchange rate of 1.000 CFA franc = 1.52449 EUR (on 13 August 2010), this corresponds to approximately EUR 70,000 per year.

Wassoul'Or submitted a second environmental impact study concerning the addition of cyanide leaching to the production unit to the Ministry of the Environment in October 2011. This was approved by permit number 0504/MEA-DNACPN on 8 November 2011. The usual supervisory obligations were imposed on Wassoul'Or in this respect, in particular procurement of the cyanide, documentation of use, and numerous tests of the discharge.

GENERAL INFORMATION ON PEARL GOLD AG

FORMATION, COMPANY NAME, REGISTERED OFFICE, FINANCIAL YEAR AND TERM OF THE COMPANY

PEARL GOLD AG is registered in accordance with German law in the commercial register of the Local Court of Frankfurt am Main under number HRB 84285. The Company uses the company name "PEARL GOLD AG" for its business operations. The Company's registered office is in Frankfurt am Main. Its business address is: An der Welle 4, 60322 Frankfurt am Main, Germany. Telephone: +49 (0)69 75 93 85 87.

The Company was established on 11 November 2008 as Perle 16. AG, with registered office in Frankfurt am Main. The founding shareholders were VRB Vorratsgesellschaften GmbH, Berlin, and VRB Dritte Beteiligungs-GmbH, Berlin, with registered office at Friedrichstrasse 133, 10117 Berlin.

The Company was registered on 14 November 2008 in the commercial register of the Local Court of Frankfurt am Main under number HRB 84285.

The name of the Company was changed to "PERL EA GOLD AG" by resolution of the Shareholders Meeting of 19 August 2009. The object of the Company was also amended, and provision relating to the Supervisory Board (§ 4a) was inserted.

The name of the Company was changed to "PEARL GOLD AG" by resolution of the Shareholders Meeting of 8 September 2010. The object of the Company was also amended.

The Company has an indefinite term. The financial year of the Company is identical to the calendar year. The Company is a stock Corporation established under German law and, in addition to other German statutory provisions, is subject to the provisions of German stock corporation law.

OBJECT OF THE COMPANY

Under § 2 of the Articles of Association, the object of the Company is the direct and indirect acquisition and development of interests in and concessions of foreign mining companies, in particular in the area of gold and other precious metals mining, and the provision of advisory and project development services in the area of development and execution of projects for mining gold and other precious metals and the area of financing for such projects. § 2(2) of the Articles of Association also authorises the Company to take all measures and enter into all transactions that appear necessary and expedient for achieving and realising the object of the Company. It can, in particular, establish domestic and foreign branch offices, and establish, acquire, or acquire an interest in companies of the same or a related nature.

GROUP STRUCTURE AND SIGNIFICANT INVESTMENTS

PEARL GOLD AG is not a group company and does not hold interests in other companies except for the interest in Wassoul'Or.

AUDITOR

Warth & Klein Grant Thornton GmbH & Co KG Wirtschaftsprüfungsgesellschaft, Ulmenstraße 22, 60325 Frankfurt am Main ("Warth & Klein Grant Thornton") is the auditor for PEARL GOLD AG.

Warth & Klein Grant Thornton has audited the Company's individual financial statements as at 31 December 2011 and 2010 prepared in accordance with the IFRS as adopted by the EU and the supplementary requirements of commercial law applicable under § 325(2a) of the German Commercial Code (Handelsgesetzbuch – HGB), and the Company's annual financial statements as at 31 December 2011 and 2010 prepared in accordance with the HGB and issued unqualified auditor's reports in each case. Warth & Klein Grant Thornton is a member of the German Wirtschaftsprüferkammer (chamber of public accountants).

Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Franklinstraße 50, 60486 Frankfurt am Main audited the annual financial statements as at 31 December 2009 prepared in accordance with the HGB and issued an unqualified auditor's report. Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft is a member of the German Wirtschaftsprüferkammer.

The auditor noted the following in the above-mentioned auditor's report's for 2010 and 2011, without qualifying these reports:

IFRS individual financial statements for 2011:

"We note, without qualifying this assessment, that the activities of Wassoul'Or in the Republic of Mali expose PEARL GOLD AG to special political, social and regulatory country risks and that this could have negative consequences for Wassoul'Or and, therefore, for PEARL GOLD AG."

HGB annual financial statements for 2011:

"Without qualifying this assessment, we refer to the statements by the Board of Management in the Management Report. The risk report there states that "We note, without qualifying this assessment, that the activities of Wassoul'Or in the Republic of Mali expose PEARL GOLD AG to special political, social and regulatory country risks and that this could have negative consequences for Wassoul'Or and, therefore, for PEARL GOLD AG, but that specific political, social or regulatory risk are not currently identifiable."

Annual financial statements for 2010:

"We note, without qualifying this assessment, that the activities of Wassoul'Or in the Republic of Mali expose PEARL GOLD AG to special political, social and regulatory country risks and that this could have negative consequences for Wassoul'Or and, therefore, for PEARL GOLD AG."

INFORMATION ON THE CAPITAL OF PEARL GOLD AG AND APPLICABLE PROVISIONS

SHARE CAPITAL

The Company has share capital of EUR 25,000,000.00, divided into 25,000,000 no-par value bearer shares with a notional value of EUR 1.00 per share. The share capital is fully paid in. Payment was provided in the form of cash contributions and contributions in kind.

Each share allows one vote to be cast in the Company's Shareholders Meeting. There are no restrictions on voting rights. Shareholders that previously held shares before the Offering do not have special voting rights.

All shares of PEARL GOLD AG were issued and shall be issued in accordance with the currently valid Articles of Association of the Company as no-par value bearer shares.

The shares of PEARL GOLD AG were created based on the German Stock Corporation Act (Aktiengesetz – AktG) and are represented by two global certificates without coupons (ISIN: DE000A0AFGF3) that are deposited with Clearstream Banking AG, Frankfurt am Main. Under § 6(2) of the Articles of Association of the Company, Shareholders have no right to the issuance of individual share certificates.

CHANGES IN SHARE CAPITAL

The Extraordinary Shareholders Meeting of PEARL GOLD AG on 28 January 2010 approved a capital increase of EUR 9,950,000.00 raising the share capital from EUR 50,000.00 to EUR 10,000,000.00 by issuing 9,950,000 new shares against contributions in kind. Only Mansa Moussa Gold Fund was permitted to subscribe for the new shares. In anticipation of this capital increase against contributions in kind, PEARL GOLD AG entered into a post-formation and capital contribution agreement with Mansa Moussa Gold Fund on 25 January 2010, under which Mansa Moussa Gold Fund undertook to transfer 137 registered shares, with a par value of 2,000,000.00 CFA francs per share, (= 12.5%) of the total Wassoul'Or share capital of 2,200,000,000.00 CFA francs to PEARL GOLD AG as a contribution in kind, and to transfer the shares to PEARL GOLD AG effective 1 January 2010. This post-formation and capital contribution agreement of 25 January 2010 was approved by the Extraordinary Shareholders Meeting of PEARL GOLD AG on 28 January 2010. Performance of the capital increase, which raised the share capital to EUR 10,000,000.00, was registered in the commercial register of the Local Court of Frankfurt am Main on 19 March 2010.

The Extraordinary Shareholders Meeting of PEARL GOLD AG on 12 November 2010 approved a capital increase of EUR 250,000.00 raising the share capital from EUR 10,000,000.00 to EUR 10,250,000.00 by issuing 250,000 new shares against cash contributions. Only Mr Olivier Couriol, Abu Dhabi, sole shareholder of MANSA MOUSSA GOLD FUND at the time, was permitted to subscribe for the new shares. Performance of the capital increase, which raised the share capital to EUR 10,250,000.00, was registered in the commercial register of the Local Court of Frankfurt am Main on 8 December 2010.

The Extraordinary Shareholders Meeting of PEARL GOLD AG on 8 March 2011 approved a capital increase of EUR 9,750,000.00 raising the share capital from EUR 10,250,000.00 to EUR 20,000,000.00 by issuing 9,750,000 new shares against contributions in kind. Only Mansa Moussa Gold Fund was permitted to subscribe for the new shares.

In anticipation of this capital increase against contributions in kind, Mansa Moussa Gold Fund entered into a purchase and capital contribution agreement on 25 May 2010, under which Mansa Moussa Gold Fund sold and transferred 138 shares of Wassoul'Or to PEARL GOLD AG while deferring its claim to the purchase price of EUR 70,000,000.00. This purchase and capital contribution agreement of 25 May 2010 was approved by the Extraordinary Shareholders Meeting of PEARL GOLD AG on 27 July 2010.

As an amendment to this agreement of 25 May 2010, PEARL GOLD AG entered into another post-formation and capital contribution agreement with Mansa Moussa Gold Fund stipulating that the above mentioned purchase price claim was due immediately and that Mansa Moussa Gold Fund was to contribute this purchase price claim to PEARL GOLD AG under the above-mentioned capital increase raising the share capital from EUR 10,250,000.00 to EUR 20,000,000.00.

This post-formation and capital contribution agreement of 28 December 2010 was approved by the Extraordinary Shareholders Meeting of PEARL GOLD AG on 8 March 2011. Performance of the capital increase, which raised the share capital to EUR 20,000,000.00, was registered in the commercial register of the Local Court of Frankfurt am Main on 23 March 2011.

Based on the authorisation granted by the resolution of the Extraordinary Shareholders Meeting on 16 June 2011 (Authorised Capital I 2011), the share capital was increased by EUR 5,000,000.00 on 20 March 2010, raising it from EUR 20,000,000.00 to EUR 25,000,000.00. Only SODINAF S.A. was permitted to subscribe for the 5,000,000 new shares against contribution of the rights to receive delivery of 48,000 fine ounces of gold. The Company valued the gold delivery rights at EUR 61,750,000.00. The Company used a mixed calculation for this valuation involving the gold price on the date of contribution (less a discount for future delivery) as compared to the futures gold price for December 2013. This led to the above-mentioned valuation of EUR 61,750,000.00, of which EUR 56,750,000.00 was added to the Company's reserves. The above-mentioned use of EUR 5,000,000.00 in authorised capital was registered in the commercial register of the Local Court of Frankfurt am Main on 20 March 2012.

AUTHORISED CAPITAL

A resolution of the Extraordinary Shareholders Meeting of 16 June 2011, registered in the commercial register on 19 July 2011, authorised the Board of Management, subject to Supervisory Board consent, to increase the Company's registered share capital by a maximum of EUR 10,000,000.00 (in words: ten million euros) on or before 1 June 2016 by means of one or more issues of ordinary shares or non-voting preferred shares against cash contributions or contributions in kind (Authorised Capital I 2011).

Shareholders are to be granted pre-emptive rights that, in general, shall be provided to the shareholders in the form of indirect subscription rights (§ 186(5) of the AktG). However, the Board of Management is authorised, subject to Supervisory Board consent, to exclude shareholder pre-emptive rights

a) to settle fractional amounts,

b) to grant subscription rights to holders of warrant-linked bonds, convertible bonds or convertible participation rights that will be issued,

c) to issue shares of the Company to employees of the Company, provided such shares are limited to 10% of the share capital,

d) to acquire contributions in kind, in particular in the form of businesses or business units, that are in the interest of and fall within the object of the Company,

e) to use share placements in order to enter into new capital markets, including in particular foreign capital markets,

f) if the offering price of shares issued under capital increases against cash contributions is not significantly less than the stock exchange price and the total of the shares issued with exclusion of pre-emptive rights does not exceed 10% of the share capital either at the time the authorisation comes into effect or at the time it is used.

The Board of Management shall, subject to Supervisory Board consent, decide on the terms of the share rights and the share issue. Authorisation is given to issue ordinary shares and/or non-voting preferred shares, with details, including in particular the size of the preferred dividend in the case of preferred shares, to be set by the Board of Management, subject to Supervisory Board consent. Even if the capital increase is performed in more than one tranche, preferred shares issued in a later tranche can have a priority that is greater than or equal to the priority of an earlier tranche. The beginning of the period of dividend rights can differ from the date specified in § 60 of the AktG when new shares are issued.

The Supervisory Board is authorised to amend the Articles of Association to include changes due to full or partial use of authorised capital for a capital increase or expiration of the authorisation.

The Company used EUR 5,000,000.00 of Authorised Capital I for the capital increase from authorised capital performed on 20 March 2012.

AUTHORISATION TO ISSUE CONVERTIBLE BONDS, WARRANT-LINKED BONDS AND INCOME BONDS, AND CONTINGENT CAPITAL

No authorisation has been granted to issue convertible bonds, warrant-linked bonds, or income bonds, or for contingent capital.

STOCK OPTION PLAN OF THE COMPANY

The Company currently has no stock option plan.

ACQUISITION OF TREASURY SHARES

The Company currently holds no treasury shares. However, based on a resolution of the Company's Annual Shareholders Meeting on 16 June 2011, the Company is authorised, subject to Supervisory Board consent, to purchase Treasury shares up to a volume of 10% of the share capital existing at the time the resolution was adopted in order to

- use shares of the Company for business combinations with other companies, or for acquiring companies, interests in companies or business units, or

- transfer or offer shares of the Company to employees of the Company or its group companies for purchase, or

- sell the shares at a price that is not significantly lower than the stock exchange price of the shares of the Company at the time of the sale, or

- retire the shares.

The shares purchased under this authorisation, together with other shares of the Company that the Company previously acquired or still possesses, or that are attributable to the Company under §§ 71a et seqq. of the AktG, may at no time exceed 10% of the current share capital of the Company. The Company may not use the authorisation for the purpose of trading in its own shares.

The authorisation can be used in full or in part, one or more times for one or more purposes. Purchase can also be performed by group companies dependent on the Company within the meaning of § 17 of the AktG, or by third parties for the account of the Company or for the account of group companies dependent on the Company within the meaning of § 17 of the AktG.

Types of purchase:

Purchase is performed in accordance with the principle of equal treatment (§ 53a of the AktG) either on the stock exchange, by means of a public tender offer to all shareholders or a public invitation to tender such offers, at the option of the Board of Management.

- If shares are directly purchased on the stock exchange, the price per share paid by the Company (not including incidental acquisition costs) may not be more than 10% higher or lower than the stock exchange price per share determined by the opening auction of the shares in XETRA trading on the Frankfurt Stock Exchange, or a successor system taking the place of the XETRA system, on that dealing day.

- If the purchase is made by means of a public tender offer or public invitation to tender, the purchase price offered or the upper and lower bounds of the range of purchase prices offered per share (not including incidental acquisition costs) may not be more than 10% higher or lower than the average closing price of the Company's shares in XETRA trading on the Frankfurt Stock Exchange, or a successor system taking the place of the XETRA system, during the last five stock exchange dealing days before the date of the tender offer or invitation to tender is publicly announced. The public tender offer or invitation to tender can be adjusted if substantial deviations occur in the applicable price after the public announcement has been made. In this case, the adjusted purchase price or adjusted range of purchase prices per share (not including incidental acquisition costs) may not be more than 10% higher or lower than the average closing price of the Company's shares in XETRA trading on the Frankfurt Stock Exchange (or a comparable successor system) during the last five stock exchange dealing days before the adjustment is publicly announced. The tender offer or invitation to tender can have additional terms. If a tender offer is oversubscribed, or a number of equivalent offers are submitted for an invitation to tender and not all can be accepted, then acceptance must take place on a pro-rata basis. Provision may be made for preferential acceptance of small amounts of up to 100 tendered or offered shares per shareholder.

Use of the Purchased Shares

The Board of Management is authorised, subject to Supervisory Board consent, to use shares of the Company acquired based on the authorisations above for all legally permissible purposes, including in particular the following:

- They can be resold on the stock exchange or by means of a public offer to all shareholders while observing the principle of equal treatment (§ 53a of the AktG).

- They can be retired with Supervisory Board consent. No further Shareholders Meeting resolutions are required for such retirement or its implementation. They can also be retired using a streamlined procedure without a capital reduction by adjusting the notional value of the Company's remaining no-par value ordinary bearer shares. The retirement can be limited to a portion of the shares acquired. The authorisation to retire shares can be used multiple times.

- The shares can be sold for payments in kind, and can in particular be offered or granted to third parties for business combinations, or to acquire companies, business units or interests in companies, including increasing existing shareholdings. The interests can also be transferred to companies affiliated with the Company.

- They can be offered for sale to, or transferred or awarded with a lock-up period of no less than one year to persons currently or previously employed by the Company or companies affiliated with the Company within the meaning of §§ 15 et seqq. of the AktG.

- The Board of Management is authorised to sell shares acquired based on the authorisation above in ways other than on the stock exchange or by means of an offer to all shareholders. However, if the acquired shares are sold for a cash payment, the sales price may not be significantly lower than the opening price of the Company's shares in XETRA trading on the Frankfurt Stock Exchange (or a comparable successor system) at the time of the sale. The portion of the share capital attributable to the shares sold based on this authorisation plus the portion of the share capital attributable to new shares issued during the term of this authorisation for any capital increases with pre-emptive rights excluded in accordance with § 186(3) sentence 4 of the AktG may not exceed 10% of the Company's share capital at either the time this authorisation comes into effect or the time it is exercised.

The authorisations above may be used one or more times, individually or in combination, for all or portions of the shares acquired.

GENERAL PROVISIONS FOR THE APPROPRIATION OF PROFITS AND DIVIDEND PAYMENTS

Shareholders' profit shares are determined by their interest in the share capital of the Company. The resolution on the payment of dividends on the Company’s shares for a financial year is approved by the Annual Shareholders Meeting in the following financial year based on a proposal by the Board of Management and Supervisory Board. If major shareholders with a de facto majority are present at the Company's Shareholders Meeting, they can use their votes to approve the resolution on dividend payments (also see the section entitled "Risk Factors").

Under German law, a resolution on a dividend and its distribution can only be made on the basis of the net retained profits reported in the individual financial statements of the Company. When determining the net retained profits available for distribution, the net income or loss for the period must be adjusted to take into account retained profits or accumulated losses brought forward from the previous year and withdrawals from or appropriations to reserves. The formation of certain reserves is required by law and these must be deducted when calculating the net retained profits available for distribution.

Dividends approved by a Shareholder Meeting are payable on the first business day after the Shareholders Meeting, unless otherwise provided in the dividend resolution. As a rule, claims to dividend payments become time-barred after three years under German law.

If the claim to payment of a dividend becomes time-barred, the Company has the right to pay the dividend to the shareholder whose claim is time-barred, but is under no obligation to do so. Detailed information on any dividends will be published in the electronic German Official Gazette (Bundesanzeiger).

GENERAL PROVISIONS ON LIQUIDATION OF THE COMPANY

Aside from liquidation due to insolvency proceedings, the Company can only be liquidated by a Shareholders Meeting resolution that is adopted by a three-quarters majority of the share capital represented at the time of the resolution. In the case of such a liquidation, the assets of the Company remaining after all liabilities have been settled will be distributed among shareholders in accordance with the German Stock Corporation Act in proportion to their interest in the share capital. Certain provisions concerning creditor protection must be observed in this regard.

GENERAL PROVISIONS ON CHANGES IN SHARE CAPITAL

Under the German Stock Corporation Act, the share capital of a stock corporation can be increased by a shareholders meeting resolution. This resolution must be adopted by a majority of at least three quarters of the share capital represented at the time of the resolution, unless the articles of association of the stock corporation stipulate other majority requirements.

The shareholders can also create authorised capital. Creation of authorised capital requires a shareholders meeting resolution adopted by a three-quarters majority of the share capital represented at the time of the resolution that authorises the board of management to issue up to a specified amount of shares within a period of no more than five years. The nominal value of the authorised capital may not exceed half of the share capital existing at the time the board of management authorisation is registered in the commercial register.

The shareholders meeting may also create contingent capital for the purpose of issuing shares to holders of convertible bonds or other securities that grant an option to purchase shares, for the purpose of issuing shares that serve as consideration for a business combination, or to award stock options to the employees and management of the company or an affiliated company by means of a consent or authorisation resolution.

Creation of contingent capital requires a resolution with a three-quarters majority of the share capital represented at the time of the resolution. The nominal value of the contingent capital may not exceed 50% of the share capital existing at the time of the resolution.

If contingent capital is created in order to award stock options to employees and management, a maximum limit of 10% of the share capital existing at the time of the resolution may not be exceeded. In order to protect holders of conversion or option rights, the German Stock Corporation Act stipulates that if a capital increase is performed using internal company reserves, then contingent capital increases by force of law, i.e. automatically, in the same proportion as the increase in share capital.

A resolution to reduce the share capital requires a three-quarters majority of the share capital represented at the time of the resolution.

GENERAL PROVISIONS ON SHAREHOLDER PRE-EMPTIVE RIGHTS UNDER GERMAN STOCK CORPORATION LAW

Under the German Stock Corporation Act, each shareholder as a rule has pre-emptive rights to subscribe to new shares issued during a capital increase (including convertible bonds, warrant-linked bonds, participation rights or income bonds). These rights are freely transferable and therefore, in principle, can also be traded. Rights trading can take place on one or more German stock exchanges during a specified period of time before the end of the subscription period. Shareholders have no right to demand that rights trading be organized. Pre-emptive rights can be excluded in full or in part by a shareholders meeting resolution adopted by a three-quarters majority of the share capital represented at the time of the resolution. Pre-emptive rights can only be excluded in this manner in the resolution on the increase in share capital itself. Exclusion of pre-emptive rights also requires a report by the board of management. The report must present objective reasons and justifications for the exclusion of pre-emptive rights that show that the benefit to the company of excluding the pre-emptive rights outweighs the benefit to the shareholders from retaining their pre-emptive rights. When new shares are issued, pre-emptive rights can be excluded without such justification in particular if

- the company performs a capital increase against cash contributions;
- the capital increase does not exceed 10% of the existing share capital, and
- the offering price of the new shares is not significantly lower than the stock exchange price.

There are no additional rights of first refusal, rights to acquire, or other obligations with respect to capital that is authorised but not yet created, or with respect to PEARL GOLD AG capital increases.

EXCLUSION OF MINORITY SHAREHOLDERS

Under the provisions of §§ 327a et seqq. of the AktG on the exclusion of minority shareholders (so-called "squeeze-out"), the shareholders meeting of a stock corporation can, at the request of a shareholder holding 95% of the share capital (principal shareholder), adopt a resolution to transfer the shares of the remaining shareholders (minority shareholders) to the principal shareholder in exchange for appropriate cash compensation. The amount of the cash compensation to be granted to the minority shareholders must take into account the "circumstances of the company" at the time the shareholders meeting adopts the resolution. The amount of the settlement is determined based on the full value of the company, which is calculated as a rule using the capitalised earnings method.

Under the provisions of §§ 319 et seqq. of the AktG on so-called absorption, the shareholders meeting of a stock corporation can adopt a resolution to be absorbed into another company if the future principal company holds 95% of the shares of the company being absorbed. The excluded shareholders of the absorbed company are entitled to fair compensation, which as a rule must be awarded in the form of shares in the principal company. The amount of compensation must be determined using the so-called merger value ratio for the two companies, that is, the exchange ratio that would be regarded as fair in the case of a merger of the two companies. Absorption is only possible if the future principal company is a stock corporation with registered office in Germany.

Under the provisions of §§ 39a et seqq. of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz – WpÜG), a bidder holding shares in the target company representing at least 95% of the target company's voting share capital may, during the course of a mandatory public takeover bid, petition for a court order to have the remaining voting shares transferred to it in exchange for fair compensation. In addition, if the bidder holds shares representing 95% of the share capital of the target company, the remaining non-voting preferred shares must also be transferred to this bidder upon request. The compensation must take the same form as the consideration used for the mandatory takeover bid. Alternatively, a cash payment may always be offered. The consideration provided for the mandatory takeover bid is considered fair compensation if, as a result of the takeover bid, the bidder acquires shares representing at least 90% of the share capital subject to the offer. Furthermore, after a mandatory takeover bid the shareholders of a target company that have not accepted the offer can still accept the offer during a three-month period following the end of the acceptance period (referred to as a sell-out), provided the bidder has the right to petition for transfer of the outstanding voting shares under § 39a of the WpÜG (§ 39c of the WpÜG).

SHAREHOLDER REPORTING REQUIREMENTS

The special provisions of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) concerning shareholder reporting requirements apply as of the date the shares of the Company are admitted to the Regulated Market (General Standard) of the Frankfurt Stock Exchange.

Under the WpHG, every shareholder whose voting rights reach, rise above, or fall below the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the voting rights of a listed stock corporation as a result of acquisition, disposal or in any other way, is required to notify the company concerned and the German Federal Financial Supervisory Authority (BaFin) in writing or by fax without undue delay and at the latest within a period of four dealing days that (i) it has reached, risen above or fallen below these thresholds and (ii) the total number of voting rights at its disposal. The period begins at the time that the shareholder has positive knowledge of the fact that his share of the voting rights has reached, risen above or fallen below the above-mentioned thresholds, or based on the circumstances should have had such knowledge. When calculating voting rights for comparison with the thresholds, the WpHG requires that the voting rights of certain persons related to the shareholder or who act in concert with the shareholder with respect to the listed stock corporation be included. Shareholders are assumed to be acting in concert when they coordinate the exercise of their voting rights at shareholders meetings of the company or act in concert outside of these shareholders meetings with the aim of achieving a permanent, significant change in the business strategy of the company. A single agreement does not, however, constitute "acting in concert". Voting rights from shares that are held by third parties for the account of the shareholder, that have been transferred to third parties as security, for which a usufruct has been granted in favour of the shareholder, that the shareholder can acquire by a declaration of intent, that have been entrusted to the shareholder, or for which the shareholder can exercise voting rights acting as a proxy, are also included.

With the exception of the 3% threshold, the same obligations to notify the company and BaFin if reaching, rising above, or falling below the above-mentioned thresholds exists when other financial instruments are held that give the bearer the right to unilaterally acquire previously issued voting shares of the company under a legally binding agreement. When calculating voting rights for comparison with the applicable reporting thresholds, interests in the form of the above-mentioned financial instruments are added together with interests in the form of voting shares.

Shareholders that fail to make required notifications are precluded from exercising the rights vested in their shares (including voting and dividend rights) until the notification has been made. The law also permits a fine to be imposed in the event of non-compliance with reporting requirements. If a shareholder wilfully or grossly negligently fails to report reaching, rising above, or falling below a reportable voting rights threshold, or wilfully or grossly negligently makes an inaccurate report concerning the size of its share of the voting rights, voting rights cannot be exercised for a period of six months following subsequent submission of the proper voting rights notification. This does not apply if the difference with respect to the share of voting rights indicated in the previous inaccurate report is less than 10% of the actual share of voting rights and no reports were omitted when reaching, rising above, or falling below the indicated thresholds.

If the shareholder or the party to whom the shares are attributable is an investment services company, shares or financial instruments included in the trading portfolio are not included in the calculation if it has been ensured that their voting rights cannot be exercised, and they do not represent more than 5% of the voting shares or do not provide the right to acquire more than 5% of the voting shares. The company must publish the notices it receives without undue delay and no later than three dealing days after receipt, and must notify BaFin of the publication. In addition, at the end of each month in which the number of voting rights has increased or decreased, the company must publish a notice on the total number of voting rights in accordance with § 26a of the WpHG and notify BaFin of the publication. Notices received and information on the total number of voting rights must also be filed with the company register without undue delay, but not before publication. Unless otherwise provided in the articles of association, a shareholder that reaches or rises above the 10% threshold of share voting rights or a higher threshold must notify the issuer of the objectives of acquiring the voting rights and the source of the funds used for the purchase within 20 dealing days. Changes in these objectives must also be reported within 20 dealing days. When calculating voting rights to compare to the thresholds, the voting rights of certain persons must be included in accordance with the provisions indicated above.

In addition, the German Securities Acquisition and Takeover Act requires parties that obtain direct or indirect control over a target company, i.e. 30% of the voting rights of the company, to publish this within a period of seven calendar days on the Internet or by means of an electronic financial information system, followed, unless granted exemption from this requirement, by a mandatory public takeover bid to purchase all shares of the target company. A mandatory takeover bid in accordance with the WpHG is not required if the shares of the company in which the bidder holds at least a 30% interest are being admitted to stock exchange trading for the first time.

INFORMATION ON THE GOVERNING BODIES OF PEARL GOLD AG

OVERVIEW

The governing bodies of the PEARL GOLD AG are the Management Board, the Supervisory Board and the Shareholders Meeting. The powers of these bodies are primarily regulated by the German Stock Corporation Act (Aktiengesetz – AktG), the Articles of Association and the Rules of Procedure of the Management Board.

The Management Board conducts the business of PEARL GOLD AG in accordance with the law, the Articles of Association and the Rules of Procedure of the Management Board. It is directly responsible for managing the Company and represents it before third parties.

The Management Board must ensure that appropriate risk management and internal monitoring systems are set up and operating within the Company for the early recognition of developments which would endanger the continued existence of PEARL GOLD AG. The Management Board is obligated to report to the Supervisory Board. In particular, the Management Board is required to report to the Supervisory Board in a regular, timely and comprehensive fashion concerning all issues of relevance to the Company in the areas of planning, business development, risk situation, risk management, strategic measures and all other relevant issues affecting the Company. The Management Board is also to provide a report indicating divergences between the actual the performance of the business and plans and targets established. In addition, reports are to be made to the chair of the Supervisory Board on other important matters.

The Supervisory Board is responsible for the appointment and dismissal of the members of the Management Board, being authorised to dismiss its members for good cause. The Supervisory Board monitors the Management Board's management of the Company. Under German corporate law, the Supervisory Board has no authority to manage the Company. The Supervisory Board can issue rules of procedure for the Management Board stipulating that certain transactions of the Management Board with the Company shall require Supervisory Board approval. In a German stock corporation (*Aktiengesellschaft*), simultaneous membership on the Management Board and the Supervisory Board is not permitted. On an exceptional basis, however, aSupervisory Board member may be appointed to the Management Board for a period limited to one year; during this period the Supervisory Board Member may not carry out any Supervisory Board activities.

Management Board and Supervisory Board members have an obligation to the Company of loyalty and due care. In this regard, the members of these governing bodies must pay heed to a broad spectrum of interests, in particular those of the Company, its shareholders, employees and creditors. The Management Board must also take into account the right of shareholders to equal treatment and equal dissemination of information. If the members of the Management Board or the Supervisory Board are in breach of their obligations, they are jointly and severally liable to the Company for compensation for damages. Up to the present, PEARL GOLD AG has not obtained Directors' and Officers' insurance, but as a result of the increasing complexity of the business model and on the basis of compliance regulation it is considering doing so.

Under German law, a shareholder generally does not have any direct claim against the members of the Management Board or of the Supervisory Board when they are suspected to have breached their obligations with respect to the Company. Also, in general, claims of the Company against members of the Management Board or of the Supervisory Board for damages can only be lodged by the Company itself, with the Company being represented in claims against the members of the Supervisory Board by the Management Board and in claims against the members of the Management Board by the Supervisory Board. Under a decision of the German Federal Supreme Court, the Supervisory Board is obligated to assert damages claims expected to be enforceable against the Management Board, unless there are important reasons related to the well-being of the Company that speak against such assertion and these reasons trump, or are at least equally important as the reasons for asserting them.

Where the relevant governing body authorised to represent the Company decides against asserting a claim, compensation claims against members of the Management Board or the Supervisory Board must nevertheless be asserted if the Shareholders Meeting so resolves by a simple majority vote. The Shareholders Meeting can appoint a special representative for this purpose. A minority of shareholders whose shares collectively total one-tenth of the share capital of the Company or reach a nominal shareholding of EUR 1,000,000 may also move for court-ordered appointment of a special representative to assert a claim for damages, who in the event of appointment will have responsibility in this regard in lieu of the governing bodies of the Company. If there are facts justifying a compelling suspicion that the Company has suffered losses due to dishonesty or gross breaches of law or of the Articles of Association, shareholders whose shares collectively constitute 1% of the share capital or a nominal amount of EUR 100,000.00 may, under certain conditions, be permitted by the appropriate court to assert the Company's damage claims against members of the Management Board in their own names on behalf of the Company. Such a claim or admission proceeding becomes impermissible if the Company itself files a claim for damages. The Company may only waive or settle any damages claims against members of the governing bodies if three years have elapsed since the claims came into existence, and only if the shareholders have adopted by simple majority a resolution in this regard at the Shareholders Meeting and no minority of the shareholders whose holdings collectively comprise at least one tenth of the share capital has not raised an objection in writing.

Under German law, individual shareholders – as well as any other persons – are prohibited from using their influence on the Company to influence a member of the Management Board or Supervisory Board to take an action detrimental to the Company. Shareholders with a dominant influence may not utilise their influence to cause the Company to act against its own interests, unless the resulting disadvantages are offset. Any person who uses its influence over the Company to cause members of the Management Board or the Supervisory Board, a holder of a commercial power of attorney (*Prokurist*), or an authorised agent (*Handlungsbevollmächtigter*) to act to the detriment of the Company or its shareholders must compensate the Company for any resulting losses. Moreover, the members of the Management Board and the Supervisory Board will be jointly and severally liable if they have acted in breach of their duties.

BOARD OF MANAGEMENT

Pursuant to § 8 (1) of the articles of association of the Company, the Management Board consists of at least one person. The Supervisory Board can establish a higher number. The Supervisory Board can appoint a chairman of the Management Board as well as a vice chairman. Deputy members of the Management Board can be appointed.

Management Board members are appointed by the Supervisory Board for terms of office of up to five years, after which they can be reappointed with their term of office in each case being a maximum of five years. The Supervisory Board can revoke the appointment of a Management Board member for good cause prior to the expiry of his/her term of office. Under the Stock Corporation Act, gross breach of duty, an inability to manage the business in accordance with the rules of procedure or a vote of no confidence by the Shareholders Meeting are deemed good cause.

The Management Board of the Company currently consists of Jean Luis Dupuy and Lutz Hartmann. The Supervisory Board has not appointed a chairman.

Under the articles of association, the Company shall be represented by two members of the Management Board jointly or by one member of the Management Board together with a holder of a commercial power of attorney. The Supervisory Board may grant individual members of the Management Board, or all members, the right to represent the Company singly and in each case may release them from the restrictions of § 181 of the German Civil Code (BGB).

The Supervisory Board may adopt rules of procedure for the Management Board under which certain transactions of the Management Board with the Company require the approval of the Supervisory Board. Up to the present, the Supervisory Board has not adopted rules of procedure for the Management Board.

Composition of the Management Board and areas of responsibility

The current members of the Management Board and their respective areas of responsibility are presented in the following overview.

Name	**Year of initial appointment / Expiration of the period of office**	**Area of responsibility**
Jean Louis Dupuy	2010/2014	Finances, IT, personnel, technical supervision of equity interests
Lutz Hartmann	2012/2014	Strategy, equity interests and investment, legal, accounting and IR (investor relations

Joint areas of responsibility	Corporate development and business policy Matters concerning the Supervisory Board

With its resolution of 4 September 2012, the Supervisory Board appointed Mr. Dupuy as a member of the Management Board for a period of two years.

With its resolution of 28 February 2012, the Supervisory Board appointed Mr. Hartmann as a member of the Management Board for a period of two years.

Jean Louis Dupuy

Following his education at Ecole Nationale Supérieure Agronomique de Grignon and doctoral studies at the University of Paris Dauphine in the area of management, Mr. Dupuy (born 1946) worked for 30 years as a banker at Crédit Agricole, one of the largest European and French banks. After various positions, he was head of the credit department for the region of Lyon. He built up 120 branch offices for Crédit Agricole and ultimately was responsible for the management of equity interests.

Mr. Dupuy is authorised for individual representation and is relieved from the restrictions of § 181(2) BGB.

Lutz Hartmann

Following his study of law in Mainz, Freiburg and Paris, Lutz Hartmann (born 1972) initially worked several years in an international law office in Paris and in a private equity firm in Munich. Since 2002, he has been an attorney in Frankfurt where he is a partner in the law firm Buse Heberer Fromm and specialises in particular in corporate and partnership law. As a recognised expert for corporate transactions, he has assisted in numerous purchases of companies and their subsequent integration.

Mr. Hartmann is authorised for individual representation and is relieved from the restrictions of § 181(2) BGB.

The members of the Management Board can be reached at the business address of the Company.

During the past five years no member of the Management Board has been or is currently a member of the administrative, management or supervisory bodies, or a partner, of any other enterprise or company other than the mandates described above.

Certain information regarding members of the Management Board and conflicts of interest

During the past five years, no member of the Management Board has been found guilty of fraudulent criminal acts or of other violations of provisions of German or foreign criminal law or of capital-markets law.

During the past five years, no member of the Management Board has been involved in insolvencies, insolvency administrations, or liquidations.

During the past five years, no public charges have been brought and no sanctions have been imposed by statutory or regulatory authorities (including certain professional associations) against members of the Management Board. The members of the Management Board have not been declared by any court to be unfit to be members of an administrative, management or supervisory body of an issuer or unfit for their management activities or to manage the transactions of an issuer.

In the current or the preceding financial year, the members of the Management Board of the Company are not and were not involved in transactions outside the scope of the object of the Company as set down in the articles of association or in any other transactions of the Company which are out of the ordinary with respect to form or substance, nor have they been involved during previous financial years in unusual transactions of this nature that have not yet been concluded.

No family relationships exist between the members of the Management Board. Moreover, there are also no family relationships between members of the Management Board and members of the Supervisory Board of the Company.

There are no potential conflicts of interest between the obligations of the Management Board members and their private interests and/or obligations.

Remuneration, other benefits and share ownership

- Remuneration

In the year 2011, Jean Louis Dupuy did not receive any remuneration.

- Number of shares held

Jean Louis Dupuy holds 10 shares of the Company. In addition, Mr. Dupuy has a 0.45% interest in the share capital of Wassoul'Or S.A. Lutz Hartmann holds 10,000 shares of the Company.

- Pensions

The Company has not made any pension commitments for the members of the Management Board. Accordingly no provisions were formed for pensions for the members of the Management Board.

- Loans

The Company has not made loans to the members of the Management Board nor provided loan guarantees for them nor assumed guarantee payments [*Gewährleistungen*] for them.

- Employment contracts

There are no employment contracts between the Company and Management Board members which provide for benefits at the end of the employment relationship. Lutz Hartmann exercises his function as a member of the Management Board, however, in the framework of the engagement of the law firm of Buse Heberer Fromm Rechtsanwälte Steuerberater Partnerschaftsgesellschaft, which would continue to exist following termination of the activity of Mr. Hartmann as a member of the Management Board.

SUPERVISORY BOARD

The Supervisory Board of the Company is currently comprised of six members, all of whom were elected in conformity with the Stock Corporation Act by the shareholders at the Shareholders Meeting. Due to the number of its employees, the Company is not subject to any employee co-determination provisions.

The members of the Supervisory Board are elected by the Shareholders Meeting for a period ending with the close of the Shareholders Meeting which resolves as to a formal discharge for the third financial year following the commencement of their term in office. The financial year in which the period in office commences is not included in this calculation. The Shareholders Meeting can provide a shorter term of office for Supervisory Board members of the shareholders. Re-election is possible. In the case of a by-election of a member of the Supervisory Board in place of a member who separates prematurely, the office of the newly elected Supervisory Board member shall be for the remaining term of office of the separating member, unless the Shareholders Meeting resolves a longer term of office. Any Supervisory Board member can resign his office at any time by giving four weeks' written notice to the Management Board or the chairman of the Supervisory Board

The Shareholders Meeting can appoint substitute members for the Supervisory Board members, who may then become Supervisory Board members in accordance with certain determinations of the Shareholders Meeting if an elected Supervisory Board member withdraws prior to the end of his/her term of office. When a substitute member takes the place of a separated member, his office shall lapse if a new election for the separated member takes place in either of the next two Shareholders Meetings following the substitution, with the close of such Shareholders Meeting. Otherwise it will lapse with the expiry of the remaining term of office of the separated member. At present, no substitute members have been elected for the Supervisory Board.

The Supervisory Board elects a chairman and a vice chairman from among its members.

Unless otherwise mandated by law, the Supervisory Board adopts resolutions by a simple majority of votes cast.

The Supervisory Board members elected by the Shareholders Meeting can be removed from office by resolution of the Shareholders Meeting. Such resolution must be passed with a majority of three-fourths of the votes cast. Under the articles of association, members of the Supervisory Board may withdraw from their position upon giving two month's written notice to the chairman of the Supervisory Board and the Management Board. With the approval of the chairman of the Supervisory Board, this notice period can be waived. The right to resign the office for good cause shall not be affected hereby.

The Supervisory Board is authorised to decide on changes to the articles of association which relate only to its wording.

To date, the Supervisory Board has not yet adopted rules of procedure. The Supervisory Board has also not yet formed any committees.

Current composition of the Supervisory Board

The following table lists the current members of the Supervisory Board of the Company, the year in which they were first appointed to the Supervisory Board, their main activities and their activities as members of the administrative, management or supervisory bodies or partners outside of the Company within the last five years.

Name	Year of the first appointment/ expiration of term of office	Main activities	Other activities outside the Company
Robert Francis Goninon	2010/2014	CEO of Horizon Energy LLC and subsequently Horizon Group (UAE)	Member of the Management Board of Colombo Dockyard PLC (Sri Lanka) Corporate Secretary of Delma Exchange (UAE), General Manager of Ethiodubai Investments PLC (Ethiopia),
Alexandre Davidoff	2009/2013	Lawyer	Member of the Management Board of: Zino Davidoff SA, Ceva Management Services SA, Maurel and Prom International SA Assistance Technique Internationale SA, Lyonnaise des Eaux Management et Services SA, Arc International Management Services (GE), Renardet SA, NYD Pharma SA, NYD Consumer Care SA, Prismart SA, CAA Constellation Sàrl, Chapter Five Sàrl, COOST SA, DrugTech Sàrl, Exponent Software Sàrl, F Conseils Sàrl, GVD Asset Management SA, Hadfield Resources SA, Harold W. SA, Immalug SA,

			Kinetic Partners (Switzerland) SA, Mansa Moussa Gold Coins SA MJH Asset Management SA MPNATI SA, MYit Service Sàrl, Natural Resources Consulting SA, OSGS Holding Sàrl, SIDIN SA, Simone Pérèle (Suisse) SA, Sophteam Development SA, Tourbrilland Sàrl, Tritech GmbH, Varel Internatoinal Engineering and Resources, Vivoteq Sàrl, World's Wing SA
Pierre Roux	2009/2014	Security manager	Special representative of Wassoul'Or (2006/2008); Regional Security Manager Carrefour S.A. (2008/2011)
Aliou Boubacar Diallo	2009/2015	Businessman	Chairman of the Management Board of Wassoul'Or S.A., Chairman of the Management Board of SODINAF, President of PETROMA Inc., Canada, Chairman of the Management Board of PETROMA S.A., Mali, Chairman of the Management Board of ABDIAM S.A., Mali
Konstantin von Klitzing	2012/2015	Managing Director of Hauck & Aufhäuser Corporate Finance AG	Member of the Board of Hauck & Aufhäuser Investment Banking (2008-2011)

Dominique Fouquet	2011/2015	Financial advisor	Member of the Conseil d'Administration of Wassoul'Or' S.A.

Certain information regarding members of the Supervisory Board and conflicts of interest

Robert Francis Goninon (chairman of the Supervisory Board)

Robert Francis Goninon is the Chief Executive Officer of Horizon Energy LLC (Abu Dhabi, UAE). He is responsible for the management of all activities of the Horizon Group, including technical assessment of investment opportunities and take-overs in the fields upstream oilfield, petroleum service and mining, and operational management of companies taken over. During his professional career, he has acquired extensive knowledge and experience in the supply of materials and services for oil and natural gas companies and the mining industry. He has worked in the UAE, the Netherlands, Thailand, Malaysia and Australia. Mr. Goninon is a graduate of the University of Tasmania in Australia (Bachelor of Science with majors in geology and geophysics).

Alexandre Davidoff

Alexandre Davidoff is a Swiss attorney and the founder of and partner in the law firm of Martin & Davidoff in Geneva. He practices primarily in the areas of company law and estate planning. In addition to his work as a lawyer, he held operational positions with banks and financial firms as the director of a private bank and of an asset management firm. Beyond this, he dedicates a portion of his time to volunteer work in committees of associations and foundations, in particular in the areas of music and humanitarian aid.

Pierre Roux

From 2006 to 2008, Pierre Roux was responsible as a special representative of Wassoul'Or for the development of the safety concept of its mining facility. From 2008 to September 2001, Mr. Roux was the regional security manager of Carrefour, the leading French trading group. He is responsible for the security at Wassoul'Or. He is a graduate of the police academy (France) and has broad experience with security audits and the design and implementation of security guidelines in large corporate groups. In addition, he is responsible for contacts with local authorities and external suppliers.

Aliou Boubacar Diallo

Aliou Boubacar Diallo is Chairman of the Management Board, founder and main owner (through SODINAF) of Wassoul'Or, the operating company of the gold mine in Kodiéran and of Petroma S.A., an EP petroleum company (name of a governmental petroleum company in Mali) as well as President of PETROMA Inc., Canada and Chairman of the Board of ABDIAM S.A., Mali. He has a Master's degree in Economics (France) and has much experience in the development of companies, the funding of resource companies and investor relations. He founded the first pan-African company specialising in trading of African government debt-backed assets and debt instruments. Investor for the development of licences for mineral resources in Mali. Personal strategic and economic advisor for various multinational enterprises seeking investment opportunities in West and Central Africa. As a respected member of his community, he exercises numerous functions in the cultural and social area in the countries in resource-rich countries of West.

Konstantin von Klitzing

Since 2007, Konstantin von Klitzing has been a member of the Board and the managing director at Hauck & Aufhäuser Corporate Finance AG and Cazenove, respectively, in Frankfurt, with 30 years international banking experience in Frankfurt, London and Paris. In addition to management positions and stations at Dresdner Kleinwort, Kleinwort Benson, Lehman Brothers and Credit Suisse First Boston (London), he was also CFO of the supranational Council of Europe Development Bank in Paris. Alongside general corporate finance and M&A, he also carried out capital market transactions (in shares and bonds) and international IPOs and privatisations in central and eastern Europe and Russia (with a focus in the electricity, oil and natural gas sector). After earning an MBA at the University of St. Gallen, Switzerland, he initially was a banking consultant with McKinsey in Vienna. Prior to his advanced studies and following a two-year period of military service, he completed a banking apprenticeship at Bayerische Vereinsbank.

Dominique Fouquet

Dominique Fouquet is an independent financial advisor with more than twenty years of experience in the marketing and sale of financial products in Africa and the Near East. Thanks to a strong network of international contacts, Mr. Fouquet has developed an enduring relationship with many private banks and the world-wide leading firms for the management of alternative assets, working closely with them to offer alternative investment solutions tailored individually to the needs of his clients.

The members of the Supervisory Board of PEARL GOLD AG can be reached at the business address of the Company.

Remuneration

The members of the Supervisory Board will not receive any remuneration in the current financial year.

Share ownership

Supervisory Board member Robert Francis Goninon holds 50,000 shares in the Company.
Supervisory Board member Aliou Diallo holds 534,697 shares of the Company through SODINAF S.A.
Supervisory Board member Dominique Fouquet holds 17,900 shares of the Company.

Certain information regarding members of the Supervisory Board and conflicts of interest

No member of the Supervisory Board has been a member of the supervisory or management bodies or a partner of any companies or partnerships during the past five years other than the positions indicated above.

During the past five years, no member of the Supervisory Board of the Company has been convicted of a fraudulent offense. During the past five years, the members of the Supervisory Board were not involved in insolvencies, receiverships or liquidations. During the past five years, no public charges have been brought against and/or sanctions imposed against members of the Supervisory Board by legal or regulatory authorities (including designated professional associations), nor were they ever held by a court to be unfit for membership in an administrative, management or supervisory board or for their activity in the management or conducting of the affairs of a company.

The members of the Supervisory Board of the Company are not and have not been involved in transactions falling outside of the scope of the Company's object as set down in the articles of association or in other transactions of the Company that are out of the ordinary with respect to form or substance.

No family relationships exist between members of the Supervisory Board, and no family relationships exist between the members of the Supervisory Board and the members of the Management Board of the Company.

Moreover, there are no actual or potential conflicts of interest between the obligations of the members of the Supervisory Board with respect to the Company and their private interests or other obligations.

SENIOR MANAGEMENT

Since the Company does not have any employees, there is no senior management.

SHAREHOLDERS MEETING

The Shareholders Meeting takes place at the registered office of the Company or at a German stock exchange. It is called by the Management Board or – in the cases provided by statute – by the Supervisory Board.

The ordinary Shareholders Meeting of the Company is held within the first eight months of the end of the financial year. In addition to this, the Shareholders Meeting is to be convened when the welfare of the Company so requires.

The convening of the ordinary or special Shareholders Meeting must be announced along with the agenda at least 30 days prior to the day by the end of which the shareholders must register in accordance with § 23 (1) of the articles of association.

Only those shareholders who have reported in writing, in German or English, to the Company or another office designated in the invitation, with presentation of proof of their shareholding, by the end of the sixth day prior to the day of the Shareholders Meeting shall be entitled to participate in ordinary or special Shareholders Meetings and to exercise the voting right. The Management Board – or Supervisory Board, if the latter convened the Shareholders Meeting – is authorised to specify a shorter deadline.

The proof of shareholding must relate to the beginning of the twenty-first day before the Shareholders Meeting. Proof is to be provided in writing in German or English.

The voting right can be exercised by proxy. Powers of attorney, to be forwarded by the shareholder to the Company or to a proxy appointed by the Company, may also be sent using an electronic method to be further specified by the Company. Details for the granting of these powers of attorney will be announced together with the convening notice of the Company's Shareholders Meeting in the electronic version of German Federal Gazette.

The chairman of the Supervisory Board will chair the Shareholders Meeting or, in the event that the chairman is prevented from doing so, the vice chairman. If neither of these is present or willing to chair the meeting, the chairman of the meeting shall be elected by the Shareholders Meeting.

The chairman sets the order in which the items of the agenda are to be dealt with. He also determines the mode and form of voting. He can set reasonable time limits for the shareholders' right to speak and ask questions. In particular, at the very start of or during the meeting, the chairman may set reasonable time limits on the meeting's duration, the discussion of the agenda items, and the time allocated to individuals to speak and ask questions.

Each share confers one vote. Voting rights attach once the shares have been fully paid up.

Unless the Stock Corporation Act mandates otherwise, resolutions of the Shareholders Meeting are adopted by a simple majority of votes cast. If the Stock Corporation Act also prescribes a majority of the share capital present at the adoption of the resolution, a simple majority of the capital represented shall suffice, provided such is permitted by law. Neither the Stock Corporation Act nor the articles of association of the Company stipulates a minimum participation to constitute a quorum for the Shareholders Meeting.

Under current stock corporation law, resolutions of fundamental importance require, in addition to a majority of the shareholders present, a majority of at least three-fourths of the share capital represented at the adoption of the resolution. Such resolutions of fundamental importance include, in particular, the following: amendments to the articles of association, capital increase with and without exclusion of subscription rights of the shares, capital reductions, the creation of authorised or contingent capital, the dissolution of the Company, the merger of the Company into or with another company, the splitting-up or spinning-off as well as the transfer of all of the assets of the Company, entry into intercompany agreements (in particular control and profit-and-loss transfer agreements) and change of legal form of the Company.

Before going into effect, a resolution which imposes collateral obligations on shareholders requires the consent of all affected shareholders.

Neither German law nor the articles of association of the Company restrict the right of owners of shares that are foreign or are not residents of Germany to hold shares or exercise the voting rights associated therewith.

CORPORATE GOVERNANCE

The "Government Commission on the German Corporate Governance Code" appointed by the Federal Ministry of Justice (*Bundesministerin für Justiz*) in September 2001 adopted the German Corporate Governance Code (the “Code”) on 26 February 2002 and, most recently, adopted various amendments to the Code on 15 May 2012. The Code provides recommendations and suggestions on managing and supervising listed German companies. In doing so, it is based on recognised international and national standards for good and responsible corporate governance. The purpose of the Code is to make the German corporate governance system transparent and comprehensible. The Code contains recommendations and suggestions on corporate governance with respect to shareholders and the general meeting, the Management and Supervisory Boards, transparency, accounting and auditing. The Code can be viewed online at www.corporate-governance-code.de.

Pursuant to § 161 of the Stock Corporation Act (AktG), the Board of Management and Supervisory Board of a listed company are required to declare annually that the company has been and will be in compliance with the recommendations of the Code, or to state which recommendations have not or will not be applied and why. The statement is to be made permanently available on the website of the Company. There is no obligation to comply with the recommendations and suggestions of the Code.

As of the date of the prospectus, the Company was not stock-exchange-listed within the meaning of § 3(2) AktG. As a result, as of the date of the prospectus it has not followed the suggestions and recommendations of the Code.

Upon the listing on a stock exchange, the Management Board and the Supervisory Board of PEARL GOLD AG are obligated to issue a declaration in accordance with § 161 AktG in the course of that financial year and to publish it and make it permanently available to the shareholders. The Management Board and the Supervisory Board of the Company intend to comply with the recommendations of the code in the version of 15 May 2012, with the following exceptions:

- Formation of committees (No. 5.3): The Supervisory Board of the Company is comprised of six members. Committees were not formed since the business activity does not yet make this necessary.

- Composition of the Supervisory Board (No. 5.4.1 (2) and (3)): The Supervisory Board of the Company has not stated any specific goals which take into consideration the potential conflicts of interest, the number of independent Supervisory Board members within the meaning of No. 5.4.2 of the code, an age limit to be set for Supervisory Board members and diversity and in particular provide an appropriate degree of participation by women. The Supervisory Board of the Company is of the opinion that in the selection of members of the Supervisory Board, knowledge and skills as well as technical competence should be in the foreground. While the Supervisory Board of the Company welcomes the goal of the Code of giving greater weight to the aforementioned criteria in the composition of the Supervisory Board, it does not believe it to be appropriate at the present time to state specific goals.

- Remuneration of the members of the Supervisory Board (No. 5.4.6): The members of the Supervisory Board of the Company do not currently receive any remuneration.

The Company intends to issue a statement pursuant to § 161 AktG to this effect for the current financial year and to make it permanently available on its website, which can be accessed at www.pearlgoldag.com.

SHAREHOLDER STRUCTURE

The shares of PEARL GOLD AG are bearer shares and may be freely traded on the stock exchange. The Company has to this point not been listed on an organised market within the meaning of § 2(5) of the German Securities Trading Act (WpHG) and therefore to this point was not subject to the provisions of the WpHG. As a result, up to this point no reporting obligations by shareholders of possession of shares have been applicable. The shareholders of PEARL GOLD AG therefore – at any rate in large part – are anonymous and not known to the Company since shareholders are obligated to notify the Company only if several specific reporting thresholds under the Stock Corporation Act are exceeded or not met. The following table gives, on the basis of the latest data provided to the Company by its shareholders, an overview of the shareholder structure of the Company, taking into consideration the significant shareholders known to the Company at the date of the Prospectus:

The following table gives an overview of the shareholder structure

Shareholder	Number of shares	Percentage of the share capital
Management Board	13,010	0.04%
Supervisory Board of the Company Diallo held through SODINAF S.A., Bamako, Mali	534,697	2.14%
Other Supervisory Board members	67,900	0.27%
Free float	24,387,393	97.5%
	25,000,000	100%

No further direct or indirect interests or control relationships are known to the Company beyond the above ownership relationships Furthermore, it does not have any knowledge of agreements of any kind, the exercise of which would lead at a later point in time to a change in the control of PEARL GOLD AG. The shares of the Company have been included since 17 December 2010 in over-the-counter trading (First Quotation Board and since 1 July 2010, Quotation Board) of the Frankfurt Stock Exchange in the Open Market sub-section.

COMMERCIAL AND LEGAL RELATIONSHIPS WITH RELATED PARTIES

Related parties include, by way of example, members of the Management Board and Supervisory Board, including close family members, as well as those companies over which members of the Company's Management or Supervisory Board, or close family members, as the case may be, can exercise a significant influence or in which they hold significant voting rights. Furthermore, under IAS 24 (Related Party Disclosures), related parties also include those companies with which the Company constitutes an affiliated group or in which it holds an interest that gives it a significant influence over the Company's business policy as well as the principal shareholders of the Company, including its affiliates.

PEARL GOLD AG maintains business relationships with related parties. In the Company's view, the business relationships with related parties are conducted on market terms.

TRANSACTIONS AND LEGAL RELATIONSHIPS WITH MEMBERS OF GOVERNING BODIES AND THE COMPANY

Management Board member Jean-Louis Dupuy holds 10 shares of the Company, and Management Board member Lutz Hartmann holds 10,000 shares of the Company.

Supervisory Board member Robert Francis Goninon holds 50,000 shares in the company. Supervisory Board member Aliou Diallo holds 534,697 shares in the company through SODINAF S.A.Supervisory Board member Dominique Fouquet holds 17,900 shares of the Company.

The Company entered into a loan agreement as borrower with Supervisory Board member Mr. Aliou Diallo as lender. Mr. Diallo is the sole shareholder of SODINAF and thus is an indirect shareholder of the Company. The financing requirements of the Company are ensured by this agreement through receipt of dividends from Wassoul'Or S.A. In this connection, there is a contractually agreed subordination. It was furthermore agreed that no interest will accrue.

The appointment of Mr. Lutz Hartmann to the Management Board of the Company was based on an engagement agreement between the Company and the law firm of Buse Heberer Fromm Rechtsanwälte Steuerberater Partnerschaftsgesellschaft which expressly provides that the exercising of the position of Management Board member is among the obligations of the firm. Mr,. Hartmann is also a partner in Buse Heberer Fromm Rechtsanwälte Steuerberater Partnerschaftsgesellschaft.

COMMERCIAL AND LEGAL RELATIONSHIPS BETWEEN OTHER RELATED PARTIES AND THE COMPANY

There are no commercial and/or legal relationships between the Company and other related parties.

Capital increases

On 28 January 2010, the special Shareholders Meeting of PEARL GOLD AG resolved an increase of share capital by EUR 9,950,000.00 from EUR 50,000.00 to EUR 10,000,000.00 against in-kind contributions by issuing 9,950,000 new shares. Only Mansa Moussa Gold Fund was permitted to subscribe for the new shares. Prior to this in-kind capital increase, PEARL GOLD AG entered into a post-formation and capital contribution agreement on 28 December 2010 with Mansa Moussa, in which Mansa Moussa undertook to contribute 137 registered shares of Wassoul'Or with a par value of 2 million CFA francs per share (=12.5%) of share capital of Wassoul'Or totalling 2,200,000,000.00 CFA francs as a contribution in kind to PEARL GOLD AG and to transfer the shares to PEARL GOLD AG effective 1 January 2010. The special Shareholders Meeting of PEARL GOLD AG of 28 January 2010 approved this post-formation and capital contribution agreement of 25 January 2010. Performance of the capital increase raising share capital to EUR 10,000,000.00 was registered in the commercial register of Frankfurt am Main on 19 March 2010.

On 8 March 2011, the special Shareholders Meeting of PEARL GOLD AG resolved an increase of share capital by EUR 9,750,000.00 from EUR 10,250,000.00 to EUR 20,000,000.00 against in-kind contributions by issuing 9,750,000 new shares. Only Mansa Moussa Gold Fund was permitted to subscribe for the new shares. Prior to this non-cash capital increase, PEARL GOLD AG had entered into a purchase and capital contribution agreement on 25 May 2010 with which it sold and transferred 138 shares of Wassoul'Or to PEARL GOLD AG, with deferral of the purchase price claim in the amount of EUR 70,000,000.00.

The special Shareholders Meeting of PEARL GOLD AG of 27 July 2010 approved this purchase and post-formation agreement of 25 May 2010.

In deviation from this agreement of 25 May 2010, PEARL GOLD AG, in the framework of a further capital contribution and post-formation agreement, agreed with Mansa Moussa Gold Fund that the above purchase price claim is due immediately and that this purchase price claim is to be contributed by Mansa Moussa Fold Fund to PEARL GOLD AG in the framework of the "capital increase" of EUR 10,250,000.00 to EUR 20,000,000.00. The special Shareholders Meeting of PEARL GOLD AG of 8 March 2011 approved this capital contribution and post-formation agreement of 28 December 2010. Performance of the capital increase raising share capital to EUR 20,000,000.00 was registered in the commercial register of Frankfurt am Main on 23 March 2011.

On the basis of the authorisation (Authorised Capital I 2011) granted by resolution of the special Shareholders Meeting of 16 June 2011, the increase of share capital by EUR 5,000,000.00 from EUR 20,000,000.00 to EUR 25,000,000.00 was carried out on 20 March 2012. Only SODINAF S.A. was permitted to subscribe for the 5,000,000 new shares in exchange for contribution of delivery rights for 48,000 troy ounces gold. The above utilisation of the authorised capital in the amount of EUR 5,000,000.00 was registered in the commercial register of Frankfurt am Main on 20 March 2012.

MAIN FEATURES OF TAXATION IN GERMANY

GENERAL COMMENTS

The section "Main Features of the Taxation in Germany" calls attention to several important principles of German taxation that are or can be significant in connection with the acquisition, holding or transfer of shares. The following statements do not represent a complete, comprehensive presentation of all German tax aspects that may be relevant for shareholders. This presentation is based on German tax law applicable as of the date of this Prospectus, taking into consideration typical provisions of double taxation treaties entered into between Germany and other countries. In both German tax law and in treaty law, provisions or interpretations may change and such changes may, in certain circumstances, have retroactive effect. Tax effects based on church membership of the shareholder (church tax) will not be treated.

This section is no substitute for individualised tax advice for the individual shareholder. It is therefore recommended that potential acquirers of shares consult their tax advisor regarding the tax consequences of the acquisition, holding and sale or gratuitous transfer of shares and regarding the procedures to follow in the event of possible refund of German withholding tax (tax at the source). Only such tax advisors are in a position to adequately take into account the special tax situation of the individual shareholder.

TAXATION OF GERMAN STOCK CORPORATIONS

The taxable income of corporations with registered office and/or management situated in Germany (also referred to below for purposes of simplicity as domestic corporations) is subject to German corporate income tax. The tax rate is 15% plus solidarity surtax thereon of 5.5%, resulting in a total of 15.825%.

Domestic corporations are subject to trade tax (*Gewerbesteuer*), The tax subject matter of trade is each fixed business establishment in Germany (including permanent establishments). The amount of the trade tax depends on the multiplier (*Hebesatz*) of the municipality in which the establishment is situated. To determine the relevant trade earnings, the profit determined under the regulations of the income tax and corporate income tax acts is modified by additions (for example for remunerations for liability for debts) and deductions (for example for inter-company dividends). The basic trade tax rate is 3.5%. The trade tax is at least 7% (in the case of a local multiplier of 200%), and varies according to the multiplier of the local municipality. Trade tax is not deductible as a business expense either for corporate income tax or for trade tax.

Dividends and other profit shares which are received from a domestic or foreign corporation are fundamentally exempt from corporate income tax; a flat 5% of the receipts is deemed non-deductible business expenses which are subject to corporate income tax plus solidarity surcharge (de facto 95% tax exemption). The actual business expenses, on the other hand, are fully deductible. A corresponding 95% tax exemption also applies in the case of gains from the sale of shares of a domestic or foreign corporation. In contrast, capital losses cannot be recognised for tax purposes.

Dividends and gains from the disposal of shares in another corporation are fundamentally subject to municipal trade tax, whereby capital gains are fundamentally 95% exempt from trade tax; for dividends, however, this applies only if the company holds an interest of at least 15% in the German distributing company (or in the case of non-German EU companies, at least 10%) at the beginning of the assessment period or in the case of non-EU companies without interruption since the beginning of the assessment period. For dividends from non-EU corporations, additional requirements apply. Favourable treatment for dividend income may also be possible under the provisions of a tax treaty.

The offsetting of losses against income is limited for corporations. A loss carryback up to the amount of EUR 511,500 is possible to the directly preceding assessment period. A loss carryforward, on the other hand, is possible without restriction as to time. Tax loss carryforwards may be used to fully set off net income up to EUR 1 million (base amount) and beyond this only in the amount of 60% of the total amount of income (minimum taxation). For purposes of the municipal trade tax, only a carryforward of loss is possible; here again, the base amount of EUR 1 million and the 60% limitation apply.

Unused corporate income tax and municipal trade tax losses (loss carryforwards and current losses) of the corporation expire ratably if more than 25% of the subscribed capital, membership rights, participation rights, or voting rights are transferred, directly or indirectly, to an acquirer or related parties of such acquirer within a period of five years (tainted acquisition of an equity investment). In the event of a transfer of more than 50%, losses not used up to the time of the tainted acquisition of an equity interest are fully lost. A group of acquirers with like-directed interests also are deemed one acquirer.

A tainted acquisition of an equity interest is fundamentally not to be assumed if the same person directly or indirectly holds a 100% interest in the transferring and in the receiving legal entities (intra-group clause (*Konzernklausel*)). Under the so-called relief provision (*Verschonungsregelung*), unused losses (loss carryforward and current loss) in the amount of the hidden reserves of the corporation subject to taxation in Germany at the time of tainted acquisition are preserved. In the case of a tainted acquisition of an equity interest of up to 50%, the proportionate hidden reserves, and in the case of a tainted acquisition of an equity interest of more than 50%, the entire hidden reserves of the corporation at the time of the tainted acquisition are controlling.

The regulations concerning the "interest barrier" limit the tax deductibility of interest on borrowed funds. The interest barrier covers all types of borrowing of corporations, independent of the person of the lender and the term of the provision of capital. Interest expenditures of an operation are deductible without limitation in the amount of interest income in the same financial year; above this amount, interest expenditures are deductible only in the amount of 30% of the taxable EBITDA (taxable income plus interest expenses and certain depreciation and amortisation amounts and reduced by interest income). The deduction amount that is not used up is fundamentally to be carried forward to the following five financial years (EBITDA carry forward). Non-deductible interest is to be carried forward to the following year (interest carry-forward).

The interest barrier provides the following exceptions:

- Exemption limit: The net interest expense (interest expense less interest income of a financial year) is less than EUR 3.00 million.

- Intra-group clause: The operation is not part of a corporate group or is only ratably part of such a corporate group.

- Escape clause: The equity ratio of the relevant operation as of the end of the preceding financial year is less than the equity ratio of the group by no more than 2 percentage points. The equity ratios are primarily to be determined on the basis of IFRS financial statements. Under certain conditions, financial statements under US GAAP and under the commercial laws of an EU state can be used.

Withholding tax (capital yields tax)

In the event of payment of dividends the distributing corporation is fundamentally obligated to deduct a withholding tax (capital yields tax (*Kapitalertragsteuer*)) for the account of the shareholder and to remit it to the relevant tax office. The combined tax rate comprising capital yields tax and the solidarity surcharge is 26.375%. The distributing corporation assumes the responsibility for the capital yields tax at the source.

The obligation to deduct taxes exists basically independent of whether the dividends are taxable or exempt from taxation on the level of the shareholder and whether the shareholder resides in Germany or abroad.

For dividends paid by a foreign corporation subjected to limited non-resident taxation, under certain conditions two-fifths of the withheld capital yields tax will be refunded. A claim for a refund in excess of this (a complete exemption) of the capital yields tax on the basis of tax treaties or the German Regulation for Implementation of the Parent-Subsidiary Directive are not affected by this. The refund of the capital yields tax as a rule requires an application by the recipient of dividends to the Federal Central Office for Taxes (*Bundeszentralamt für Steuern*).

Independent of the specific tax treaty, foreign shareholders are entitled to a claim for partial or complete reduction of the capital yields tax. In principle, a withholding tax reduction is granted in such a manner that the difference between the total amount withheld including the solidarity surtax and the capital yields tax which is actually due in accordance with the applicable double taxation treaty is refunded, upon application, by the German tax authorities (German Federal Central Tax Office (*Bundeszentralamt für Steuern*), An den Küppe 1, D-53225 Bonn). Forms for the refund procedure can be obtained from the Bundeszentralamt für Steuern (German Federal Central Tax Office) (also at www.bzst.bund.de) and from German embassies and consulates. There can also be a complete refund of the capital yields tax on the basis of the German Regulation for Implementation of the Parent-Subsidiary Directive (Directive No. 90/435/EEC of the Council of 23 July 1990).

The withholding and remitting of the capital yields tax can be omitted in part or in full the amount if the person to receive the dividend presents an exemption certificate issued by the Federal Central Office for Taxes

TAXATION OF THE SHAREHOLDERS

Taxation of dividends

Taxation of resident taxpayers

A natural person fundamentally is deemed to be a resident for tax purposes if his residence and/or usual place of abode is situated in Germany (unrestricted tax liability). A corporation is subject to tax in Germany without limitation if the site of corporate management and/or the registered office under its articles of association is situated in Germany.

Shares held in private assets

If a natural person holds the shares in his or her private assets, the capital yields tax (plus solidarity surtax, for a total of 26.375%) fundamentally has a definitively settling effect ("flat tax (*Abgeltungsteuer*)). Safekeeping account maintenance fees, financing costs and other income-generating costs that are economically associated with the dividend income fundamentally cannot be claimed as tax deductions. In determining the income, fundamentally only the flat saver's deduction in the amount of EUR 801 (EUR 1,602 in the case of spouses filing jointly) can be deducted.

If the individual tax rate is less than 25%, upon application by the taxpayer the dividends can be taxed at the individual (progressive) income tax rate (plus solidarity surtax) (most-favoured test (*Günstigerprüfung*)). Also in this case, the deduction of actual income-generating expenses is excluded; only the flat saver's deduction can be deducted. The capital yields tax withheld and remitted will in this case be credited against income tax and refunded if applicable.

Upon application by the shareholder, the flat-tax regime will not be applicable, if during the assessment period the shareholder directly or indirectly

- holds an interest of at least 25% in the corporation, or
- holds at least a 1% interest in the corporation, and at the same time works for the corporation.

Applying the so-called partial income procedure, 60% of the dividends in this case are subject to the progressive income tax regime with a tax rate of up to 45% (plus solidarity surtax for a total of 47.475%). Correspondingly, only 60% of expenditures that are economically connected with the dividends are tax deductible. Deduction of the flat amount is not possible.

Payments out of the so-called tax-recognised capital contribution account [*Einlakekonto*] of the corporation to shareholders who hold their shares in their private assets are subject to income tax only to the extent that (1) the shareholder or, in the case of gratuitous acquisition, the predecessor under the law, at any point in time during the last five years prior to the payment, directly or indirectly held at least 1% of the share capital of the company and (2) the payment exceeds the acquisition cost of the shares.

Under certain conditions, payments from the tax [recognised capital contribution account] result in reduced acquisition costs of the shares in private assets and thus will increase a future capital gain.

Shares held in business assets

If the shares are held in business assets, the rules concerning the flat-tax are not effective. The tax treatment differs fundamentally based on whether the shareholder is a sole proprietor, a corporation or a partnership.

Sole proprietorships: The dividend income is taxed using the partial income procedure. 60% of the dividends are subject to income tax (plus solidarity surtax). Accordingly, only 60% of expenditures that are economically connected with the dividends are tax deductible.

If the sole proprietor is subject to trade tax and if the investment is attributable to a domestic permanent establishment, the dividends are subject to trade tax in full, to the extent the individual proprietor did not hold at least 15% of the share capital of the corporation at the beginning of the assessment [*Ergebungs*] period (so-called trade tax "box privilege" (*Schachtelprivileg*)). If the requirements for the trade tax box privilege are met, the dividends are not subject to trade tax.

There is a possibility of crediting the trade tax on a lump sum basis (partially or fully) against the income tax of the sole proprietor.

Corporation: Dividend income received by a corporation is fundamentally exempt from corporate income tax (so-called equity investment earnings exemption (*Beteiligungsertragsbefreiung*)). Five per cent of the dividends are deemed on a lump sum basis to be non-deductible business expenses and are subject to the corporate income tax (de facto 95% tax exemption). The actual business expenses, on the other hand, are deductible in the full amount.

The dividend income after deduction of the actual business expenses are subject in the full amount to the trade tax, to the extent the corporation did not hold at least 15% of the share capital of the corporation at the beginning of the assessment period [*Ergebungszeitraum*] (so-called trade tax "box privilege" (*Schachtelprivileg*)). If the requirements for the trade tax box privilege are met, only 5% of the dividends are subject to trade tax.

Special rules for credit institutions, financial services institutions, finance companies, life and medical insurance companies, and pension funds will be described in the following section.

Partnerships: If the shares are held by a partnership, income tax or corporate income tax is levied on the level of the partner of the partnership. The tax consequences depend on whether the partner is a corporation or natural person. If the partnership interest is held by a corporation, the dividends are fundamentally 95% tax exempt (see "*Corporations*"). If the partner is a natural person, fundamentally 60% of the dividends received are subject to income tax (see "*Sole proprietorship*").

If the shares are attributable to a domestic permanent establishment of a commercial business of the partnership, the dividends after deduction of the business expenses economically associated therewith are subject to trade tax in full amount unless the requirements of the trade tax box privilege (interest of at least 15% existed already at the beginning of the relevant assessment period) are met. In this case, the dividends are not subject to trade tax to the extent natural persons hold interests in the partnership. However, to the extent corporations participate in the partnership, 5% of the dividends are de facto subject to the trade tax on the level of the partnership. If the partner is a natural person, the trade tax paid by the partnership on his or her share of the net income is fundamentally partially or fully credited against the personal income tax of the shareholder through a lump sum credit procedure.

Payments from the tax-recognised capital contribution account are deemed on the level of the shareholder to be non-taxable return of partnership contribution. The return of contribution reduces the book value of the interest. If the return of contribution exceeds the book value of the interest, it will result in a taxable capital gain. If a corporation is the beneficiary, the capital gain continues to be de facto 95% tax exempt; in the case of a natural person, it is 40% tax exempt.

Taxation of non-resident taxpayers

Natural persons not subject to tax on an unlimited basis (i.e. with neither residence nor usual place of abode in Germany) and corporations (i.e. with neither registered office nor business management in Germany), the domestic income of which (for example dividends) is subject on a limited basis to tax in Germany, are deemed non-resident taxpayers.

In the case of shareholders domiciled abroad (natural persons and corporations) which do not hold the shares in business assets of a permanent establishment situated in Germany, the German tax liability as a rule is deemed to be definitively settled with the withholding of the capital yields tax (if applicable reduced in accordance with a tax treaty or the Parent-Subsidiary Directive). The capital yields tax is refunded or levy thereof is exempted only in the cases described above under Withholding tax ("Capital yields tax").

Shareholders domiciled abroad (natural persons and corporations) for which the shares are attributable to a German permanent establishment are subject to limited tax liability in Germany with respect to their dividend income. To this extent, the statements above in relation to investors with unlimited tax liability in Germany apply mutatis mutandi (see "Taxation of resident taxpayers" above).

Payments from the tax-recognised capital contribution account of the domestic corporation are deemed to be tax-exempt returns of capital contribution on the level of the shareholder. The return of capital contribution reduces the book value of the interest. To the extent the return of contribution exceeds the book value of the interest, a taxable capital gain is assumed, provided that

(1) the foreign shareholder holds a material interest (direct or indirect interest of at least 1% at any point in time within the last 5 years; in the case of gratuitous acquisition, this applies to the predecessor); or

(2) the shares are attributable to a permanent German establishment of the shareholder domiciled abroad.

If the foreign shareholder is a natural person, the capital gain remains 40% tax exempt (partial income procedure). If the shares are held by a corporation, the capital gain is de facto 95% tax exempt. The German right of taxation of the capital gain can be excluded or restricted through treaty law.

TAXATION OF CAPITAL GAINS

Taxation of resident taxpayers

Shares held in private assets

Gains from the sale of shares held in private assets which were acquired after 31 December 2008 are to be taxed at the 25% flat tax rate (plus solidarity surtax for a total of 26.375%), taking into consideration any sales costs, provided there was no material interest in the corporation. A material interest is to be assumed if the natural person, or in the case of a gratuitous acquisition, his or her predecessor(s), at any point in time during the five years preceding the sale directly or indirectly held an interest of at least 1% in the capital of the company. Losses from the sale of the shares may only be set off against gains from the sale of shares in the current or a later year.

If the shares are held in custody or administered by a domestic credit institution, a domestic financial services institution including the domestic branch of a foreign institution, a domestic securities broker or a domestic securities trading bank or if the sale is conducted by such institution, in the event of a sale a capital yields tax which fundamentally definitively settles [the tax liability] is to be withheld in the amount of 25% (plus solidarity surtax, for a total of 26.375%) by such institution or firm. If the shares have been held in custody or administered at such institution or firm since acquisition, the amount of the tax withholding is based on the difference between the sale amount after deduction of expenditures that are directly and substantively connected with the sale transaction and the fee for the acquisition of the shares.

If the custodian has changed since the acquisition of the shares and if the acquisition costs of the shares cannot be documented, the capital yields tax in the amount of 25% (plus solidarity surtax) is fundamentally to be raised to 30% of the proceeds from the sale of the shares.

In deviation from this, gains from the sale of shares are subject in the amount of 60% to taxation at the individual income tax rate (plus solidarity surtax) if the natural person, or in the case of a gratuitous acquisition, his or her predecessor(s) holds a material interest in the corporation (direct or indirect interest of at least 1% at any point in time during the five years preceding the sale), losses from the sale of the shares as well as expenditures economically connected with the sale in this case can also be deducted in the amount of 60%. In addition further requirements may have to be observed for the deduction of loss.

Shares held in business assets

If the shares are attributable to business assets, taxation of the capital gains depends on whether the shareholder is a sole proprietor, corporation, or partnership.

Sole proprietorships: If the sole proprietor holds the shares in his domestic business assets, the gains from the sale of the shares are subject at 60% to the individual income tax (plus solidarity surtax). Correspondingly, business expenses that are economically connected with the capital gains as well as impairments of the shares and capital losses are deductible at only 60%. If the shares are attributable to a permanent domestic establishment of the shareholder, the capital gains are subject at 60% to the trade tax; capital losses reduce the trade tax base at 60%. In principle, trade tax will be credited as a lump sum (fully or partially) against the shareholder's individual income tax.

Gains from the sale of shares in corporations under certain conditions can be transferred, within time limits, up to a maximum amount of EUR 500,000.00, to the acquisition costs of certain other economic goods or placed into a reinvestment reserve.

Corporation: If the shareholder is a corporation domiciled in Germany, the gains from the sale of the shares are fundamentally exempted from corporate income tax and trade tax. 5% of the gains, however, are deemed on a lump sum basis as non-deductible business expenses and thus are subject to corporate income tax (plus solidarity surtax) and trade tax. Impairments of the shares and capital losses are not recognised for tax purposes.

Partnerships: If the shareholder is a partnership, individual income or corporate income tax is not levied on the level of the partnership but rather at the level of the respective partner of the partnership. The tax treatment is geared to whether the shareholder is a corporation or a natural person. If the shares are held by a corporation, the capital gain is fundamentally de facto 95% exempt from capital gains tax and trade tax. If the partner is a natural person, fundamentally 60% of the capital gain is subject to income tax (plus solidarity surtax). Correspondingly, business expenses economically related to such dividends are deductible only at 60% of such expenses. In the case of a partnership subject to trade tax, 60% of the capital gains are subject to trade tax, to the extent interests are held by natural persons, and 5% are subject to trade tax to the extent interests are held by corporations. Under the principles presented above (see the sections "Sole proprietorships" and "Corporation", respectively), capital losses and other reductions of profits which are connected with the sold shares are not deductible or are deductible only subject to limitations. The trade tax paid by the partnership can fundamentally be credited in whole or in part against the personal income tax of the partner by way of a lump sum credit procedure, if the partner is a natural person.

Special rules apply for credit institutions, financial services institutions, finance companies, and life and medical insurance companies and pension funds, which are explained in a section below.

Taxation of non-resident taxpayers

If the shares are sold by a natural person or a corporation not subject without limitation to taxation in Germany, which holds the shares in a German permanent establishment, the capital gain is subject to taxation in Germany. If the shareholder is a natural person, fundamentally 60% of the capital gain is subject to income tax (plus solidarity surtax). If the shares are attributable to a domestic permanent establishment of the natural person, 60% of the capital gain is subject to trade tax. In principle, trade tax will be credited in whole or in part against the shareholder's individual income tax on a lump sum basis. In the case of a corporation as shareholder, the capital gain is fundamentally in effect 95% exempt from corporate income tax and trade tax.

In other respects, capital gains in Germany are taxable only if the non-resident shareholder (or in the case of gratuitous acquisition, his or her predecessor(s)) at any point in time within the last five years prior to the sale directly or indirectly held at least a 1% interest in the capital of the company. In this case, 60% of the capital gain is subject to income tax at the individual tax rate of the shareholder (plus solidarity surtax), if the shareholder is a natural person or 5% of the capital gain is subject to corporate income tax (plus solidarity surtax) if the shareholder is a foreign corporation. Most German tax treaties assign the right of taxation for such capital gains to the foreign state of residence of the shareholder.

Special rules for companies of the financial and insurance sectors or pension funds (credit institutions, financial services institutions, financing companies, life and medical insurance companies and pension funds)

To the extent credit institutions and financial services institutions hold or sell shares which, pursuant to Section 1a of the German Banking Act (Gesetz über das Kreditwesen), are attributable to the trade book, the 95% exemption from corporate income tax does not apply either for dividends or for capital gains, i.e. dividend income and capital gains are fully subject to taxation. The same applies for shares which are acquired by financial companies within the meaning of the German Banking Act with the object of realising short-term gains from own-account trading and for credit institutions, financial services institutions and financial companies domiciled in another EU member state or another contracting state to the European Economic Area Agreement. These principles are also applicable for life and medical insurance companies, for which the shares are attributable to capital investments. The same applies to pension funds.

In the above cases, dividends, however, are exempted from trade tax if the shareholder at the beginning of the controlling assessment period held an interest of at least 15% in the share capital of the company. This exemption is not applicable to life and medical insurance companies with respect to the shares that are attributable to capital investments; for pension funds the exemption is likewise not effective.

Certain exceptions also apply for corporations which are domiciled outside of Germany in another EU member state if the Parent-Subsidiary Directive (EU Directive 90/435/EEC of 23 July 1990, as amended from time to time) is applicable to it.

Inheritance and gift tax

The transfer of shares to another person through inheritance or by gift is fundamentally subject to German inheritance or gift tax. Such taxability can arise in particular if

(1) the decedent, donor, heir, donee, or other acquirer at the time the transfer took place had his place of residence or ordinary residence in Germany, or held German citizenship and had not lived abroad for a continuous period of more than 5 years without having a domicile in Germany; or

(2) the shares belonged to the decedent's or donor's business assets, for which a permanent establishment was maintained in Germany or a permanent representative was appointed; or

(3) at the time of death or transfer by way of gift, the decedent or donor alone, or jointly with other persons closely related to him, held a direct or indirect participation in the share capital of the Company of at least 10%.

The few inheritance tax treaties currently in effect in Germany typically provide that German gift or inheritance tax is payable only under the circumstances specified under (1) and, with certain limitations, under the circumstances specified under (2).

Special rules apply to certain German citizens who live abroad and former German citizens.

OTHER TAXES

No German capital transfer tax, value added tax, stamp tax or similar taxes are assessed on the purchase, sale, or other disposal of shares. Under certain circumstances, enterprises may, however, opt for value-added tax in cases that would otherwise be exempt from value-added tax. Under certain circumstances, a land transfer tax may apply. At present, a wealth tax is not levied in Germany.

MAIN FEATURES OF TAXATION IN MALI

The legal situation applicable to Wassoul'Or and its foreign shareholders is set out in the "Code Minier du Mali" (Mali Mining Act of 1991, hereinafter "CM 1991") and its implementation decree.

Under Art. 62 of the CM 1991, all mining rights granted to third parties must be accompanied by a "Convention d'établissement" that includes detailed provisions governing the exploitation of the mining rights granted.

SODINAF and the government of Mali implemented this provision by concluding a "Convention d'établissement" on 14 March 1992 that now applies to Wassoul'Or based on the transfer to Wassoul'Or of the mining rights that were granted to SODINAF.

This "Convention d'établissement" also contains provisions governing the tax situation of Wassoul'Or and its shareholders and detailed provisions regarding the transfer of capital invested abroad.

This is because Art. 90 of the CM 1991 requires the "Convention d'établissement" to list the taxes applicable to the holder of the mining rights during the period in which the acquired mining rights are valid. This article also stipulates that these provisions of the "Convention d'établissement" cannot be amended to the detriment of the rights holder, in this case Wassoul'Or, during the term of the mining rights.

Art. 22 of the "Convention d'établissement" accordingly stipulates that Wassoul'Or is exempt from all direct and indirect taxes, including sales taxes and the TPS ("taxe sur les produits et services", comparable to value-added tax) for the first 3 years of production, with the exception of the following taxes:

- the "contribution forfaitaire des employeurs" (CFE), the assessment basis of which is the total gross wages paid by Wassoul'Or,
- the income tax owed by employees,
- a 3% tax on the value of the gold produced ("taxe ad valorem"),
- a 3% tax on the value of services rendered ("CPS"), and
- economically insignificant stamp taxes.

Notwithstanding the above, the exemption from profits taxes ("impôts sur les bénéfices") under Art. 22 (5) of the "Convention d'établissement" applies for a period of 5 years following the start of commercial production.

Art. 22 (3) of the "Convention d'établissement" lists the taxes which will be owed after the first three years of production. The Mali Tax Code ("Code Général des Impôts") governs the tax bases, tax rates, and methods of calculating and collecting the taxes, except for the taxes that relate exclusively to mining activities, which are set down in the Mining Code ("Code Minier").

DEFINITIONS AND GLOSSARY OF SELECTED TERMS

SECTION A: DEFINITIONS

B. Sc.	Bachelor of Science
Board of Directors	The board of directors (similar to *Verwaltungsrat*) is the management and control body of a company in Anglo-American regions. It usually combines to a degree the functions of the management and supervisory boards of a German stock corporation (*Aktiengesellschaft*) and thus represents a single-tier system of corporate management.
Capex	Capital expenditure
CFA franc	Generic term for the Central African currency CFA franc BEAC (of the countries of Equatorial Guinea, Gabon, Cameroon, Republic of the Congo, Chad and the Central African Republic) and the West African currency CFA franc BCEAO (of the countries Benin, Burkina Faso, Ivory Coast, Guinea-Bissau, Mali, Niger, Senegal, Togo) which combined form the CFA franc zone. The currencies are linked together with a fixed exchange rate of 1 and are respectively linked to the euro. The fixed exchange rate to the euro is 655.957.
Conseil d'Administration	The conseil d'administration (similar to *Verwaltungsrat*) is the management and control body of a company in French regions. It usually combines to a degree the functions of the management and supervisory boards of a German stock corporation and thus represents a single-tier system of corporate management. In countries influenced by the French legal system such as the Republic of Mali, corporations are generally managed by a "conseil d'administration".
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ICC	International Chamber of Commerce, Paris, France
IFRS (International Financial Reporting	Principles-based standards, interpretations and the framework adopted by the International Accounting Standards Board

Standards)	(IASB).
ISIN	International Securities Identification Number
OHADA	Organisation for the Harmonisation of Commercial Law in Africa (Organisation pour l'Harmonisation en Afrique du Droit des Affaires), comprising a total of 17 states (Benin, Burkina Faso, Cameroon, Central African Republic, Comoros, Congo, Ivory Coast, Gabon, Guinea, Guinea-Bissau, Equatorial Guinea, Mali, Niger, Senegal, Chad, Togo, and the Democratic Republic of Congo). The OHADA was founded in the year 1993 by treaty ("Traité relatif á l'Harmonisation du Droit des Affaires en Afrique"). It promulgates uniform sets of rules ("Actes uniformes") of substantive economic law (in particular in the areas of contract law, corporate and partnership law, general commercial law and accounting law for companies). The OHADA maintains an information page at www.ohada.org.
WKN	German securities identification number (*Wertpapierkennnummer*)

Section B: GLOSSARY OF TECHNICAL TERMS

In the following glossary, the technical terms used in this prospectus will be explained.

Tailings — Material rejected from a mill after most of the recoverable valuable minerals have been extracted

African Peer Review Mechanism — Voluntary procedure of mutual qualitative assessment of the governance of African states

AMD — Acid Mine Drainage

Au — Gold

Treatment plant — A plant in which ore is treated and metals are prepared for smelting; also signifies a rotating drum for comminution of ores as a preparatory step for further treatment.

Birrimian formations — Soil formations in Africa. They consist of metavulcanic sediment formations and sediment formations which are completely covered by laterite and silt.

Drilling — Core drilling: a drilling method that uses a rotating barrel and an annular-shaped, diamond-impregnated rock-cutting bit to produce cylindrical rock cores and lift such cores to the surface where they can be collected, examined and assayed.

Reverse circulation: a drilling method that uses a rotating cutting bit within a double-walled drill pipe and produces rock chips rather than a core. Air or water is circulated down to the bit between the inner and outer wall of the drill pipe. The chips are forced to the surface through the centre of the drill pipe and are collected, examined and assayed.

Conventional rotary drilling: a drilling method that produces rock chips similar to reverse circulation except that the samples are collected using a single-walled drill pipe. Air or water circulates down through the centre of the drill pipe and returns chips to the surface around the outside of the pipe.

In-fill drilling: the collection of additional samples between existing samples. This process is used to provide greater geological detail and to provide more closely-spaced assay data.

Brecciated structures	Structures that have the characteristics of breccia.
CRM	*Centre de Recherches Minérales* / Research Centre for Mineral Resources (a laboratory in Quebec in which some of the extractive metallurgic tests were conducted)
Ore	A mixture of mineral ores and gangue from which at least one of the metals can be extracted at a profit
Exploration	Prospecting, sampling, mapping, diamond drilling and other activities connected with the search for ore
Falcon concentrators	The Falcon concentrator separates solid particles by density. It is a conical, vertically centrifuging [*vertikal schleudernde*] drum with a smooth wall in which the slurry moves out and upward from the central feed point. The primary separating mechanism consists of filtered gravel which is intensified by the centrifugal force. It traditionally is used for separating out [*Abscheidungen*] intermediate densities, in particular in the case of sulfide-containing minerals.
Fine ounce	Unit of weight for fine gold and fine silver. The fine ounce relates only to the precious metal portion – a fine ounce corresponds to 31.1034768 grams.
Flotation	A milling process in which valuable mineral particles become attached to bubbles and float as others sink.
G	Gravitational constant
g/t	Grams per tonne
HSSE	Health Security Safety Environment
Inline leach reactor	Intensive leach reactor (ILR)
Capital costs	See "Presentation of financial information"
Knelson concentrator	Centrifuge for separation of metal-containing soil and metal-free soil
Concentrate	A fine, powdery product of the milling process containing a high percentage of valuable metal
Ball mill	A steel cylinder filled with steel balls into which crushed ore is fed. The ball mill is rotated, causing the balls to cascade and

	grind the ore.
Preliminary feasibility study	A comprehensive study of the viability of a mining project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established and an effective method of mineral processing has been determined. It includes a financial analysis based on reasonable assumptions of technical, legal, operating, economic, social, and environmental factors and the evaluation of other relevant factors which are sufficient for a Qualified Person to determine if all or part of the Mineral Resource may be classified as a Mineral Reserve.
Leo shield	The Leo shield is one of the shields of the earth. A shield is a geologically-tectonically stable area (craton) within a continent that is not or is barely covered by younger sedimentation.
Grinding (Milling)	Pulverising of ore, by pressure or abrasion, to liberate valuable minerals for further metallurgical processing
Cut-off grade	The minimum metal content at which material can be economically mined and processed (used in the calculation of ore reserves)
Oz	Fine ounce (31.1035 g)
Refining	The final stage of metal production in which impurities are removed from the molten metal
Reclamation	The restoration of a site after mining or exploration activity is completed
Reclamation and Closure Costs	The cost of reclamation plus other costs, including without limitation, certain personnel costs, insurance, property holding costs such as taxes, rental and claim fees, and community programmes associated with closing an operating mine
Reverse Circulation (RC)	See under Boring
Silicified	Self explanatory
Open pit mine	A mine that is entirely on surface. Also referred to as open-cut or open-cast mine;

Tonne	Metric ton
TPS	Taxe sur la prestation de services – service tax
Troy ounce	Synonym for "fine ounce" A fine ounce is a mass unit for precious metals. Its weight corresponds to the apothecary ounce (1 oz.tr. = 31.1034768 g), but relates only to the precious metal portion.
Ounce	An ounce is a non-metric unit of mass. In SI units, its weight corresponds to 28.349523125 g.
Cyanidation	Gold cyanide leaching (also known as the cyanide process) is a metallurgic process for the extraction of gold from low-grade ore, through which the gold is dissolved into a water-soluble complex which is subsequently decomposed.

PEARL GOLD AG

Frankfurt am Main

Financial Information

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ANNUAL FINANCIAL STATEMENTS UNDER IFRS

AS AT

31 DECEMBER 2011

PEARL GOLD AG

Frankfurt am Main

INCOME STATEMENT (IFRS)

FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2011 (2010)
in TEUR

	Notes	01/01-31/12/2011	01/01-31/12/2010
		IFRS	*IFRS*
Revenue	6	48.5	22.0
Other operating income	7	50.8	0.0
Other operating expenses	8	-705.9	-742.4
Earnings before interest and taxes (EBIT)		***-606.6***	***-720.4***
Financing income		0.0	0.0
Financing expenses		0.0	0.0
Financial result		***0.0***	***0.0***
Earnings before taxes (EBT)		***-606.6***	***-720.4***
Income taxes	10	96.1	113.9
Annual net loss		**-510.5**	**-606.5**
Profit or loss per share (in EUR) for the period (IFRS)			
undiluted		*-0.03*	*-0.06*
diluted		*-0.03*	*-0.06*

STATEMENT OF COMPREHENSIVE INCOME (IFRS)

FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2011 (2010)
in TEUR

	Notes	01/01-31/12/2011	01/01-31/12/2010
		IFRS	*IFRS*
Annual net loss		**-510.5**	**-606.5**
Impairment losses recognised directly in equity after income taxes	9	0.0	-114.8
Other income after income taxes		***0.0***	***-114.8***
Total comprehensive income after income taxes		**-510.5**	**-721.3**

BALANCE SHEET (IFRS)

AS AT 31 DECEMBER 2011 (2010)
in TEUR

	Notes	01/01-31/12/2011 *IFRS*	01/01-31/12/2010 *IFRS*
ASSETS			
Financial assets	11	140,000.0	140,000.0
Long-term deferred tax assets	10	210.0	113.9
Non-current assets		***140,210.0***	***140,113.9***
Receivables and other assets	12	322.8	120.9
Cash and cash equivalents	13	78.2	5.0
Current assets		***401.0***	***125.9***
Total		**140,611.0**	**140,239.8**
EQUITY AND LIABILITIES			
Subscribed capital	14	20,000.0	10,250.0
Capital reserves	15	120,300.0	60,050.0
Net accumulated loss	16	-1,209.8	-699.3
Fair value reserve	17	-114.8	-114.8
Equity		***138,975.4***	***69,485.9***
Trade liabilities	18	391.4	70,318.0
Other provisions	19	128.9	57.5
Other liabilities	20	1,115.3	378.4
Current liabilities		***1,635.6***	***70,753.9***
Total		**140,611.0**	**140,239.8**

CASH FLOW STATEMENT (IFRS)

FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2011 (2010)
in TEUR

	Notes	01/01-31/12/2011 *IFRS*	01/01-31/12/2010 *IFRS*
Earnings before taxes (EBT)		-510.5	-606.5
Increase in other provisions	19	71.4	5.2
Increase in deferred tax assets	10	-96.1	-113.9
Change in			
receivables and other assets	12	-201.9	-113.3
trade liabilities	18	73.4	270.2
Cash flow from operating activities		***-663.7***	***-558.3***
Payments for investments in financial assets	9	0.0	-114.8
Payments for other investments		0.0	0.0
Cash flow from investing activities		***0.0***	***-114.8***
Proceeds from the issuance of new shares	14	0.0	250.0
Proceeds from other current liabilities	20	736.9	378.4
Cash flow from financing activities		***736.9***	***628.4***
Increase (+)/decrease (-) in cash and cash equivalents		**+73.2**	**-44.7**
Cash and cash equivalents at the beginning of the period		***5.0***	***49.7***
Cash and cash equivalents at the end of the period		***78.2***	***5.0***

The cash flow statement (IFRS) for 2011 (2010) shows the changes in cash flows in accordance with IAS, broken down by cash flows from operating activities, investing activities, and financing activities. The cash flow statement has been prepared using the so-called indirect method. Cash and cash equivalents include bank balances.

STATEMENT OF CHANGES IN EQUITY (IFRS)

FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2011 (2010)
in TEUR

	Subscribed capital	Capital reserves	Net retained profits/Net accumulated losses	Fair value reserve	Total equity
	IFRS	*IFRS*	*IFRS*	*IFRS*	*IFRS*
Balance as at 1 January 2010	***50.0***	***0.0***	***-92.8***	***0.0***	***-42.8***
Earnings before taxes (EBT)			-606.5		-606.5
Unrealised profit/loss				-114.8	-114.8
Total comprehensive income after income taxes	***0.0***	***0.0***	***-606.5***	***-114.8***	***-721.3***
Increases in capital	10,200.0	60,050.0			70,250.0
Balance as at 1 January 2011	***10,250.0***	***60,050.0***	***-699.3***	***-114.8***	***69,485.9***
Earnings before taxes (EBT)			-510.5		-510.5
Total comprehensive income after income taxes	***0.0***	***0.0***	***-510.5***	***0.0***	***-510.5***
Increases in capital	9,750.0	60,250.0			70,000.0
Balance as at 31 December 2011	***20,000.0***	***120,300.0***	***-1,209.8***	***-114.8***	***138,975.4***

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NOTES (IFRS)

FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2011 (2010)
in TEUR

1 GENERAL INFORMATION

PEARL GOLD AG (hereinafter referred to as "PEARL") is a German stock corporation (*Aktiengesellschaft*) with its registered office in Frankfurt am Main. As a company economically newly incorporated on 14 November 2009, PEARL is a project developer and an active investor, with a clear focus on gold mining projects.

PEARL's purpose is the continuous expansion of activities through direct and indirect acquisition and development of participations in and concessions to foreign mining enterprises, especially in the area of the mining of gold and other precious metals, and the active development and promotion of such projects by providing advisory, project development, and financing services.

For this purpose, in 2010, PEARL acquired, as its first gold mining project, a 25% equity interest in Wassoul'Or S.A. ("Wassoul'Or"), a stock corporation (*Aktiengesellschaft*) with its registered office in Bamako (Mali). With respect to this participation, which holds a concession for the mining of gold deposits in an area of 100 km² in the South of Mali, PEARL has so far focused on project development and advisory activities, in conjunction with the mining of gold and other mineral resources. Since 2010, the expansion of the capacity to 11,000 tons/day has been pursued and will be concluded in the first quarter of 2012.

PEARL's registered office is at An der Welle 4, 60322 Frankfurt am Main. The Company is registered in the District Court of Frankfurt am Main under commercial register number HRB 84285.

The balance sheet date is 31 December 2011. Fiscal year 2011 started on 1 January 2011 and ended on 31 December 2011.

The Management Board approved PEARL GOLD AG's separate financial statements under IFRS for publication on 11 July 2012.

2 GENERAL PRINCIPLES OF ACCOUNTING

The fundamental principles of accounting used by the Company in preparing the separate financial statements under IFRS are described below.

2.1 First-time application of IFRS and application of standards and interpretations

2.1.1 First-time application of IFRS as adopted in the EU

Pursuant to § 264 of the German Commercial Code (HGB), PEARL is obligated to prepare annual financial statements in accordance with commercial law.

The Company does not stand in a parent/subsidiary relationship with any company. It only has a participation in Wassoul'Or as an associated company, over which PEARL exercises considerable influence as a result of the 25% participation and also exerts influence over it as an active investor.

Therefore, the Company is not obligated either pursuant to HGB or IFRS to prepare consolidated financial statements. Nor is PEARL subject to an obligation to prepare separate financial statements under IFRS. Nevertheless, it voluntarily prepared separate financial statements under IFRS in 2011 (2010).

As at 31 December 2011, PEARL prepared separate financial statements for the first time applying IFRS and IFRIC, as amended as at the date of the financial statements, issued by the International Accounting Standards Board (IASB), as adopted in the European Union (EU). PEARL will adhere to this practice in the coming years as well unless it becomes unnecessary due to the imposition of the obligation to prepare consolidated financial reporting.

The date of the first-time transition from HGB to IFRS was 1 January 2010. A balance sheet was prepared as at the IFRS transitional date of 1 January 2010 using IFRS 1.

In the separate financial statements, PEARL complied with the standards that were effective as at 31 December 2011 or the application of which was mandatory for the first time in all reporting periods.

The following interpretations were also applied in these separate financial statements. However, they had no material effect on the separate financial statements of the current or previous reporting periods. Nevertheless, the application can affect the accounting for future transactions or agreements.

IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”

- first-time mandatory application for fiscal years beginning on or after 1 July 2010 or, as here, according to IAS 8, from the beginning of the earliest comparative period presented -

IFRIC 19 governs the accounting when financial liabilities are extinguished through the issuance of equity instruments. The equity instrument will then be measured at fair value and any difference between the carrying amount of the financial obligation extinguished thereby and the consideration paid will be recognised in the income statement.

2.1.2 Non-application of standards that have been issued, but the application of which is not yet mandatory

PEARL, however, did not apply the following standards that have been issued, but the application of which is not yet mandatory:

- IAS 27 “Separate Financial Statements”
- IAS 32 “Financial Instruments: Presentation”
- “Improvements to IFRS”

IAS 27 “Separate Financial Statements” (12 May 2011)

- first-time mandatory application for fiscal years beginning on or after 1 January 2013 -

As a result of the new provisions and the revision of five standards regarding the consolidation and accounting for participations in associated companies and joint ventures, IAS 27 now only contains provisions on the accounting for investments in subsidiaries, associates, and joint ventures in the separate financial statements of the parent company, which however, apart from a few editorial changes, have remained practically unchanged. At any rate, this will have no material effect on PEARL’s net assets, financial position, or results of operations.

IAS 32 “Financial Instruments: Presentation” (16 December 2011)

- first-time mandatory application for fiscal years beginning on or after 1 January 2013 -

The purpose of the amendments to IAS 32 is to help those preparing financial statements to better understand the effect of financial instruments on a company’s net assets, financial position, and results of operations. Accordingly, subscription rights (and certain options and subscription warrants) are to be classified as equity instruments if such rights entitle the holder to acquire a fixed number of the entity’s equity instruments for a fixed amount in any currency and the entity offers its own non-derivative equity instruments pro rata to all of its existing owners of the same class. At this time, this will not have any foreseeable effect on PEARL.

"Improvements to IFRS" (2009-2011, 17 May 2012)

- first-time mandatory application for fiscal years beginning on or after 1 January 2013 -

"Improvements to IFRS" is a standard for the amendment of various IFRS provisions (primarily to IFRS 7), which aims at eliminating inconsistencies and clarifying certain phrases. This envisions its own transitional rules for every IFRS provision amended. The application will not have any material effects on PEARL's net assets, financial position, or results of operations.

2.1.3 New and amended standards and interpretations that are not yet effective

PEARL did not apply new and amended standards and interpretations that have been adopted but are not yet effective. The following provisions should be emphasized:

IFRS 9 "Financial Instruments" (12 November 2009)

- first-time mandatory application for fiscal years beginning on or after 1 January 2015 -

IFRS 9 "Financial Instruments", which has long been and partially still is subject to controversial debate, will bring about, notwithstanding any potential amendments, new classification, measurement and disclosure obligations for financial assets. The Management Board anticipates that these new obligations will materially affect the treatment of financial assets. However, at this time it is not possible to make a meaningful assessment of potential effects on PEARL's net assets, financial position and results of operations.

IFRS 13 "Fair Value Measurement" (12 May 2011)

- first-time mandatory application for fiscal years beginning on or after 1 January 2013 -

IFRS 13 creates a uniform framework for applying fair value measurement and for the related notes for both financial and non-financial balance sheet items. The scope of application now also includes all assets and liabilities. PEARL's Management Board expects that IFRS 13 could have a material effect on the figures in the separate financial statements under IFRS and creates extensive disclosure obligations.

IFRIC 20 “Stripping Costs in the Production Phase of a Surface Mine” (19 October 2011)

- first-time mandatory application for fiscal years beginning on or after 1 January 2013 -

In surface mining the removal of mine waste materials is often necessary to gain access to ore or mineral deposits. The Company can derive two benefits from this: The waste material may contain, even if in limited concentration, ore or minerals, which can be economically exploited, and there may be improved access to other material deposits that can be mined in the future. IFRIC 20 discusses when and how these separate benefits derived from the stripping activity is to be entered in the balance sheet and how these benefits are to be treated in the initial and subsequent measurement. PEARL’s Management Board expects that IFRIC 20 could have a material effect on PEARL’s net assets, financial position and results of operations.

2.2 Significant accounting and measurement principles

2.2.1 Declaration of compliance

The separate financial statements have been prepared in accordance with the International Financial Reporting Standards, as adopted in the European Union.

2.2.2 Basis of preparation

The separate financial statements have been prepared on the basis of the historical acquisition or production costs. Available-for-sale financial assets that are carried at fair value have not been included.

In the balance sheet, assets and liabilities are divided into current and non-current. Assets and liabilities are classified as current if they are realised or fulfilled, respectively, within one year after the balance sheet date.

Deferred tax assets and liabilities are recognised as non-current assets or liabilities.

The income statement is prepared according to the total cost method (nature of expense method).

2.2.3 Reporting currency and foreign currency conversion

The reporting currency is the euro. Unless otherwise indicated, the report is prepared in thousands of euros (TEUR), and thus there may be individual instances of rounding differences.

Business transactions in foreign currencies are converted as at the transaction date at the relevant foreign currency exchange rates. In subsequent periods, financial assets and liabilities in foreign currencies will be converted at the closing rate. Profits and losses from the subsequent measurement are recognised in the income statement.

The gains and losses that result from the conversion of the equity shares related to the available-for-sale financial assets are recognised in the balance sheet directly in the fair value reserve as well as in the statement of comprehensive income in other income.

2.2.4 Estimates and assumptions

Measurement under IFRS accounting is partially based on estimates and assumptions used in the recognised amounts and disclosures. Significant assumptions and estimates relate mainly to fair value measurement, the assessment of the recoverability of receivables and the recording and measurement of provisions. Actual performance may differ from those estimates and assumptions. Moreover, because of uncertainties in estimates and assumptions concerning the future, there is a risk that adjustments may need to be made to the carrying amount of the following balance sheet items in the future:

- Deferred tax assets
- Deferred tax liabilities

Deferred tax assets

Deferred tax assets are recognised for all temporary differences in assets and liabilities, as well as for unused tax losses carried forward and tax credits that can be expected to reduce taxes in the future, to the extent that it is likely that this taxable income will be available in order for later tax reliefs to take effect. In determining the amount of deferred tax assets, the management must use its judgement to estimate the expected time and size of the future taxable income, as well as the future tax planning. Please see Disclosure 10 for additional information.

Deferred tax liabilities

Deferred tax liabilities are recognised for all temporary differences in assets and liabilities that can be expected to increase taxes in the future. This can arise as a result of higher asset values or lower values for liabilities recorded in the IFRS balance sheet compared to the tax balance sheet. Similarly, deferred tax liabilities may also arise for assets which have only been recorded in the IFRS balance sheet, and liabilities that have only been recorded in tax balance sheet.

2.2.5 Sales and revenue recognition

Sales revenues

Sales revenues are recognised when advisory and project development services originating from continuing operations have been performed, and it is likely that the financial benefit from the Company's operations will be realised and the amount of sales revenues can be reliably measured.

The revenues are shown at their net value, without VAT, discounts, customer bonuses or rebates.

Dividend income

Dividend income from investments in other corporations is recognised if the shareholder is legally entitled to payment, and it is likely that the economic benefit will be realised by the Company, and the amount of investment income can be reliably measured.

Interest income

Interest income is recognised on a pro-rata-temporis basis, taking into account the effective yield on a financial asset.

2.2.6 Operating expenses

Operating expenses are recorded at the time when the relevant products or goods are supplied or the purchased services are provided.

2.2.7 Income taxes

The actual income tax refund claims and liabilities are measured according to the amount of the payments that are expected to be made by or to the tax authorities for the current and prior periods. This calculation is based on the laws adopted in Germany – in particular the tax rates as set forth in the German Corporate Income Tax Act (*Körperschaftsteuergesetz*) and the German Trade Tax Act (*Gewerbesteuergesetz*), as well as the rate of assessment applicable in Frankfurt am Main.

Income taxes reported in the statement of comprehensive income under IFRS correspond to the profit or loss for the current period under IFRS and include current and deferred income taxes for that period.

Using the liability method, deferred tax liabilities are recognised for temporary differences between the carrying amount of an asset and that of a liability in the balance sheet that exist on the date of the financial statements and that will result in a future income tax payment, resulting in tax liability.

Deferred tax assets are recognised for all temporary differences between the carrying amount of an asset and that of a liability that will result in a future income tax relief, resulting in tax assets, as well as for tax assets from unused taxable carry forwards and unused tax credits to the extent that it is likely that taxable income will become available, against which the deductible temporary differences and unused tax carryforwards and tax credits can be used.

Deferred tax assets and deferred tax liabilities can be offset if the Company has a legally enforceable right to offset current tax refund claims against current tax liabilities and these relate to the same taxable entity's income taxes, which are levied by the same tax authority.

Deferred and current taxes relating to items that are recognised directly in equity are also recognised directly in equity. Deferred taxes are recognised according to their underlying transaction, either in other income or directly in equity.

2.2.8 Financial instruments

Financial instruments are divided into four categories:

- Financial instruments held for trade
- Financial instruments held to maturity
- Available-for-sale financial assets
- Extended loans and receivables

The classification depends on the nature and purpose of the financial assets and is determined at the time of the credit entry. The recognition and derecognition of financial assets occurs on the trading date if these are financial assets that are supplied within the customary time frame for the relevant market.

Financial instruments that have been acquired principally for the purpose of generating a profit from short-term price fluctuations are classified as financial instruments held for trade.

Financial instruments with fixed or determinable payments and a fixed maturity date that the Company wants to and can hold until maturity, with the exception of loans and receivables extend by the Company, are classified as held-to-maturity financial instruments.

All other financial instruments, with the exception of loans and receivables extend by the Company, are classified as available-for-sale financial assets.

Financial assets are initially recognised at fair value. In the case of these financial assets that are measured at fair value, transaction costs that are directly attributable to the acquisition of the assets are also taken into account.

Available-for-sale financial assets are subsequently measured at fair value, without taking into account transaction costs. Profits and losses resulting from the fair value measurement are generally recognised directly in equity so long as the financial asset has not been sold, collected, or otherwise disposed of, or value adjusted. The recognised cumulative profits or losses are to be included in the total comprehensive income for the period under IFRS.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed in an active market. After their initial recognition, at the time of a subsequent measurement, such financial assets will be measured at amortised cost using the effective interest method, less any impairment.

A financial asset is derecognised when the Company loses the contractual rights over the financial asset. A financial liability is derecognised when the obligation underlying the liability is satisfied or cancelled or expires.

2.2.9 Other assets

Other assets are recognised at their nominal value or at a lower recoverable amount.

2.2.10 Cash and cash equivalents

Cash and cash equivalents include bank balances and cash on hand and are recognised at amortised cost.

2.2.11 Trade liabilities and other liabilities

All trade liabilities and all other liabilities are initially measured at fair value. After that initial recognition, financial liabilities are measured at amortised cost using the effective interest method. A financial liability is derecognised when the obligation underlying the liability is satisfied, cancelled, or extinguished.

2.2.12 Other provisions

Other provisions are made for legal or constructive obligations that are incurred as at the date of the financial statements if it is likely that the fulfilment of the obligation will drain company resources and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to the current best estimate. The amount of provisions is equal to the present value of the expenses anticipated to be necessary to fulfil the obligation. Provisions are discounted if the interest rate effect is significant. Other provisions include all identifiable obligations owed to third parties.

2.3 Contingent liabilities

Contingent liabilities are not recognised in the annual financial statements. Contingent liabilities are disclosed provided there is a likely outflow of resources with an economic benefit.

2.4 Events after the balance sheet date

Events after the balance sheet date are either favourable or adverse events that occur between the balance sheet date and the date of preparation of the separate financial statements. Events that supply further information about facts that existed on the balance sheet date (“adjusting events”) are included in the separate financial statements. Significant events that are indicative of facts that came to exist after the balance sheet date (“non-adjusting events”) are described in Disclosure 29.

3 SEGMENT REPORTING

In connection with the participation in the mining company Wassoul'Or, the Company is currently only engaged in advisory and project development activities. Thus, no reportable segments were to be formed during the fiscal year.

4 CASH FLOW STATEMENT

The cash flow statement distinguishes between cash flows from operating, investing, and financing activities. Cash flows from ordinary activities have been determined using the indirect method.

5 INFORMATION ON SEPARATE FINANCIAL STATEMENTS ITEMS

The disclosures for the annual financial statements under IFRS can be found in Disclosures 6 through 31.

6 SALES REVENUES

FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2011 (2010)
in TEUR

	01/01-31/12/2011	01/01-31/12/2010
	IFRS	*IFRS*
Sales revenues from advisory and project development activities	48.5	22.0
Other sales revenues	0.0	0.0
Sales revenues	***48.5***	***22.0***

7 OTHER OPERATING INCOME

FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2011 (2010)
in TEUR

	01/01-31/12/2011	01/01-31/12/2010
	IFRS	*IFRS*
Refund claims from tax authorities	50.8	0.0
Remaining other operating income	0.0	0.0
Other operating income	***50.8***	***0.0***

8 OTHER OPERATING EXPENSES

FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2011 (2010)
in TEUR

	01/01-31/12/2011	01/01-31/12/2010
	IFRS	*IFRS*
Marketing expenses	-4.2	0.0
Capital market, economic, legal, and tax advice	-687.9	-738.3
Remaining other operating expenses	-13.8	-4.1
Other operating expenses	***-705.9***	***-742.4***

9 IMPAIRMENT LOSSES

FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2011 (2010)
in TEUR

	01/01-31/12/2011	01/01-31/12/2010
	IFRS	*IFRS*
Devaluation of transaction costs associated with shares in Wassoul'Or measured at fair value, which are classified as financial assets available for sale	0.0	-114.8
of which recognised in the income statement	0.0	0.0
of which recognised directly in equity	0.0	-114.8
Deferred taxes (tax exemption)	0.0	0.0
Impairment losses	***0.0***	***-114.8***

In 2010, beneficial ownership of the approximately 25% shareholding in the stock company (*Aktiengesellschaft*, AG) Wassoul'Or S.A., Bamako (Mali) was transferred to PEARL. Since this purchase was done by means of in-kind contributions over the first two years after the economic re-incorporation of the Company, a post-incorporation audit had to be conducted. Under IFRS, the costs incurred in connection with the post-incorporation audit are to be capitalised as transaction costs for the participation, however, as at the balance sheet date of 31 December 2010, they were to be value adjusted at the entire amount of the transaction costs as part of the fair value measurement.

Under current laws, dividend income and capital gains from the equity interests or the sale of the interest in Wassoul'Or are to be fully ignored when calculating income, which is why no deferred taxes were to be recognised.

10 INCOME TAXES AND DEFERRED TAX ASSETS

FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2011 (2010)
in TEUR

	01/01-31/12/2011	01/01-31/12/2010
	IFRS	*IFRS*
Current income tax	0.0	0.0
Deferred income tax		
from temporary differences	0.0	0.0
from tax losses carried forward	96.1	113.9
Income taxes	***96.1***	***113.9***

AS AT 31 DECEMBER 2011 (2010)
in TEUR

	01/01-31/12/2011	01/01-31/12/2010
	IFRS	*IFRS*
Deferred tax assets		
from temporary differences	0.0	0.0
from tax losses carried forward	210.0	113.9
Deferred tax assets	***210.0***	***113.9***

There were no temporary differences at PEARL during the reporting periods. Tax losses resulted from the current taxation in accordance with the German Corporate Income Tax Act and the German Trade Tax Act. As at 31 December 2011 (2010), the expected tax loss carryforwards under the German Corporate Income Tax Act alone amount to about TEUR 1,327 (TEUR 720). Based on current laws, as at 31 December 2011 (2010) these tax loss carryforwards correspond to deferred tax assets in the amount of 15.825% of the total tax losses carried forward, resulting in deferred tax assets of about TEUR 210 (TEUR 113.9). Deferred tax assets thus increased by TEUR 96.1 in the period between 1 January and 31 December 2011.

The extent to which tax loss carryforwards under trade law can be realised cannot be estimated reliably enough, which is why deferred tax assets were not capitalised.

We do not present any tax reconciliation since no additional information could be derived from it.

11 FINANCIAL ASSETS

AS AT 31 DECEMBER 2011 (2010)
in TEUR

	01/01-31/12/2011 *IFRS*	01/01-31/12/2010 *IFRS*
Financial assets available for sale		
Wassoul'Or S.A., Bamako (Mali)		
Acquisition costs/initial measurement		
from previous years	140.114,8	0,0
in the current year	0,0	140.114,8
Impairment which is recognised directly in equity in the fair value reserve		
from previous years	-114,8	0,0
in the current year	0,0	-114,8
Financial assets	***140.000,0***	***140.000,0***

The participation in Wassoul'Or as at the balance sheet date in both 2011 and 2010 is reported at fair value.

The fair value determined based on the discounted cash flow model and all the major assumptions underlying the measurement have not changed over time.

The fundamental assumptions were as follows:

Planning period
6 years, which is the period presumably needed for the exploitation of the mining area currently operated.

Price of gold
The calculations are based on a carefully estimated average long-term market price of about EUR 841/oz.

Gold deposits
The amount and quality of gold deposits were obtained from the existing expert report.

Required rate of return
The DCF calculations were based on a required rate of return of 12% customary for investors in gold mines.

In 2010, beneficial ownership of the approximately 25% shareholding in the stock company (*Aktiengesellschaft*, AG) Wassoul'Or S.A., Bamako (Mali) was transferred to PEARL. Since this transfer of ownership was in exchange for a contribution in kind within the first two years after the economic incorporation of the AG, a post-formation audit had to be undertaken. Although, under IFRS, the costs incurred for the post-incorporation audit are to be initially capitalised as transaction costs for the participation, as at the balance sheet date of 31 December 2010, they were to be value adjusted at the entire amount of the transaction costs as part of the fair value measurement.

Ownership in shares has been transferred to PEARL as follows:

1. On 25 January 2010, PEARL entered into a capital contribution and post-formation agreement with Mansa Moussa Gold Fund, in which Mansa Moussa Gold Fund undertook the obligation to make a contribution in kind to PEARL of 137 registered shares with a par value of 2,000,000 CFA Francs (= approximately 12.5%) of the entire share capital of Wassoul'Or in the amount of 2,200,000,000.00 CFA Francs, and to transfer the shares to PEARL effective as at 1 January 2010. PEARL's Extraordinary General Meeting approved this capital contribution and post-formation agreement of 25 January 2010 on 28 January 2010.

2. On 25 May 2010, PEARL and Mansa Moussa Gold Fund entered into a purchase and capital contribution agreement, under which PEARL purchased an additional 138 shares (= approximately 12.5%) in Wassoul'Or, which were immediately transferred to PEARL. The Extraordinary General Meeting approved this purchase and capital contribution agreement of 25 May 2010 on 27 July 2010.

Thus, as at 31 December 2011 PEARL, as in the previous year, has a 25% interest.

According to § 285 No. 11 HGB, as in the previous year, a shareholding of at least 20 percent in other companies as at the balance sheet date of 31 December 2011 is reported below:

Company name/registered office	*Shareholding*	*Earnings According to Mali GAAP*	*Equity according to Mali GAAP*
		EUR	*EUR*
Wassoul'Or S.A., Bamako (Mali)	25.0%	0.00	3,353,863.04

The Company publishes its annual financial statements in CFA. As in the previous year, as at 31 December 2011, equity consists of subscribed capital in the amount of CFA 2,200,000,000.00. Given an exchange rate of CFA 655.96/EUR, this amounts to EUR 3,353,863.04.

12 RECEIVABLES AND OTHER ASSETS

AS AT 31 DECEMBER 2011 (2010)
in TEUR

	01/01-31/12/2011	01/01-31/12/2010
	IFRS	*IFRS*
Trade receivables	70,5	22,0
Tax refund claims	250,4	98,9
Other	1,9	0,0
Receivables and other assets	***322,8***	***120,9***
of which current	322,8	120,9

Trade receivables result from PEARL's advisory and project development activities. Other receivables and assets consist mainly of PEARL's claims for reimbursement of VAT. As a result of two special VAT audits, PEARL is entitled to the entire input tax deduction.

13 CASH AND CASH EQUIVALENTS

AS AT 31 DECEMBER 2011 (2010)
in TEUR

	01/01-31/12/2011	01/01-31/12/2010
	IFRS	*IFRS*
Bank balances	78.2	5.0
Other	0.0	0.0
CASH AND CASH EQUIVALENTS	***78.2***	***5.0***

Cash and cash equivalents correspond to the bank balances at a German bank.

14 SUBSCRIBED CAPITAL

AS AT 31 DECEMBER 2011 (2010)
in TEUR

	31/12/2011	31/12/2010
	IFRS	*IFRS*
Subscribed capital	20,000.0	10,250.0
Subscribed capital	***20,000.0***	***10,250.0***
of which		
fully paid common stock	20,000.0	10,250.0
partly paid common stock	0.0	0.0

The Company was formed as a shelf company with a subscribed capital in the amount EUR 50,000.00.

On 28 January 28 2010, PEARL's Extraordinary General Meeting passed a resolution to increase the share capital by EUR 9,950,000.00 from EUR 50,000.00 to EUR 10,000,000.00, in exchange for a contribution in kind through the issuance of 9,950,000 new shares. Only Mansa Moussa Gold Fund was approved to purchase the new shares. In anticipation of this capital increase, on 25 January 2010, PEARL entered into a capital contribution and post-formation agreement with Mansa Moussa Gold Fund, in which Mansa Moussa Gold Fund undertook the obligation to make a contribution in kind to PEARL of 137 registered shares with a par value of 2,000,000 CFA Francs (= approximately 12.5%) of the entire share capital of Wassoul'Or in the amount of 2,200,000,000.00 CFA Francs, and to transfer the shares to PEARL effective as at 1 January 2010. PEARL's Extraordinary General Meeting approved this capital contribution and post-formation agreement of 25 January 2010 on 28 January 2010. The implementation of the capital increase, as a result of which the share capital rose to EUR 10,000,000.00, was entered in the Commercial Register of the District Court of Frankfurt am Main on 19 March 2010.

On 12 November 2010, PEARL's Extraordinary General Meeting passed a resolution to increase the share capital by EUR 250,000.00, from EUR 10,000,000.00 to EUR 10,250,000.00, in exchange for a cash contribution through the issuance of 250,000 new shares. Only shareholder Olivier Couriol was approved to purchase the new shares. The implementation of the capital increase, as a result of which the share capital rose to EUR 10,250,000.00, was entered in the Commercial Register of the District Court of Frankfurt am Main on 8 December 2010.

On 8 March 2011, PEARL's Extraordinary General Meeting passed a resolution to increase the share capital by EUR 9,750,000.00, from EUR 10,250,000.00 to EUR 20,000,000.00, in exchange for a contribution in kind through the issuance of 9,750,000 new shares. Only Mansa Moussa Gold Fund was approved to purchase the new shares.

In anticipation of this in-kind capital increase, on 25 May 2010, Mansa Moussa Gold Fund entered into a purchase and post-formation agreement, under which it sold and transferred to PEARL, subject to the deferrment of the right to the purchase price in the amount of EUR 70,000,000.00, 138 shares in Wassoul'Or. This purchase and post-formation of 25 May 2010 was approved by PEARL's Extraordinary General Meeting on 27 July 2010.

As an amendment to this agreement of 25 May 2010, PEARL entered in another capital contribution and post-formation agreement with Mansa Moussa Gold Fund, agreeing that the aforementioned purchase price was due for payment immediately and that this right to the purchase price was to be transferred by Mansa Moussa Gold Fund to PEARL as part of the aforementioned capital increase from EUR 10,250,000.00 to EUR 20,000,000.00.

PEARL's Extraordinary General Meeting on 8 March 2011 approved this capital contribution and post-formation agreement of 28 December 2010. The implementation of the capital increase, as a result of which the share capital rose to EUR 20,000,000.00, was entered in the Commercial Register of the District Court of Frankfurt am Main on 23 March 2011.

Thus, as at 31 December 2011, PEARL's subscribed capital amounts to EUR 20,000,000.00, comprised of 20,000,000 common shares. Every common share is entitled to one vote and full profit-sharing rights.

Presentation of the changes in subscribed capital (in EUR)

	EUR	*Common stock*
Subscribed capital on 1 January 2010	*50,000.0*	*50,000*
Capital increase by way of a contribution in kind on 19 March 2010	*9,950,000.0*	*9,950,000*
Subscribed capital after the first capital increase by way of a contribution in kind	*10,000,000.0*	*10,000,000*
Cash capital increase on 12 November 2010	*250,000.0*	*250,000*
Subscribed capital on 31 December 2010	*10,250,000.0*	*10,250,000*
Second capital increase by way of a contribution in kind on 8 March 2011	*9,750,000.0*	*9,750,000*
Subscribed capital on 31 December 2011	*20,000,000.0*	*20,000,000*

15 CAPITAL RESERVES

AS AT 31 DECEMBER 2011 (2010)
in TEUR

	31/12/2011	31/12/2010
	IFRS	*IFRS*
Capital reserves	120,300.0	60,050.0
Capital reserves	***120,300.0***	***60,050.0***

Capital reserves were set aside as part of the two capital increases through contributions in kind in an amount equal to the difference between the nominal value of the shares issued and the fair value of the shares in Wassoul'Or, Bamako (Mali).

16 NET ACCUMULATED LOSS

AS AT 31 DECEMBER 2011 (2010)
in TEUR

	31/12/2011	31/12/2010
	IFRS	*IFRS*
Loss carryforward	-699.3	-92.8
Annual net loss	-510.5	-606.5
Net accumulated loss	***-1,209.8***	***-699.3***

17 FAIR VALUE RESERVE

AS AT 31 DECEMBER 2011 (2010)
in TEUR

	31/12/2011	31/12/2010
	IFRS	*IFRS*
Other comprehensive income from previous years	-114.8	0.0
Other comprehensive income during the current year	0.0	-114.8
Deferred taxes from previous years recognised directly in equity	0.0	0.0
Deferred taxes during the current year recognised directly in equity	0.0	0.0
Fair value reserve	***-114.8***	***-114.8***

The direct posting relates to the value adjustment of transaction costs that were incurred as part of the acquisition of the shares in Wassoul'Or. Please refer to Disclosures 9 and 11 for additional information.

18 TRADE LIABILITIES

AS AT 31 DECEMBER 2011 (2010)
in TEUR

	31/12/2011	31/12/2010
	IFRS	*IFRS*
Purchase price liability from the purchase of shares in Wassoul'Or, which is expected to be extinguished from the proceeds from a planned IPO		
Purchase price liability from purchase of shares	0.0	70,000.0
Other	391.4	318.0
Trade liabilities	***391.4***	***70,318.0***

The liabilities as at 31 December 2011 (2010) with a residual maturity of up to one year amount to TEUR 391.4 (TEUR 70,318.0). They relate to liabilities from the use of advisory services in the amount of TEUR 391.4 (TEUR 318.0). In the previous year, liabilities in the amount of TEUR 70,000.00 were incurred from the purchase of shares in Wassoul'Or. These liabilities were ultimately allotted to receivables in 2011 through the contributions in kind.

19 OTHER PROVISIONS

AS AT 31 DECEMBER 2011 (2010)
in TEUR

	31/12/2011	31/12/2010
	IFRS	*IFRS*
Current provisions	128.9	57.5
Other provisions	***128.9***	***57.5***

Provisions relate exclusively to anticipated costs for preparing the annual financial statements and advisory and audit costs. The reported provisions were fully released. The provisions reported as at the balance sheet date are consistent with the allocations in the respective period. All provisions are expected to be released within one year.

20 OTHER LIABILITIES

AS AT 31 DECEMBER 2011 (2010)
in TEUR

	31/12/2011	31/12/2010
	IFRS	*IFRS*
Current other liabilities	1,115.3	378.4
Other liabilities	***1,115.3***	***378.4***

Other liabilities relate mainly to liabilities on current accounts owed to related parties and private investors. Due to the short-term nature of the liabilities, the discounting of these liabilities was deemed unnecessary.

21 EFFECT OF THE FIRST-TIME APPLICATION OF IFRS

in TEUR

	Notes	31/12/2009	01/01/2010	01/01/2010	31/12/2010	31/12/2010	31/12/2010	31/12/2011	31/12/2011	31/12/2011
		HGB	*Effect Transition to IFRS*	*IFRS*	*HGB*	*Effect Transition to IFRS*	*IFRS*	*HGB*	*Effect Transition to IFRS*	*IFRS*
ASSETS										
Financial assets	11	0.0	0.0	0.0	140,114.8	-114.8	140,000.0	140,114.8	-114.8	140,000.0
Long-term deferred tax assets	10	0.0	0.0	0.0	0.0	113.9	113.9	0.0	210.0	210.0
Non-current assets		***0.0***	***0.0***	***0.0***	***140,114.8***	***-0.9***	***140,113.9***	***140,114.8***	***95.2***	***140,210.0***
Receivables and other assets	12	7.6	0.0	7.6	120.9	0.0	120.9	322.8	0.0	322.8
Cash and cash equivalents	13	49.7	0.0	49.7	5.0	0.0	5.0	78.2	0.0	78.2
Current assets		***57.3***	***0.0***	***57.3***	***125.9***	***0.0***	***125.9***	***401.0***	***0.0***	***401.0***
Total		**57.3**	**0.0**	**57.3**	**140,240.7**	**-0.9**	**140,239.8**	**140,515.8**	**95.2**	**140,611.0**
EQUITY AND LIABILITIES										
Subscribed capital	14	50.0	0.0	50.0	10,250.0	0.0	10,250.0	20,000.0	0.0	20,000.0
Capital reserves	15	0.0	0.0	0.0	60,050.0	0.0	60,050.0	120,300.0	0.0	120,300.0
Net accumulated loss	16	-92.8	0.0	-92.8	-813.2	113.9	-699.3	-1,419.8	210.0	-1,209.8
Fair value reserve	17	0.0	0.0	0.0	0.0	-114.8	-114.8	0.0	-114.8	-114.8
Equity		**-42.8**	**0.0**	**-42.8**	**69,486.8**	**-0.9**	**69,485.9**	**138,880.2**	**95.2**	**138,975.4**
Trade liabilities	18	47.8	0.0	47.8	70,318.0	0.0	70,318.0	391.4	0.0	391.4
Other provisions	19	52.3	0.0	52.3	57.5	0.0	57.5	128.9	0.0	128.9
Other liabilities	20	0.0	0.0	0.0	378.4	0.0	378.4	1,115.3	0.0	1,115.3
Current liabilities		**100.1**	**0.0**	**100.1**	**70,753.9**	**0.0**	**70,753.9**	**1,635.6**	**0.0**	**1,635.6**
Total		**57.3**	**0.0**	**57.3**	**140,240.7**	**-0.9**	**140,239.8**	**140,515.8**	**95.2**	**140,611.0**

22 RECONCILIATION OF EQUITY AND TOTAL COMPREHENSIVE INCOME FROM HGB TO IFRS

in TEUR

		Date of transition from HGB to IFRS						
	31/12/2009	01/01/2010	01/01/2010	31/12/2010	31/12/2010	31/12/2010	31/12/2010	31/12/2010
	HGB audited	*Reconciliation total*	*IFRS unaudited*	*HGB audited*	*Value adjustment of available-for-sale financial assets (transaction costs of the acquisition of the participation in Wassoul'Or)*	*Recognition of tax loss carryforwards as deferred tax asset*	*Reconciliation total*	*IFRS unaudited*
Equity								
Subscribed capital	50,0	0,0	50,0	10.250,0			0,0	10.250,0
Capital reserves	0,0	0,0	0,0	60.050,0			0,0	60.050,0
Net accumulated loss	-92,8	0,0	-92,8	-813,2		113,9	113,9	-699,3
Fair value reserve	0,0	0,0	0,0	0,0	-114,8		-114,8	-114,8
Equity	***-42,8***	***0,0***	***-42,8***	***69.486,8***	***-114,8***	***113,9***	***-0,9***	***69.485,9***
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD								
Annual net loss	-92,8	0,0	-92,8	-720,4		113,9	113,9	-606,5
Other income	0,0	0,0	0,0	0,0	-114,8		-114,8	-114,8
Total comprehensive income	***-92,8***	***0,0***	***-92,8***	***-720,4***	***-114,8***	***113,9***	***-0,9***	***-721,3***

The first-time application of IFRS has affected PEARL's net assets, financial position, and results of operations primarily as a result of the differing measurement under HGB and IFRS of the shares held as part of the 25% participation in Wassoul'Or S.A., Bamako (Mali). Under HGB, the participation is recognised and measured at the acquisition cost, including incidental acquisition costs (transaction costs) in the amount of TEUR 114.8 since there is no long-term impairment. Under IFRS, a value adjustment in the amount of the transaction costs recorded as assets must be accounted for as part of the measurement at fair value. Under IFRS, this value adjustment must be shown directly in equity, less the deferred income taxes attributable to the temporary difference under the fair value reserve, and in the statement of comprehensive income, under other income, since participation is classified as an available-for-sale asset. No deferred taxes have to be recognised since, under current laws, any profit or loss realised in the future will not be relevant for tax purposes. In addition, under IFRS, anticipated deferred tax assets from existing tax loss carryforwards had to be recognised on the applicable balance sheet dates. For the purpose of simplifying the presentation of data and improving comparability, as at 31 December 2009, no deficit not covered by equity has been shown on the assets side in this presentation. Also, prepaid expenses in the amount of TEUR 1.8 as at 31 December 2010 were reclassified under current other assets.

23 RECONCILIATION OF THE CASH FLOW STATEMENT FROM HGB TO IFRS

in TEUR

	31/12/2009	01/01/2010	01/01/2010	01/01-31/12/2010	01/01-31/12/2010	01/01-31/12/2010	01/01-31/12/2011	01/01-31/12/2011	01/01-31/12/2011
	HGB	*Effect Transition to IFRS*	*IFRS*	*HGB*	*Effect Transition to IFRS*	*IFRS*	*HGB*	*Effect Transition to IFRS*	*IFRS*
Earnings before taxes (EBT)	-92.8	0.0	-92.8	-720.4	113.9	-606.5	-606.6	96.1	-510.5
Increase in other provisions	52.3	0.0	52.3	5.2	0.0	5.2	71.4	0.0	71.4
Increase in deferred tax assets	0.0	0.0	0.0	0.00	-113.9	-113.9	0.0	-96.1	-96.1
Change in									
receivables and other assets	-7.6	0.0	-7.6	-113.3	0.0	-113.3	-201.9	0.0	-201.9
trade liabilities	47.8	0.0	47.8	270.2	0.0	270.2	73.4	0.0	73.4
Cash flow from operating activities	***-0.3***	***0.0***	***-0.3***	***-558.3***	***0.0***	***-558.3***	***-663.7***	***0.0***	***-663.7***
Payments for investments in financial assets	0.0	0.0	0.0	-114.8	0.0	-114.8	0.0	0.0	0.0
Payments for other investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	***0.0***	***0.0***	***0.0***	***-114.8***	***0.0***	***-114.8***	***0.0***	***0.0***	***0.0***
Proceeds from the issuance of new shares/from shareholders	37.4	0.0	37.4	250.0	0.0	250.0	0.0	0.0	0.0
Proceeds from other current liabilities	0.0	0.0	0.0	378.4	0.0	378.4	736.9	0.0	736.9
Cash flow from financing activities	***37.4***	***0.0***	***37.4***	***628.4***	***0.0***	***628.4***	***736.9***	***0.0***	***736.9***
Increase (+)/decrease (-) in cash and cash equivalents	**+37.1**	**0.0**	**+37.1**	**-44.7**	**0.0**	**-44.7**	**+73.2**	**0.0**	**+73.2**
Cash and cash equivalents at the beginning of the period	***12.6***	***0.0***	***12.6***	***49.7***	***0.0***	***49.7***	***5.0***	***0.0***	***5.0***
Cash and cash equivalents at the end of the period	***49.7***	***0.0***	***49.7***	***5.0***	***0.0***	***5.0***	***78.2***	***0.0***	***78.2***

The transition from HGB to IFRS does not have any effect on cash and cash equivalents.

24 OTHER FINANCIAL OBLIGATIONS

AS AT 31 DECEMBER 2011 (2010)
in TEUR

	31/12/2011	31/12/2010
	IFRS	*IFRS*
Obligations arising under lease agreements	96	0
Obligations arising under financial services agreements	63	4
Obligations arising under advisory agreements	258	0
	417.0	***4.0***

Other financial obligations are presented at their nominal value. A period of five years as at the date of the relevant financial statements has been considered.

With respect to lease obligations, it was assumed that the existing lease agreement in its current form will be continued until the end of the period considered.

The maturity of the obligations is as follows:

AS AT 31 DECEMBER 2011 (2010)
in TEUR

	31/12/2011	31/12/2010
	IFRS	*IFRS*
< 1 year	280	4
1 to 5 years	137	0
	417.0	***4.0***

25 RISK MANAGEMENT

PEARL is exposed to a number of risks, which either individually or jointly can have a material adverse effect on the Company's net assets, financial position, and results of operations. PEARL's risks and opportunities currently result primarily from the participation in Wassoul'Or, and are thus financially comparable to those of the gold mining company. Therefore, Wassoul'Or's opportunities and risks are presented below.

Market risks

General information

Most of the revenues of PEARL and Wassoul'Or will come from the sale of extracted gold. Accordingly, the Company's results of operations and the profitability of gold mining are substantially dependent on the price that can be obtained for gold.

The price of gold currently continues to rise, which is due in particular to the uncertain future of the global economy and the associated flight of investors to assets that are perceived as safe, such as gold. Especially in light of the debt problems of many strong economic regions (USA, Japan, EU) and the associated risks for the global financial system, it is unlikely that investors' demand for gold, and thus the price of gold, will drop.

In 2010, the demand for gold amounted to approximately 3,812 tons (source: World Gold Council). The amount of gold mined in the past five years is relatively stable and amounted to about 2,500 tons per year. The excess demand was met particularly by gold recycling as well as through central bank sales.

In addition to investment purposes, gold is also needed in industrial production (in particular that of jewellery and electronics). Should the overall economic conditions worsen, leading to a decline in consumption and industrial production, there may also be a decline in demand for gold. However, most of the serious analyses expect a further rise in the price of gold in 2012.

Sensitivity analysis

The value of the participation in Wassoul'Or S.A., and consequently the value of PEARL, largely depends on the price at which the extracted gold can be sold on the market. Previous calculations established a conservatively estimated average long-term price of gold at approximately EUR 841/oz. A 10% change in the price of gold, either as an increase or a decrease, would lead to a decrease or increase, respectively, in shareholder value, and hence in the fair value of the participation in Wassoul'Or, of about 13.7%. It is therefore assumed that the fair value of PEARL would change on a comparable scale.

Credit risk

Credit risk is the risk of suffering a loss should a contracting party fail to fulfil its payment obligations. Credit risk includes the immediate default risks and the risk of credit deterioration.

The maximum risk exposure of financial assets that are generally subject to credit risk corresponds to the carrying amount, as recorded in the balance sheet as at 31 December 2011 (2010), of current assets in the amount of TEUR 401.0 (TEUR 125.9), which are comprised of receivables and other assets in the amount of TEUR 322.8 (TEUR 120.9) and cash and cash equivalents in the amount of TEUR 78.2 (TEUR 5.0).

Current assets are all unsecured. No value adjustment was necessary.

Liquidity risks

A liquidity risk is the risk that a company cannot meet its financial obligations on time and to a sufficient extent.

The Company has sufficient liquid assets available and, given the Company's high equity ratio, also sufficient credit lines to be able to cover the liabilities in a timely manner.

No collateral has been granted to the creditors.

26 CAPITAL MANAGEMENT

PEARL runs its own capital management. All decisions about the Company's financing structure are made by the Management Board.

Financial instruments

Fair value is the amount at which knowledgeable, contractually willing, and independent business partners could settle a debt or exchange an asset. The determination of fair value is based on the following methods:

Cash and cash equivalents

The amortized cost of cash and cash equivalents and short-term receivables and other financial assets correspond primarily to the fair value.

Current liabilities

The fair value for current liabilities is determined using the market price for the issuance of same or similar debt instruments. Due to the short-term nature of the liabilities, the fair value of current liabilities is more or less equal to the amount repayable.

The following categories and fair values can be assigned to the financial instruments contained in the following balance sheet items:
in TEUR

		31/12/2011	31/12/2011	31/12/2011	31/12/2011		31/12/2010	31/12/2010	31/12/2010	31/12/2010
	Amortised cost	*Financial assets/ liabilities*	*Non-financial assets/ liabilities*	*Carrying amount*	*Fair value*	*Amortised cost*	*Financial assets/ liabilities*	*Non-financial assets/ liabilities*	*Carrying amount*	*Fair value*
Assets										
Receivables and other assets	322.8	322.8	0.0	322.8	322.8	120.9	120.9	0.0	120.9	120.9
Cash and cash equivalents	78.2	78.2	0.0	78.2	78.2	5.0	5.0	0.0	5.0	5.0
Total	***401.0***	***401.0***	***0.0***	***401.0***	***401.0***	***125.9***	***125.9***	***0.0***	***125.9***	***125.9***
of which loans and receivables				401.0	401.0				125.9	125.9
Equity and liabilities										
Trade liabilities	391.4	391.4	0.0	391.4	391.4	70,318.0	70,318.0	0.0	70,318.0	70,318.0
Other liabilities	1,115.3	1,115.3	0.0	1,115.3	1,115.3	378.4	378.4	0.0	378.4	378.4
Total	***1,506.7***	***1,506.7***	***0.0***	***1,506.7***	***1,506.7***	***70,696.4***	***70,696.4***	***0.0***	***70,696.4***	***70,696.4***
of which financial liabilities that are measured at amortised cost				1,506.7	1,506.7				70,696.4	70,696.4

27 EARNINGS PER COMMON SHARE (IFRS)

FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2011 (2010)
in TEUR

	01/01-31/12/2011 IFRS	01/01-31/12/2010 IFRS
Profit or loss attributable to PEARL's shareholders – undiluted ***Annual net loss***	***-510.5***	***-606.5***
After-tax effects of the dilution effects	Not applicable	Not applicable
Profit or loss attributable to PEARL's shareholders – diluted	***-510.5***	***-606.5***
Weighted average of PEARL's outstanding shares – undiluted	***18,183,562***	***9,352,055***
Dilution effects	Not applicable	Not applicable
Weighted average of the number of PEARL's outstanding shares – diluted	***18,183,562***	***9,352,055***
Profit or loss (IFRS) per share (in EUR) for the period		
Undiluted	*-0.03*	*-0.06*
Diluted	*-0.03*	*-0.06*

By the resolution adopted by the General Meeting on 16 June 2011, entered in the Commercial Register on 19 July 2011, the Management Board is authorized to increase the Company's registered share capital, with the consent of the Supervisory Board, by a maximum of EUR 10,000,000.00 (in words: ten million euros) by 1 June 2016, by issuing on one or more occasions common or non-voting preferred shares in exchange for a contribution in cash or in kind (Authorised Capital I 2011).

The shareholders are to be granted subscription rights, which are to be ensured by means of indirect subscription rights (§ 186(5) of the German Stock Corporation Act [*Aktiengesetz,* AktG]). The Management Board is however authorised, with the consent of the Supervisory Board, to exclude the shareholders' subscription rights under certain conditions.

Based on the capital increase implemented on 20 March 2012 from authorised capital, the Company has used EUR 5,000,000.00 of Authorised Capital I.

There is no authorisation to issue convertible and warrant bonds, and there are no participating bonds or conditional capital.

28 CURRENCY RISK

Since the euro is its functional currency, the Company is not exposed to any currency risks.

29 EVENTS AFTER THE BALANCE SHEET DATE

After the balance sheet date, the following essential events took place: Pursuant to a contract dated 9 March 2012, the Malian company SODINAF S.A. transferred to PEARL delivery rights for 48,000 ounces of fine gold in exchange for 5,000,000 new PEARL shares during the contribution in kind.

Pursuant to the approval of authorised capital granted by the Extraordinary General Meeting on 16 June 2011, the share capital was increased for this purpose on 20 March 2012 by EUR 5,000,000.00, from EUR 20,000,000.00 to EUR 25,000,000.00. Only SODINAF was authorised to purchase the 5,000,000 new shares in exchange for the delivery of 48,000 ounces of fine gold. The aforementioned utilisation of EUR 5,000,000 of authorised capital was entered in the Commercial Register of the District Court of Frankfurt am Main on 20 March 2012.

The 5,000,000 new shares will be admitted to trading on the Frankfurt Stock Exchange after the General Meeting of 2011.

30 NAMES OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS

The members of the Management Board during the past fiscal year were:

- Jean Louis Dupuy, independent business consultant, Saint-Romain-du-Mont d'Or, France
- Dominique Fouquet, independent business consultant, Bois le Roi, France (until 28 February 2011)

- Following the end of fiscal year 2011, Mr Lutz Hartmann, Attorney & Barrister, Frankfurt am Main, Germany was appointed to the Management Board effective as at 1 March 2012.

The Management Board members did not receive any compensation.

The members of the Supervisory Board were:

- Robert F. Goninon, Managing Director of Horizon Energy LLC, Abu Dhabi, United Arab Emirates, Chairman of the Supervisory Board
- Aliou Diallo, Managing Director of Mansa Moussa Asset Management S.A.R.L., Au, Rabat, Morocco (since 23 March 2011)

- Alexandre Davidoff, Attorney, Martin Davidoff Fivaz & Associés, Geneva, Switzerland
- Pierre Roux, Security Manager, Saint-Didier, France
- Olivier Couriol, owner of an asset management company (since 23 March 2011)
- Dominique Fouquet, independent business consultant, Bois le Roi, France (since 23 March 2011)

The Supervisory Board members did not receive any compensation.

31 ADDITIONAL INFORMATION

The Company did not have any employees in the fiscal year.

Frankfurt am Main, 11 July 2012

Management Board

AUDIT OPINION

To Pearl Gold AG, Frankfurt am Main:

We have audited the annual financial statements – comprising balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flow and notes – together with the bookkeeping system of Pearl Gold AG, Frankfurt am Main, for the business year from 01 January 2011 to 31 December 2011. The maintenance of the books and records and the preparation of the annual financial statements in accordance with the International Financial Reporting Standards (IFRS), as endorsed in the EU, are the responsibility of the company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system based on our audit.

We conducted our audit of the annual financial statements in accordance with section 317 HGB [German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements, whether due to error or fraud, materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with IFRS, as endorsed for application in the EU, are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements are examined primarily on a test basis within the framework of the audit. The audit includes an assessment of the accounting principles used and significant estimates made by management, as well as an evaluation of the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements of Pearl Gold AG for the business year from 01 January 2011 to 31 December 2011 comply with legal requirements and give a true and fair view of the net assets, financial position and results of operations of the company in accordance with IFRS, as endorsed for application in the EU.

Without limitation of the opinion, we would like to point out that hence the Pearl Gold AG via the business of the Wassoul`Or S.A. is exposed in the Republic of Mali with special political, social and regulatory country risks and that it cannot be excluded that negative consequences for Wassoul`Or S.A. and therefore as well for Pearl Gold AG could occur, but that for the time being no special political, social or regulatory country risks are recognizable.

Frankfurt am Main, 11 July 2012

Warth & Klein Grant Thornton GmbH & Co. KG

Wirtschaftsprüfungsgesellschaft

Dirk Bauer
Wirtschaftsprüfer
[German Public Auditor]

Robert Binder
Wirtschaftsprüfer
[German Public Auditor]

FINANCIAL STATEMENTS
AND MANAGEMENT REPORT
PURSUANT TO HGB

AS PER

31 DECEMBER 2011

PEARL GOLD AG

Frankfurt am Main

BALANCE SHEET

PEARL GOLD AG
Frankfurt am Main

for the period ending

31. Dezember 2011

ASSETS

-

	EUR	FISCAL YEAR EUR	PRIOR YEAR EUR
A. Non-current assets			
I. Financial assets			
1. Participations		140,114,750.20	140,114,750.20
B. Current assets			
I. Receivables and other assets			
1. Trade receivables	70,.471.00		22,000.00
2. Other assets	250,447.41	320,918.41	98,886.56
II. Cash on hand, balance at the federal bank, bank balances and cheques		78,231.,63	5,036.73
C. Deferred income		1,.827.,00	0.,00
		140,515,727.24	140,.240,673.49

LIABILITIES

	EUR	FISCAL YEAR EUR	PRIOR YEAR EUR
A. Equity			
I. GezeicSubscribed capital		20,000,000.00	10,250,000.00
II. Capital reserves		120,300,000.00	60,050,000.00
III. Loss carried forward		-813,217.33	-92,787.47
IV. Net loss for the year		-606,575.09	-720,429.86
B. Provisions			
1. Other provisions		128,879.11	57,550.00
C. Accounts payable			
1. Trade payables	391,.374.12		70,317,955.70
- of which with a residual term to maturity of up to one year EUR 391,374.12 (EUR 70,317,955.70)			
2. Other liabilities	1,115,266.43	1,.506,640.55	378,385.12
- Of which with a residual term to maturity of up to one year EUR 1,115,266.43 (EUR 378,385.12)			
		140,515,727.24	140,240,673.49

INCOME STATEMENT for the period from 01.01.2011 to 31.12.2011

PEARL GOLD AG
Frankfurt am Main

	EUR	Fiscal Year EUR	Prior Year EUR
1. Revenue		48,471.00	22,000.00
2. Total operating performance		48,471.00	22,000.00
3. Other operating income			
a) Other income in the course of the normal business activity		50,815.56	0.00
4. Other operating expenses			
a) Ordinary operating expenses			
aa) Occupancy costs	7,200.00		0.00
ab) Insurance contibutions and benefits-related deductions	180.00		200.00
ac) Advertising and travel costs	4,203.30		0.00
ad) Miscellaneous operating costs	694,278.35	705,861.65	742,229.86
5. Earnings in the ordinary course of business		606,575.09-	720,429.86-
6. Net loss for the year		606,575.09	720,429.86

General disclosures

The annual financial statement of Pearly Gold AG was prepared on the basis of the statutory accounting standards defined in the German Commercial Code (HGB).

In addition to these regulations, the provisions of the German Stock Corporation Act (AktG) were applied.

Disclosures that may be made either in the balance sheet/income statement or in the notes are always made in the notes.

The aggregate cost method was applied for the income statement.

According to the sizes specified in Sections 267 of the German Commercial Code (HGB), the company qualifies as a small corporation.

Notes on accounting and valuation including fiscal measures

Accounting policies

Accounting and valuation of individual items takes place on the basis of the general provisions pursuant to Sections 246 to 256 HGB and the special provisions for corporations pursuant to Sections 264 to 283 HGB.

The financial assets were recognised and valued as follows:

- Holdings are recognised at the cost of purchase.

Receivables and other assets are recognised at their nominal values.

Other provisions for contingent liabilities that have either yet to be quantified or the date of which is still unknown have been created with the due care and diligence of a prudent businessperson at the amounts expected to be paid.

Accounts payable have been recognised at settlement value.

Details and notes on individual items in the balance sheet and income statement

Receivables have a residual term to maturity of up to one year.

Amounts for reimbursements of input tax not yet received were recognised under other assets.
Bank balances do not pay interest.

Provisions amounting to EUR 129,000.00 were formed to cover financial statement and audit costs in particular.

The accounts payable with a residual term to maturity of up to one year amount to EUR 1,506,640.55 {prior year: EUR 70,696,340.82).

They are attributable to accounts payable for consulting and other services (EUR 391,000) as well as other short-term financing measures (EUR 1,115,000).

Type of liability as of	Total amount	Residual term to maturity		
31.12.2011	31.12.2011 kEUR€	Less than 1 year kEUR	1 t0 5 years kEUR	Over 5 years
From trade receivables	391.4	391.4	0.0	0.0
Other liabilities	1,115.3	1,115.3	0.0	0.0
Total	**1,506.7**	**1,506.7**	**0.0**	**0.0**

Balance Sheet Loss

Allowing for the loss carried forward of EUR -813,217.33 and the net loss for the year of EUR -606,575.09, the balance sheet loss amounts to EUR -1,419,792.42.

Details on the historical data of the net profit for the year

Details in continuation of the net profit for the year are as follows:

The appropriation of net income comprises the following items	Amount EUR
- Net loss for the year	-606,575.09
- Loss carryforward from the prior year	-813,217.33
= Balance sheet loss	-1,419,792.42

Changes in Capital Reserve

The share premium of EUR 60,250,000 generated by the capital increase was included in the capital reserve.

Proposal regarding the appropriation of net income

The net loss for the year amounts to EUR -606,575.09. Including the loss carried forward from previous years, the appropriation of an amount of EUR -1,419,792.42 is to be decided.

The Board of Directors proposes the following appropriation of net income: The loss amounting to EUR -1,419,792.42 is to be carried forward.

Other mandatory disclosures

Names of the Management and Supervisory Board members

During the fiscal year under review, the Management Board comprised the following persons:

Jean Louis Dupuy, independent management consultant, Saint-Romain-du-Mont d'Or, France

Dominique Fouquet, independent management consultant, Bois le Roi, France (until 28.2.2011)

Following the end of 2011 fiscal year, Mr Lutz Hartmann, Attorney & Avocat a la Cour, Frankfurt, Germany was appointed as a further member of the Management Board with effect from 1 March 2012.

The Management Board members did not receive any remuneration. The Supervisory Board comprised the following persons:

Robert F. Goninon, manager of Horizon Energy LLC, Abu Dhabi, United Arab Emirates, chairman of the Supervisory Board
Aliou Diallo, manager of Mansa Moussa Asset Management S.A.R.L.: Au, Rabat, Morocco (since 23.3.2011)
Alexandre Davidoff, attorney, Martin Davidoff Fivaz & Associes, Geneva, Switzerland
Pierre Roux, security manager, Saint-Didier/France
Olivier Couriol, owner of an asset management company (since 23.3.2011)
Dominique Fouquet, independent management consultant, Bois le Roi, France (since 23.3.2011)

The Supervisory Board members did not receive any remuneration.

Details of shareholdings in other companies of at least 20 per cent of the shares

Pursuant to Section 285 no. 11 HGB, we are reporting on the following companies (as of 31.12.2010):

Company name / head office	Shareholding	Net profit/loss for the year EUR	Equity EUR
Wassoul'Or SA, Bamako (Republic of Mali)	25%	0.00	3,353,863.04

The company publishes its financial statements in CFA. The equity consisting of issued capital amounting to CFA 2,200,000,000.00 totalled EUR 3,353,863.04 as of 31.12.2011 based on an exchange rate of CFA 655.96/EUR.

Average number of staff employed during the fiscal year

No-one was employed by the company during the fiscal year.

Other disclosure obligations pursuant to the German Stock Corporation Act
Details of the share portfolio, acquisition and sale of treasury shares.

As of 31 December 2011, the company's share portfolio did not include any treasury shares.

Details of the class of shares
The share capital of EUR 20,000,000.00 is divided into:

Share capital		**EUR**
20,000,000 ordinary shares at a par value of	1.00	20,000,000.00

The shares are bearer shares.

Authorised capital

The Management Board is authorised until 1 June 2016 to increase the registered share capital of the company by up to EUR 10,000,000.00 by issuing ordinary shares or non-voting preference shares against cash or contributions in kind. As of the balance sheet date, the authorised capital thus totalled EUR 10,000,000.00.

On 16.02.2012, the Supervisory Board gave its approval to the Management Board's resolution to increase the share capital by EUR 5,000,000 to EUR 25,000,000 utilising the approved capital by issuing 5,000,000 new bearer shares with a par value of EUR 1.00.

Signature of the Management Board

Place, date Signature

PEARL GOLD AG, FRANKFURT AM MAIN
MANAGEMENT REPORT 31.12.2011

Structure

A.) Business and general environment

Pearl Gold AG ("Pearl") is a German corporation headquartered in Frankfurt am Main. Founded in 2009, Pearl is actively involved as a project developer and proactive investor with a clear focus on gold mining in Africa.

The nature and purpose of the business is:

> "The direct and indirect acquisition and development of holdings and concessions in overseas mining companies, especially in the field of mining gold and other precious metals, as well as the provision of consulting and project development services involving the development and implementation of projects for extracting gold and other precious metals and in the field of financing such projects.
>
> The company is authorised to take any measures and enter into any business transactions that it deems necessary and expedient for achieving and realising the nature and purpose pursuant to paragraph 1. To this end, it may in particular establish subsidiaries in Germany and abroad or establish, acquire or invest in equivalent or related companies."

To this end, Pearl acquired a 25% stake in Wassoul'Or S.A ("Wassoul'Or"), its first gold mining project. To date, the focus of this investment is still Pearl's project development and consulting activities in connection with the extraction of gold and other mineral resources.

Wassoul'Or is joint-stock company headquartered in Bamako (Mali) incorporated under Malian law. The company was established in the course of the Republic of Mali's efforts to explore and mine existing mineral resources, in particular precious metals. In 1997, following the positive conclusion of prospecting activities in demarcated mining areas totalling approx. 100 km^2 in size in the Faboula region and the preparation of a feasibility study regarding the identified gold deposits on a sub-area of approx. 2 km^2, Wassoul'Or respectively its predecessor SODINAF acquired from the Republic of Mali the mining rights for the entire territory covered by the concession for a period of 30 years. These rights were transferred to Wassoul'Or in 2005. In compliance with local law, a 20% stake in the mining company Wassoul'Or was granted to the Republic of Mali in return for the land use rights for the territory covered by the concession.

Wassoul'Or successfully completed the 12-month pilot operation with a capacity of 1.000 t per day. The efforts commenced in 2010 to expand capacity gradually to 11.0001 per day were completed during the first quarter of 2012. Since then, the plant has been undergoing final inspections by the individual equipment manufacturers and the general contractor. Due to various circumstances, the start of production, which was initially scheduled for 2011, was delayed. This delay was caused especially by longer delivery periods, logistical problems caused by the closure of the port in Abidjan and the technical expansion of the plant.

Pearl is represented on the Board of Wassoul'Or by its board member Jean-Louis Dupuy and the Chairman of the Supervisory Board Robert F. Goninon. Mr Aliou Diallo, Deputy Chairman of Pearl's Supervisory Board, is the Chairman of the Management Board of Wassoul'Or.

B.) Earnings, financial and asset position

Earnings position

Revenues from the primary business activity "Gold mining" at Wassoul'Or are not expected until the second half of 2012 or the first quarter of 2013. As a shareholder, Pearl only participates in Wassoul'Or's profits via dividend payments, meaning that income from dividends is expected in 2013 at the earliest.

However, Pearl also acquired gold delivery rights following a capital increase against contributions in kind in March 2012. The rights concerned relates to the delivery of 14,000 troy ounces of fine gold in December 2012 and 34,000 troy ounces of fine gold in December 2013. By selling the gold in December 2012, Pearl might therefore already be able to generate income in 2012.

Since Pearl has only recently started selling its project development and consulting services and currently with a clear focus on supporting its own project companies, revenue from project development and consulting services in 2011 was only kEUR 48 (prior year: kEUR 22).

Other operating expenses amounting to kEUR 706 (prior year: kEUR 742) are attributable in particular to legal and consulting fees (kEUR 270), other outside services (kEUR 270) as well as financial reporting and auditing costs (kEUR 148).

On balance, this results in a total net loss for the year amounting to kEUR 607 (prior year: kEUR 720) for 2011.

In the coming years, Pearl plans to continually expand its project development and consulting activities, with Pearl's expertise in the gold mining business being specifically placed at the disposal of Wassoul'Or SA in order to ensure that the mining and sale of the gold proceed according to schedule. Wassoul'Or is expected to generate routine revenues from the sale of the extracted gold during the second half of 2012 or starting from the beginning of 2013 at the latest. These will initially be used to repay existing accounts payable and to maintain and expand the ongoing operating activities, before being available for dividend payment to its shareholders, and hence to Pearl Gold AG.

Financial position

The company's liquidity is ensured by means of deposits and loans from related parties.

Since the approx. 25.0% interest in Wassoul'Or was invested in Pearl, financing this shareholding will not impact the company's liquidity and earnings situation. The final 12.5% of the interest was acquired by shareholder Mansa Moussa Gold Fund through the purchase agreement of 25 May 2010 at a price of EUR 70 million. Mansa Moussa Gold Fund invested the resulting receivable in Pearl AG in exchange for corporate rights on the basis of the agreement dated 28 December 2010, which was approved by the shareholders' meeting on 8 March 2011. The purchase price liability still reported on 31 December 2010, which at the time was subject to a condition precedent, therefore did not impact liquidity either.

The liquidity needed to settle the accounts payable due from business operations are placed at the company's disposal in the form of loans from related parties, for which subordination was expressly agreed, valued at kEUR 1,115 (prior year: 378) on the balance sheet date.

As of 31 December 2011, the available liquid funds of the company amounted to kEUR 78 (prior year: kEUR 5).

The company is planning to apply for admission to the "General Standard" segment of the Frankfurt stock exchange in 2012, in particular to in order to improve the share's liquidity. Future capital increases to finance further holdings are possible.

Assets position

As of 31 December 2011, Pearl's assets comprised mainly financial assets, namely the 25% interest in Wassoul'Or, acquired in 2010 in the course of the capital increase through contributions in kind and the purchase (in each case 12.5%). As of 31 December 2011, these were valued at some EUR 140 million (prior year: EUR 140 million).

Current assets (receivables, other assets and bank balances) amount to a total of kEUR 399 (prior year: kEUR 126).

As of the balance sheet date, provisions and accounts payable amounted to approx. kEUR 1,636 (prior year: 70,754), of which kEUR 520 (prior year: kEUR 376) are in particular attributable to consulting services. The remaining amount totalling kEUR 1,115 (prior year: kEUR 378) is attributable to short-term financing measures. As of 31 December 2011, the equity ratio amounted to approx. 98.8%.

C.) Supplementary report

The following noteworthy events occurred after the end of the fiscal year:

With the agreement of 9 March 2012, the Malian company SODINAF SA assigned to Pearl delivery rights for a total 48,000 troy ounces of fine gold against Wassoul'Or in exchange for 5,000,000 shares in the company. This capital increase through contributions in kind resulted from the capital increase approved at the annual shareholders' meeting of Pearl on 16 June 2011. In accordance with the resolution of the Management Board dated 16 February 2012 and approval of the Supervisory Board on 16 February 2012, the company's capital was increased accordingly by EUR 5,000,000. The capital increase through contributions in kind was audited by Warth & Klein Grant Thornton GmbH & Co. KG Wirtschaftsprufungsgesellschaft, Frankfurt am Main, whose corresponding report is dated 15 March 2012. The capital increase through contributions in kind was entered in the company's commercial register on 20 March 2012. The 5,000,000 new shares will be admitted for quotation on the Frankfurt stock exchange after the annual shareholders' meeting for the 2011 fiscal year.

D.) Risks and opportunities report

In the main, the risks and opportunities of Pearl Gold AG currently result from the interests in Wassoul'Or and are therefore comparable in economic terms to the tatter's gold mining operations. For this reason, the risks and opportunities of Wassoul'Or are also presented below.

I. Business environment and industry-specific risks

Political, social and regulatory risks

Nations such as Mali are not as politically and socially stable as many highly developed industrialised nations. In the past, Malian politics also exercised active influence on the private sector at times. However, the past 15 years have been characterised by relative political stability and an emerging democratisation. All this changed after the balance sheet date, due to a military coup in Mali on 22 March 2012 and certain groups seeking to establish an independent state in the north of the country. Given its geographical distance from Wassoul'Or with its gold mining operations in the south of the country, the situation in the north of Mali is not of any immediate importance. By contrast, the political situation in Bamako is of major importance for Wassoul'Or.

Mali has meanwhile returned to a constitutional system and a new government has been sworn in. Both the military junta and the new government have repeatedly confirmed to Wassoul'Or and Pearl the continued validity of all concessions and agreements between Pearl, Wassoul'Or and the Malian government. We do not currently see any reasons to doubt the continued existence of Wassoul'Or and Pearl as a going concern and the continued development of their activities.

Moreover, corruption remains a problem in Mali. If political conditions in Mali should change, it cannot be ruled out that this might have a negative impact on Wassoul'Or and its business operations. Nor can it be ruled out that political opinion and public sentiment could turn against the mining industry, for example owing to alleged environmental destruction by the mining companies. In this regard, Wassoul'Or is likely to face a comparatively lesser risk owing to especially environmentally-friendly extraction methods and by largely dispensing with the use of chemicals. All chemicals used are collected and disposed of professionally and are otherwise only required in small quantities as they are only used in the final phase of gold mining.

Wassoul'Or is therefore at pains to establish and maintain good relations to the local authorities as well as the local population. It should be stressed that the company attaches considerable importance to ensuring that not only the shareholders but also the other stakeholders such as the employees, local communities as well as the local economy benefit from the Wassoul'Or's business activities.

The participation of more than 4,000 inhabitants from the neighbouring communities in the mine opening ceremony on 25 February 2012 bears witness to this close and very positive contact to the local population. The jobs for the local residents, the construction of a health care centre and a school also contribute to the widespread acceptance of the mine.

A corresponding concession is required to mine gold in the republic of Mali. Wassoul'Or was issued a 30-year concession in 1997. Since the extraction of the estimated gold deposits will take only 10 years according to current plans, the concession will not have to be extended.

No specific political, social and regulatory risks are recognisable at present.

Market / industry-specific risks

The lion's share of the income of Pearl or Wassoul'Or is generated from the sale of the mined gold. Therefore, the future earnings position of the company and the cost-effectiveness of the gold mining operations will largely depend on the gold price. The price of gold currently remains high, which is in particular attributable to the uncertain development of the global economy and the associated flight of investors into real assets like gold that are currently regarded as safe. In particular, against the background of the debt problems currently being experienced by many strong economic regions (USA, Japan, EU) and the associated risks with regard to the global financial system, demand for gold and hence its price are therefore not expected to fall to any major extent. The management generally regards this general situation as an opportunity for Pearl Gold AG.

In 2012, demand for gold stood at approx. 3,8121 (Source: World Gold Council). In the past five years, the quantity of gold mined remained relatively stable, at approx. 2,5001 per year. The surplus demand was in particular covered by recycling old gold and through the sale of gold reserves by the central banks.

Gold is not only required for investment purposes, but also in industrial production (especially jewellery and electrical goods). If the macroeconomic conditions should deteriorate, resulting in a drop in consumption and industrial production, a fall in demand for gold cannot be excluded either. At present, however, most reputable analysts expect the price of gold to continue to increase in 2012.

II. Corporate strategy risks

With the exception of the currently subordinated project development and consulting activities on the market, the business operations of Wassoul'Or, and hence indirectly also those of Pearl, focus on a single product (gold) and a single geographic region (Mali). In this regard, no diversification has occurred to date. If the income from the production of gold should fail to develop as expected, it will therefore not be possible to be compensated this using potentially positive income from other business segments. Plans for diversification are currently in the pipeline and corresponding projects should be ready for presentation by the end of 2012.

III. Operational risks

Mining-specific risks

The economic success of Wassoul'Or depends to a large extent on the quality and quantity of the gold deposits for which the company has the mining rights. All information regarding the size of the gold deposits was derived using evaluation methods customary in the gold mining industry. However, such figures naturally only represent estimates on the basis of tests and past experience and are as such subject to uncertainty. This applies both in quantitative (size of the gold deposits) as well as qualitative terms (e.g. degree of purity, rock composition),

If the actual conditions should deviate negatively from the expectations, this may have a negative impact on the cost-effectiveness of the mining operations. No specific risks are therefore recognisable at present

Energy supply

Owing to limited capacities regarding electricity production and supply in Mali, the uninterrupted power supply to the mine cannot be guaranteed. Short power failures have already occurred in the past. It cannot be ruled out that an inadequate power supply may in future have a negative impact on production in the form of delays. In this regard, Wassoul'Or is currently working on a double solution: Enlarging the oil tanks for operating the mine's own diesel generators and installation of an additional power cable to the mine.

IV. Personnel risks

The economic success of Wassoul'Or depends to a large extent on the performance and qualification of the local staff, in particular the management. Were executive employees to leave the company, there is no guarantee that it will be possible to find an adequate replacement promptly owing to the prevailing level of education in Mali. This could cause production delays.

V. Financial risks

At present, Wassoul'Or is largely financed by its largest shareholder SODINAF SA, which has committed itself to funding the company. There is therefore currently no obligation or necessity on the part of Pearl, to provide Wassoul'Or with funding.

Pearl is currently only generating minor sales. To settle accounts payable due from business operations, Pearl is therefore dependent on deposits and loans from the shareholders. Alternatively, it might be possible to explore the possibility of obtaining a current account loan.

VI. Technical risks

The production of gold by Wassoul'Or ultimately depends to a decisive extent on the technical reliability of the production facility. Wassoul'Or has essentially opted for a gravimetric extraction method. This comprises numerous components each of which must work reliably in order to be able to maintain full operations. Coordinating these individual pieces of equipment with one another and the technical reliability could lead to reduced gold production or delays in achieving the planned processing capacity of 11,0001 ore per day.

A tense political situation could also interfere with the delivery of wearing and replacement parts. Wassoul'Or is currently preparing a concept to ensure its long-term independence to the greatest possible extent.

E.) Forecast report

Wassoul'Or successfully completed a 12-month trial operation of a pilot plant with a capacity of 1.000 t per day, which confirmed the preceding geosurveys on gold deposits. The infrastructure requirements are currently being created to increase the production capacity to 11.0001 per day.

The plant was completed during the first quarter of 2012, although to date the facility has yet to be fully commissioned since some sub-areas still have to undergo final inspections by the equipment manufacturers and the smooth operation of all individual parts of the production facility have to be ensured as a matter of priority. We expect these final inspections to be completed during the second half of 2012. However, gold is already being produced daily.

After successfully commencing production at the Wassoul'Or mine, Pearl will look into investing in other mining projects in West Africa and invest accordingly if promising projects are found. Furthermore, Pearl then plans to expand the competencies that can be used for the various different mining projects.

F.) Environmental protection

Opencast gold mining impacts existing ecosystems. The possible effects of gold mining on the environment were assessed in a 2007 environmental impact study. The mining permit issued by the Republic of Mali at the same time requires Wassoul'Or to take measures to repair any environmental damage caused.

The study concluded that negative effects on the environment are likely to remain manageable. Essentially, these include the need to clear around 220 ha of woodland for the opencast mining as well as the various infrastructure measures. Recultivation measures are planned to lessen the long-term effects.

Since only minor quantities of chemicals are used in gold mining, and otherwise only water is used, no major environmental pollution is expected. The chemicals used can be collected and disposed of completely and safely.

According to the study, the costs of the environmental protection measures during the operation of the mine are estimated in the region of approx. kEUR 70 per year.

Frankfurt am Main, 11 July 2012

Jean Louis Dupuy (Management Board)

Lutz Hartmann (Vorstand)

AUDIT OPINION

To Pearl Gold AG, Frankfurt am Main:

We have audited the annual financial statements — comprising balance sheet, profit and loss account and notes — together with the bookkeeping system and the management report of Pearl Gold AG, Frankfurt am Main, for the business year from 01 January 2011 to 31 December 2011. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with section 317 HGB [German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprufer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements, whether due to error or fraud, materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes an assessment of the accounting principles used and significant estimates made by management, as well as an evaluation of the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements of Pearl Gold AG for the business year from 01 January 2011 to 31 December 2011 comply with legal requirements and give a true and fair view of the net assets, financial position and results of operations of the company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the company's position and suitably presents the opportunities and risks of future development.

Without limitation of the opinion, we would like to point out the statements of the management which are shown in the management report. There in the risk disclosure statement is pointed out that hence the Pearl Gold AG via the business of the Wassou'Or S.A. is exposed in the Republic of Mali with special political, social and regulatory country risks and that it cannot be excluded that negative consequences for Wassou'Or S.A. and therefore as well for Pearl Gold AG could occur, but that for the time being no special political, social or regulatory country risks are recognizable.

Frankfurt am Main, 11 July 2012

Warth & Klein Grant Thornton GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Dirk Bauer	Robert Binder
Wirtschaftsprüfer	Wirtschaftsprüfer

ANNUAL FINANCIAL STATEMENTS UNDER HGB

AS AT

31 DECEMBER 2010

PEARL GOLD AG

Frankfurt am Main

BALANCE SHEET

PEARL GOLD AG
Frankfurt am Main

AS AT

31 December 2010

ASSETS

	EUR	Fiscal year EUR	Previous year EUR
A. Assets			
I. Financial assets			
1. Participations		140,114,750.20	0.00
B. Current assets			
I. Receivables and other assets			
1. Trade receivables	22,000.00		0.00
2. Other assets	98,886.56	120,886.56	7,635.30
II. Cash on hand, balance at the German Federal Bank, bank balances and cheques		5,036.73	49,673.30
C. Deficit not covered by equity		0.00	42,787.47
Amount carried forward		140,240,673.49	100,096.07

EQUITY AND LIABILITIES

	EUR	Fiscal year EUR	Previous year EUR
A. Equity			
I. Subscribed capital		10,250,000.00	50,000.00
II. Capital reserves		60,050,000.00	0.00
III. Loss carried forward		92,787.47-	0.00
IV. Net loss		720,429.86-	92,787.47-
Deficit not covered		0.00	42,787.47
Book equity		69,486,782.67	0.00
B. Provisions			
1. Other provisions		57,550.00	52,275.00
C. Liabilities			
1. Trade liabilities	70.317.955,70		47,821.07
- of which with a residual maturity of up to one year EUR 70,317,955.70 (EUR 47,821.07)			
2. Other liabilities	378.385,12	70,696,340.82	0.00
Amount carried forward		140,240,673.49	100,096.07

BALANCE SHEET

PEARL GOLD AG
Frankfurt am Main

AS AT

31 December 2010

ASSETS

	EUR	Fiscal year EUR	Previous year EUR
Amount carried forward		140,240,673.49	100,096.07
		140,240,673.49	100,096.07

EQUITY AND LIABILITIES

	EUR	Fiscal year EUR	Previous year EUR
Amount carried forward		140,240,673.49	100,096.07
- of which with a residual maturity of up to one year EUR 378,385.12 (EUR 0.00)			
		140,240,673.49	100,096.07

INCOME STATEMENT from 01/01/2010 to 31/12/2010

PEARL GOLD AG
Frankfurt am Main

	EUR	Fiscal year EUR	Previous year EUR
1. Revenue		22,000.00	0.00
2. Total operating performance		22,000.00	0.00
3. Other operating expenses			
a) Ordinary operating expenses			
aa) Insurance, contributions and levies	200.00		0.00
ab) Miscellaneous operating costs	742,229.86	742,429.86	92,787.47
4. Income from continuing operations		720,429.86-	92,787.47-
5. Annual net loss		720,429.86	92,787.47

General disclosures

PEARL GOLD AG's annual financial statements as at 31 December 2010 prepared as at 25 April 2011 has been amended in light of the planned IPO in order to account for events which have an effect on the annual financial statements as at 31 December 2010 and which occurred between the preparation and adoption of the annual financial statements and the conclusion of the audit performed in anticipation of PEARL GOLD AG's IPO. The amendments only relate to the duties of the members of the management in the Notes pursuant to § 285 No. 10 HGB (page 3 of the Notes).

PEARL GOLD AG's annual financial statements were prepared pursuant to the accounting rules of the German Commercial Code.

In addition to these regulations, the provisions of the German Stock Corporation Act were to be complied with.

In the first-time preparation of the annual financial statements pursuant to the German Accounting Law Modernisation Act (*Bilanzrechtsmodernisierungsgesetz*, BilMoG), comparative numbers from the previous year were not adjusted based on the elective right (*Wahlrecht*) under Art. 67 (8) Sentence 2 of the Introductory Act to the German Commercial Code (*Einführungsgesetz zum Handelsgesetzbuch*, EGHGB).

Disclosures that can be electively made in the balance sheet, the income statement or in the notes to the annual financial statements are all presented in the notes to the financial statements.

Pursuant to the size classifications set forth in § 267 HGB, the Company is a small corporation.

Accounting and measurement disclosures, including tax measures

Accounting and measurement policies

Recognition and measurement of the individual items is based on the general provisions of §§ 246 through 256 HGB and the special provisions for corporations in accordance with §§ 264 through 283 HGB.

Financial assets were recognised and measured as follows:

- Participations at acquisition costs.

Receivables and other assets were recognised at their nominal value.

Other provisions are made for contingent liabilities that are uncertain with respect to their amount or date of entry, in the amount of the expected release based on prudent commercial assessment.

Liabilities were recognised at the amount to be paid.

Disclosures and explanations for balance sheet and income statement items

All receivables have a residual maturity of up to one year.

Amounts for VAT refunds were recognised under other assets.

Bank balances do not bear an interest rate.
Provisions in the amount of TEUR 57 relate in particular to costs for annual financial statements and audit costs.

The amount of liabilities with a residual maturity of up to one year amounts to EUR 70,696,340.82 (previous year: EUR 47,821.07). They relate to liabilities from the purchase of equity interest in Wassoul'Or S.A. (TEUR 70,000) as well as from the use of advisory services (TEUR 696).

Type of liability as at 31/12/2010	Total amount 31/12/2010 TEUR	Of which with a residual maturity of Less than 1 yr. TEUR	1 to 5 years TEUR	More than 5 yrs. TEUR
Trade liabilities	70,318.0	70,318.0	0.0	0.0
Other liabilities	378.4	378.4	0.0	0.0
Total	**70,696.4**	**70,696.4**	**0.0**	**0.0**

Net accumulated loss

Taking into account the loss carryforward of EUR -92,787.47 and the net loss of EUR 720,429.86, there is a net accumulated loss of EUR 813,217.33.

Changes in capital reserves

The agio from capital increase in the amount of EUR 60,050,000.00 was transferred to capital reserves.

Recommendation regarding appropriation of profits

The annual net loss amounts to EUR 720,429.86. Including the loss carryforward from previous years, it has been decided that an amount of EUR – 813,217.33 would be appropriated.

The Management Board recommends the following appropriation of profits:

The losses in the amount of EUR – 813,217.33 will be carried forward to a new account.

Other mandatory disclosures

Names of the Management Board and Supervisory Board members
The members of the Management Board during the past fiscal year were:

Dominique Fouquet, independent business consultant, Bois le Roi, France
Jean Louis Dupuy, independent business consultant, Saint-Romain-du-Mont d'Or, France

Following the end of fiscal year 2011, Mr Lutz Hartmann, Attorney & Barrister, Frankfurt am Main, Germany, was appointed to the Management Board effective as at 1 March 2012.

The Management Board members did not receive any compensation.

The members of the Supervisory Board were:

Aliou Diallo, Managing Director of Mansa Moussa Asset Management S.A.R.L., Au, Rabat, Morocco, Chairman of the Supervisory Board (until 14 December 2010)

Robert F. Goninon, Managing Director of Horizon Energy LLC, Abu Dhabi, United Arab Emirates, Chairman of the Supervisory Board (since 15 December 2010)
Alexandre Davidoff, Attorney, Martin Davidoff Fivaz & Associés, Geneva, Switzerland
Pierre Roux, Security Manager, Saint-Didier/France

The Supervisory Board members did not receive any compensation.

Transactions with related parties

10,000,000 out of the Company's 10,250,000 shares are owned by Mansa Moussa Gold Fund, Montréal, Canada.

During the fiscal year, the Company carried out the following transactions with related parties:

Capital increase against contribution in kind

At the General Meeting on 28 January 2010, a resolution was passed to increase the Company's share capital by EUR 9,950,000.00, from EUR 50,000.00 to EUR 10,000,000.00, by issuing 9,950,000 no-par bearer shares. The capital increase occurred through the contribution of 137 registered shares in Wassoul'Or S.A. by Mansa Moussa Gold Fund. Wassoul'Or is a stock corporation under the laws of the Republic of Mali, entered in the Commercial Register of Bamako (Republic of Mali) under number 2002.B03.74. The share capital in the total amount of 2,200,000,000.00 CFA Francs is divided into 1,100 registered shares with a nominal value of CFA 2,000,000.00 each. The 137 shares contributed thus amounted to approximately 12.5% of Wassoul'Or S.A's capital.

Acquisition of shares

With the agreement of 25 May 2010, an additional 138 registered shares in Wassoul'Or S.A. were acquired by Mansa Moussa Gold Fund at a purchase price of EUR 70 million. The purchase price for the shares was to be paid from the proceeds of a cash capital increase as part of an IPO in fiscal year 2010. However, the IPO did not take place in 2010. In 2011, the Mansa Moussa Gold Fund's receivables from the sale of shares were to be paid by way of an increase in capital via a contribution in kind.

Disclosures regarding shareholdings in other companies with at least 20 percent equity

Pursuant to § 285 No. 11 HGB, the following companies are reported about:

Company name/registered office	Amount of equity interest	Net profit	Equity
		EUR	EUR
Wassoul'Or SA, Bamako (Republic of Mali)	25%	0.00	3,353,863.04

The Company issues its annual financial statements in CFA. Given an exchange rate of CFA 655.96/EUR, the equity in the amount of CFA 2,200,000,000.00 is equivalent to EUR 3,353,863.04.

Average number of employees during the fiscal year

There were no employees during the fiscal year.

Additional disclosure obligations under the German Stock Corporation Act

Information about the inventory, purchase and sale of treasury stock

There was no treasury stock as at 31 December 2010.

Information about the class of shares

The share capital of 10,250,000.00 is divided into:

Share capital		EUR
10,250,000.0 common shares each at a nominal value of	1.00	10,250,000.00

The shares are no-par bearer shares.

Notification according to § 20 AktG

Mansa Moussa Gold Fund notified us on 25 January 2010 pursuant to § 20 AktG that it owned more than one fourth of the shares in our Company and was thus a majority shareholder of our Company.

Signature of the Management Board

Place, date Signature

AUDIT OPINION

To Pearl Gold AG, Frankfurt am Main

We have audited the annual financial statements – comprising balance sheet, profit and loss account and notes – together with the bookkeeping system of Pearl Gold AG, Frankfurt am Main, for the business year from 01 January 2010 to 31 December 2010. The maintenance of the books and records and the preparation of the annual financial statements in accordance with German commercial law are the responsibility of the company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, based on our audit.

We conducted our audit of the annual financial statements in accordance with section 317 HGB [German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements, whether due to error or fraud, materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements are examined primarily on a test basis within the framework of the audit. The audit includes an assessment of the accounting principles used and significant estimates made by management, as well as an evaluation of the overall presentation of the annual financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements of Pearl Gold AG for the business year from 01 January 2010 to 31 December 2010 comply with legal requirements and give a true and fair view of the net assets, financial position and results of operations of the company in accordance with German principles of proper accounting.

Without limitation of the opinion, we would like to point out that hence the Pearl Gold AG via the business of the Wassoul`Or S.A. is exposed in the Republic of Mali with special political, social and regulatory country risks and that it cannot be excluded that negative consequences for Wassoul`Or S.A. and therefore as well for Pearl Gold AG could occur, but that for the time being no special political, social or regulatory country risks are recognizable.

Frankfurt am Main, 11 July 2012

Warth & Klein Grant Thornton GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Dirk Bauer	Robert Binder
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

ANNUAL FINANCIAL STATEMENTS UNDER HGB

AS AT

31 DECEMBER 2009

PEARL GOLD AG

Frankfurt am Main

BALANCE SHEET

PEARL GOLD AG
Frankfurt am Main

as at

31 December 2009

ASSETS

	Fiscal year EUR	Previous year EUR
A. Outstanding contributions to subscribed capital	0.00	37,400.00
B. Current assets		
I. Receivables and other assets		
1. Other assets	7,635.30	0.00
II. Cash-in-hand, central bank balances, bank balances, and cheques	49,673.30	12,600.00
C. Net loss not covered by equity	42,787.47	0.00
	100,096.07	50,000.00

EQUITY AND LIABILITIES

	Fiscal year EUR	Previous year EUR
A. Equity		
I. Subscribed capital	50,000.00	50,000.00
II. Annual net loss	-92,787.47	0.00
Net loss not covered	42,787.47	0.00
Book equity	0.00	50,000.00
B. Provisions		
1. Other provisions	52,275.00	0.00
C. Liabilities		
1. Trade liabilities - of which due within one year EUR 47,821.07 (EUR 0.00)	47,821.07	0.00
	100,096.07	50,000.00

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INCOME STATEMENT for 01/01/2009 to 31/12/2009

PEARL GOLD AG
Frankfurt am Main

	Fiscal year EUR	Previous year EUR
1. Other operating expenses		
a) Ordinary operating expenses		
aa) Miscellaneous operating expenses	92,787.47	0.00
2. Result from ordinary activities	-92,787.47	0.00
3. Annual net loss	92,787.47	0.00

1. General disclosures

The annual financial statements as at 31 December 2009 of PEARL GOLD AG (hereinafter referred to as "PEARL" or the "Company") have been prepared in accordance with the requirements of the German Commercial Code (*Handelsgesetzbuch* – HGB) for small corporations and the supplementary requirements of the German Stock Corporation Act (*Aktiengesetz* – AktG).

The balance sheet and income statement classifications correspond to §§ 266 and 275 of the HGB. The income statement has been prepared using the total cost method in accordance with § 275(2) of the HGB.

The Company was established on 11 November 2008 as Perle 16. AG and registered on 14 November 2008 in the commercial register of the District Court of Frankfurt am Main under HRB 84285. The formation expenses were borne by VRB Vorratsgesellschaften GmbH, Berlin. The name of the Company was changed to PERL EA GOLD AG by registration in the commercial register on 2 November 2009. The name of the Company was changed to PEARL GOLD AG by registration in the commercial register on 8 September 2010.

2. Accounting and measurement disclosures, including tax measures

2.1 Accounting and measurement policies

Recognition and measurement of individual items is performed on the basis of the general provisions of §§ 246 to 256 of the HGB and the special requirements for corporations in §§ 264 to 283 of the HGB.

Receivables and other assets are recognised at their nominal values.

Bank balances are recognised at nominal value.

Other provisions are formed in the expected amount of the claim for uncertain liabilities whose amount or time of occurrence is indeterminate as dictated by prudent business judgement.

Liabilities are recognised at their settlement amount.

3. Notes to the balance sheet

All receivables and other assets are due within one year.

The bank deposits do not bear interest.

The share capital was EUR 50,000 as at 31 December 2009 and was divided into 50,000 no-par-value bearer shares.

PEARL showed an accounting deficit not covered by equity of TEUR 43 as at 31 December 2009. The share capital of PEARL was increased by EUR 50,000, from EUR 9,959,000 to EUR 10,000,000, by a capital increase against contributions in kind effective 1 January 2010. A 12.5% participation with an agreed value of EUR 9,950,000 was contributed under a contribution-in-kind agreement. 9,950,000 no-par-value bearer shares were issued in return for the contributed participation.

The share capital has been EUR 10,000,000 since registration of the capital increase in the commercial register of Frankfurt am Main on 19 March 2010. The accounting deficit not covered by equity was eliminated as at this date.

The other provisions relate to advisory and auditing costs.

The liabilities are all due within one year.

4. Other disclosures

4.1 Names of the members of the Management Board and Supervisory Board

Management Board
Dominique Fouquet, independent business advisor, Bois le Roi, France, since 10/08/2009
Jean Louis Dupuy, independent business advisor, Saint Romain du Mont d'Or, France, since 10/08/2009
Laurent Seigneur, member of the board of directors of Sophteam Development SA, Geneva, Switzerland, from 10/08/2009 to 25/11/2009
Mandy Schülzke, legal and notary assistant, VRB Vorratsgesellschaften GmbH, Berlin, until 10/08/2009
The members of the Management Board received no compensation.

Supervisory Board
Aliou Diallo, managing director of Mansa Moussa Asset Management S.A.R.L. AU, Rabat, Morocco, Chairman of the Supervisory Board, since 10 August 2009
Alexandre Davidoff, lawyer, Martin Davidoff Fivaz & Associés, Geneva, Switzerland, since 10 August 2009
Raymond Leclerc, independent mining engineer, Saint Romuald, Quebec, Canada, from 10 August 2009 to 31 December 2009
Petra Voss, independent coach and seminar leader, Berlin, Chairman of the Supervisory Board, until 10 August 2009
Vera Jesse, independent PR advisor, Berlin, until 10 August 2009
Daniel Jesse, independent business advisor, Berlin, until 10 August 2009

The members of the Supervisory Board received no compensation.

Employees
The Company does not have any employees of its own.

Frankfurt am Main, 26 November 2010

Dominique Fouquet Jean Louis Dupuy

The annual financial statements were formally approved by the Supervisory Board of the Company on 2 December 2010.

AUDIT OPINION

To PEARL GOLD AG, Frankfurt am Main

We have audited the annual financial statements – comprising balance sheet, profit and loss account and notes – together with PEARL GOLD AG, Frankfurt am Main, for the business year from 01 January to 31 December 2009. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with section 317 HGB [German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprufer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements, whether due to error or fraud, materially affecting die presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company and expectations as to possible misstatements are taken into account in die determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes an assessment of the accounting principles used and significant estimates made by management, as well as an evaluation of the overall presentation of die annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements of PEARL GOLD AG, Frankfurt am Main, comply with legal requirements and give a true and fair view of the net assets, financial position and results of operations of the company in accordance with German principles of proper accounting.

Frankfurt am Main, 26 November 2010

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

(Ludwig) Wirtschaftsprüfer	(ppa. Wiesner) Wirtschaftsprüfer

SUPPLEMENTAL COMPONENTS OF THE ANNUAL FINANCIAL STATEMENTS UNDER HGB

AS AT

31 DECEMBER 2009

PEARL GOLD AG

Frankfurt am Main

CASH FLOW STATEMENT FOR THE FISCAL YEAR

FROM 1 JANUARY TO 31 DECEMBER 2009 (2008)
in TEUR

	01/01-31/12/2009	01/01-31/12/2008
	HGB	*HGB*
Cash flow from operating activities		
Net income (loss) for the period	-92.8	0.0
Change in provisions	52.3	0.0
Change in trade receivables and other assets not attributable to investing or financing activities	-7.6	0.0
Change in trade liabilities and other liabilities not attributable to investing or financing activities	47.8	0.0
Cash flow from operating activities	***-0.3***	***0.0***
Cash flow from investing activities		
Purchase of long-term financial assets	0.0	0.0
Cash flow from investing activities	***0.0***	***0.0***
Cash flow from financing activities		
Cash receipts from equity financing	37.4	12.6
Cash proceeds from borrowings	0.0	0.0
Cash flow from financing activities	***37.4***	***12.6***
Net change in cash funds	37.1	12.6
Cash funds at beginning of period	12.6	0.0
Cash funds at end of period	**49.7**	**12.6**

STATEMENT OF CHANGES IN EQUITY FOR THE FISCAL YEAR

FROM 1 JANUARY TO 31 DECEMBER 2009 (2008)
in TEUR

	Subscribed capital	Capital reserves	Net retained profits/ net accumulated losses	Total equity
Balance as at 11 November 2008	**0.0**	**0.0**	**0.0**	**0.0**
Partial payment of ordinary share capital	12.6			12.6
Net income (loss) for 2008			0.0	0.0
Balance as at 31 December 2008	**12.6**	**0.0**	**0.0**	**12.6**
Remaining payment of ordinary share capital	37.4			37.4
Net income (loss) for 2009			-92.8	-92.8
Balance as at 31 December 2009	**50.0**	**0.0**	**-92.8**	**-42.8**
Net income (loss) for 2010			-720.4	-720.4
Capital increases	10,200.0			10,200.0
Transfer to capital reserves		60,050.0		60,050.0
Balance as at 31 December 2010	**10,250.0**	**60,050.0**	**-813.2**	**69,486.8**

Certificate

for PEARL GOLD AG, Frankfurt am Main

We have reviewed the statement of changes in equity and cash flow statement of PEARL GOLD AG for the fiscal year from 1 January 2009 to 31 December 2009. Preparation of the statement of changes in equity and cash flow statement is the responsibility of the management of the Company. Our responsibility is to issue a certification of the statement of changes in equity and cash flow statement based on our review.

We performed our review of the statement of changes in equity and cash flow statement in accordance with German standards for the review of financial statements promulgated by the German Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review such that our critical examination excludes the possibility of material faults in the statement of changes in equity and cash flow statement with reasonable assurance. A review is primarily limited to employee interviews and analytical assessments.

Our review did not reveal any facts or circumstances that would lead us to assume that there was a material cause for complaint with respect to the statement of changes in equity or cash flow statement.

The performance of our engagement and our responsibilities, including with respect to third parties, are governed by the attached General Terms of Engagement for Auditors and Auditing Companies (*Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften*) as amended on 1 January 2002.[1].

Frankfurt am Main, 11 July 2012

Warth & Klein Grant Thornton GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

D. Bauer	R. Binder
Auditor	Auditor

[1] Our review report is not intended for publication, reproduction or use for any purpose other than those indicated above. It may not be provided to third parties without our prior written consent.

WASSOUL'OR

Quartier du fleuve – Avenue de l'Yser

Porte n°345 – Bamako – IF : 087800492H

Republic of Mali

Separate Financial Statements Under IFRS

for the Fiscal Year Ended 31 December 2011

BALANCE SHEET

In CFA francs	Notes	31/12/2011	31/12/2010
ASSETS			
Non-current assets		**98,759,681,361**	**86,137,533,376**
Intangible assets	4.7	38,953,649,460	37,105,169,306
Property, plant, and equipment	4.8	59,521,106,852	49,013,493,670
Financial assets: loans and receivables	4.9	284,925,049	18,870,400
Current assets		**520,467,156**	**140,856,164**
Trade receivables	4.10	250,943,417	23,942,804
Cash and cash equivalents	4.11	269,523,739	116,913,360
Total assets		**99,280,148,517**	**86,278,389,540**

EQUITY AND LIABILITIES			
Equity		**243,851,430**	**2,200,000,000**
Subscribed capital	4.12	2,200,000,000	2,200,000,000
Capital reserves	4.13	-1,956,148,570	0
Liabilities		**99,036,297,087**	**84,078,389,540**
Current liabilities	4.14	1,103,001,614	0
Trade liabilities	4.15	2,118,952,555	334,296,164
Other liabilities	4.16	95,765,515,087	83,190,568,599
Other tax liabilities	4.17	48,827,831	553,524,777
Total equity and liabilities		**99,280,148,517**	**86,278,389,540**

Income statement

In CFA francs	Notes	31/12/2011	31/12/2010
Cost of purchased products	**4.18**	-2,408,484,309	-239,982,229
Personnel expenses	4.19	-817,110,694	-763,366,175
Taxes and levies	4.20	-156,736,035	-76,486,259
Depreciation, amortisation, write-downs and transfers to provisions	4.21	-330,882,332	-557,005,673
Current operating result		**-3,713,213,370**	**-1,636,840,336**
Non-recurring income and expenses	4.22	1,810,236,977	1,774,151,230
Operating result		**-1,902,976,393**	**0**
Financing expenses	4.23	-53,172,177	-137,310,894
Result from ordinary activities		**-1,956,148,570**	**0**
Earnings after taxes		**-1,956,148,570**	0
Net income (loss)		-1,956,148,570	**0**
Average number of shares outstanding		1,100	1,100
Earnings per share, in CFA		-1,778,317	**0**

Statement of comprehensive income

In CFA francs	Notes	31/12/2011	31/12/2010
Net income (loss)		**-1,956,148,570**	**0**
Total gains and losses recognised directly in equity		0	0
Comprehensive income		**-1,956,148,570**	**0**

Cash flow statement

	Notes	31/12/2011	31/12/2010
Cash flow from operating activities		**-14,682,203,541**	**-861,193,400**
Cash paid to suppliers		-13,229,441,907	-396,600,381
Cash paid to employees		-465,339,670	-444,492,819
Cash repayments of Company debts		-330,203,158	-20,000,000
Taxes		-657,218,806	**0**
Cash flow from investing activities		**-12,686,348,306**	**-1,788,947,219**
Purchase of intangible assets		-1,848,480,154	-1,774,151,230
Purchase of property, plant, and equipment		-10,507,613,182	-14,795,989
Cash flow from financing activities		**27,518,348,386**	**2,877,955,614**
Financing from shareholders		27,604,318,413	4,581,990,243
Repayment of financial liabilities		-32,797,850	-1,566,723,735
Financing expenses paid		-53,172,177	-137,310,894
Net change in cash and cash equivalents		**149,796,539**	**227,814,995**
Cash and cash equivalents at beginning of fiscal year		116,913,360	-110,901,635
Cash and cash equivalents at end of fiscal year		266,709,899	116,913,630

Statement of changes in equity

In CFA francs				
End of the fiscal year on 31 December	**Capital**	**Gains and losses recognised directly in equity**	**Annual net loss**	**Equity**
31/12/2011	**2,200,000,000**	**0**	-1,956,148,570	**243,851,430**
Net income (loss)			-1,956,148,570	
Capital increase				
31/12/2011	**2,200,000,000**	**0**	-1,956,148,570	**243,851,430**
Net income (loss)				
31/12/2010	**2,200,000,000**		**0**	**2,200,000,000**
Net income (loss)				
01/01/201	**2,200,000,000**		**0**	**2,200,000,000**

NOTES TO THE IFRS SEPARATE FINANCIAL STATEMENTS
FROM 01/01/2011 TO 31/12/2011

1. GENERAL INFORMATION

The IFRS separate financial statements of Wassoul'Or S.A. (hereinafter referred to as "Wassoul'Or") were prepared in accordance with IFRS upon request by the German Federal Financial Supervisory Authority (BaFin). Fiscal year 2011 comprises a period of 12 months from 01/01/2011 to 31/12/2011.

Wassoul'Or, with registered office in Bamako, is a large mining company with good equipment and logistics infrastructure (including a paved access road to the Kodiéran site and 300 km of gravel road south of Bamako, the capital city of Mali).

Wassoul'Or built a test production plant with a capacity of 1,000 t/day that was operated successfully for a period of twelve months. This aim of this production plant was to test the gold extraction process and determine the actual gold content. The positive results allowed the process to be optimised and led to commissioning of the actual production plant with a capacity of 11,000 t/day at the beginning of 2012.

SODINAF and the Republic of Mali established Wassoul'Or A.G under Malian law in accordance with the Mali Mining Act enacted in 1991 (Mining Act of 1991) and the "Convention d'établissement" (formation agreement) entered into with the government of Mali. The Company, with registered office in Bamako, the capital city of Mali, was established with the object of exploiting the gold deposits. The Chairman of the Management Board, Mr Aliou Boubacar Diallo, is the legal representative of the Company. Wassoul'Or is registered in the commercial register maintained by the Bamako Court of Appeal under number 2002.B.03.74, and has ordinary share capital of 2,200,000,000.00 CFA francs.

This ordinary share capital is divided into 1,100 shares with a par value of 2,000,000.00 CFA francs per share.

In accordance with the provisions of the Mining Act, the Republic of Mali has an interest in the share capital of Wassoul'Or, as is also the case for all other mining companies in Mali. The Republic of Mali has held 20% of the ordinary share capital of Wassoul'Or since the Company was established. In accordance with the requirements of the "Convention d'établissement", the Mining Act of 1991 is still applicable, even though a new Mining Code entered into effect in Mali in 1991. The fact that the Mining Act of 1991 continues to be applicable was stipulated in Article 21 of the "Convention d'établissement".

Under the provisions of the Mining Act of 1991, the government of Mali can request an allotment of 10% of the ordinary share capital of any mining company in Mali free of charge. The percentage of the ordinary share capital of a company to be granted to the government can rise to 20% if the government has made prior investments that affect the licence territory and consequently benefit the mining company. The Republic of Mali exercised this preferential right with respect to Wassoul'Or and therefore holds 20% of the ordinary share capital.

On 25 December 2002, SODINAF entered into an agreement with Wassoul'Or to transfer the mining concession and all associated rights and obligations that SODINAF had received under Decree No. 97179 PM-RM to Wassoul'Or.

On 10 December 2009, the government of Mali issued Decree No. 09-655/PM-RM with the following provisions:

- Confirmation of the transfer of the mining concession to Wassoul'Or under Decree No. 97-179 PM-RM of 30 May 1997 for the remainder of the term granted.

- Declaration that all of the rights created by the decree and all of the obligations entered into by SODINAF have passed over to Wassoul'Or.

The participation in Wassoul'Or is apportioned as follows:

Republic of Mali	220	shares
SODINAF SA	597	shares
PEARL GOLD AG	275	shares
Jean-Louis Dupuy	5	shares
Emmanuel Bodule Sosso	3	shares
	1100	**shares**

In countries with legal systems influenced by the French legal system, as is the case in Mali, companies like Wassoul'Or are governed by a board of directors. The Board of Directors of Wassoul'Or currently has nine members, two of whom were nominated by the government of Mali.

The members are the following:

Members nominated by SODINAF include:

- Mr Aliou Boubacar Diallo; resident in Rabat (Morocco)
- Mr Emmanuel Boudolé Sosso; resident in Amiens (France)
- Mr Mamadou Diallo; resident in Bamako (Mali)
- Mr Dominique Fouquet; resident in Bois-le-Roi (France)
- Ms Quattara Aminata Nandy, née DIALLO; resident in Bamako (Mali)

Members nominated by PEARL GOLD AG include:

- Mr Jean-Louis Dupuy; resident in Saint-Romain-au-Mont-d'Or (France)
- Mr Robert Francis Goninon; resident in Abu Dhabi (United Arab Emirates)

Members nominated by the Republic of Mali include:

- Mr Mamadou Lamine Ballo; resident in Bamako (Mali)
- Mr Ibrahima Yattara; resident in Bamako (Mali).

2. ACCOUNTING POLICIES

2.1 Basis of accounting

The annual financial statements of Wassoul'Or were prepared in accordance with the IFRS applicable on 31 December 2011.

The currency of the report is the CFA franc. Unless indicated otherwise, figures are presented in thousands of CFA francs (CFA '000), which could result in rounding differences.

Business transactions in foreign currencies are translated and recognised using the foreign exchange rate at the time of the transaction. When each subsequent balance sheet is prepared, asset- and liability-side items in foreign currencies are translated and recognised using the foreign exchange applicable on the balance sheet date. Gains and losses reported in the balance sheet come from the income statement.

2.2 First-time adoption of IFRS

Wassoul'Or is not the parent or subsidiary of another company. Although Pearl Gold AG has an important influence on Wassoul'Or, including in its role as an active investor, it nevertheless only holds a 25% interest in Wassoul'Or.

Wassoul'Or does not prepare IFRS consolidated financial statements, but only separate financial statements. The Company is required under African OHADA business law to prepare financial statements that meet the requirements of commercial law.

Wassoul'Or prepared its annual financial statements in accordance with IFRS accounting standards applicable on the balance sheet date and the IFRIC of the Intentional Accounting Standard Board (IASB) for the first time as at 31 December 2011.

The effective date for first-time transition from OHADA to IFRS is 1 January 2010.

Wassoul'Or applied the standards applicable on 31 December 2011 or those that should be used for first-time application of IFRS accounting standards for every period included in the annual financial statements.

2.3 Non-application of published but not yet mandatory standards

Wassoul'Or did not apply the following standards there were already published but not yet mandatory.

- IAS 27 "Separate Financial Statements"
- IAS 32 "Financial Instruments: Presentation"

- "IFRS Improvements"

IAS 27 "Separate Financial Statements" (12 May 2011)

- First-time mandatory application for fiscal years beginning on or after 1 January 2013 -

As a result of the revision and amendment of five standards concerning the consolidation of and accounting for participations in associated companies and joint ventures, IAS 27 now only contains provisions on the accounting for investments in subsidiaries, associates, and joint ventures in the separate financial statements of the parent company, which are practically unchanged except for a few editorial changes. This will have no material effect on the net assets, financial position, or results of operations of Wassoul'Or.

IAS 32 "Financial Instruments: Presentation"

- First-time mandatory application for fiscal years beginning on or after 1 January 2013 -

The aim of the changes to IAS 32 is to improve the understanding that the user of the financial statements has of the influence of financial statements on the net assets, financial position and results of operations of a company. Accordingly, subscription rights (and certain options or warrants) are to be classified as equity instruments if such rights allow a fixed number of the company's equity instruments to be purchased for a fixed amount in any currency and the company offers them on a pro-rata basis to all current owners of the same class of its non-derivative equity instruments. This currently has no foreseeable effects for Wassoul'Or.

"IFRS Improvements" (2009-2011, 17 May 2012)

- First-time mandatory application for fiscal years beginning on or after 1 January 2013 -

"IFRS Improvements" is a standard amending a variety of IFRS (primarily IFRS 7) to eliminate inconsistencies and clarify formulations. It provides separate transitional provisions for each IFRS amended. Application would have no material effects on the net assets, financial position and results of operations of Wassoul'Or.

2.4 New and amended standards and interpretations that have not yet entered into force

Wassoul'Or did not apply new and amended standards and interpretations that have been adopted but have not yet entered into force, including in particular the following:

IFRS 9 "Financial Instruments" (12 November 2009)

- First-time mandatory application for fiscal years beginning on or after 01 January 2015 -

IFRS 9 "Financial Instruments", which has long been and in some cases still is the subject of controversy, must be applied for fiscal years beginning on or after 1 January 2015. Notwithstanding possible changes, IFRS 9 will introduce new classification, measurement and disclosure requirements for financial assets that the Board of Directors expects will have a material effect on the presentation of financial assets. A meaningful assessment of possible effects on the net assets, financial position and results of operations of Wassoul'Or is, however, not yet possible at the time.

IFRS 13 "Fair Value Measurement"

- First-time mandatory application for fiscal years beginning on or after 1 January 2013 -

IFRS 13 creates uniform guidelines for measurement of the current fair value and associated information concerning financial and non-financial balance sheet items. Its scope now also includes all assets and liabilities. The Board of Directors feels that IFRS 13 could have a material effect on recognised values and that IFRS 13 introduces extensive disclosure requirements.

IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"

- First-time mandatory application for fiscal years beginning on or after 1 January 2013 -

Open pit mines often require disposal of the mining strip that is removed in order to gain access to ore and mineral deposits. The Company can obtain two benefits from this: The strip can contain iron or other minerals that have a market value, even if they are present in smaller concentrations, and can also help improve access to other deposits that can be used in the future. IFRIC 20 clarifies how and when these two uses of strip need to be reported in the balance sheet and how these uses must be treated upon initial and subsequent recognition. The Board of Directors of Wassoul'Or feels that IFRIC 20 could have a significant influence on the net assets, financial position, and results of operations of the Company.

2.5 Events after the balance sheet date

Events that occur between the balance sheet date and authorisation for issue by the Board of Directors only require adjustments to be made only if they indicate, define more clearly, or confirm the situation existing on the balance sheet date.

2.6 Earnings per share

Wassoul'Or presents basic earnings per share in its financial statements. The basic earnings per share equals the net income or loss attributable to the shareholders of ordinary shares divided by the average number of issued shares in circulation during the course of the year.

2.7 Non-recurring income and expenses

One-time operating income and expenses from non-recurring transactions that cannot be considered part of the operations and ordinary result of Wassoul'Or due to their nature, amount, and/or frequency.

They are reported separately in the income statement under "non-recurring income and expenses" in order to make it easier to compare the performance and operating results of different periods. Detailed information is presented in Note 4.22.

They primarily include:

- Losses resulting from impairment tests, in particular for assets and exploration rights, property, plant, and equipment, and intangible assets;
- Other significant income or expenses in connection with unusual or extraordinary events that could affect the analysis and comparability of Wassoul'Or's performance.

2.8 Impairment

Assets with indeterminate useful lives are not depreciated or amortised and are tested for impairment at least once a year on the balance sheet date or any time there are indications of impairment.

Depreciated or amortised assets are tested for impairment as soon as events or special circumstances make their carrying amounts doubtful.

Non-current assets, except for goodwill, which could be impaired, are tested for possible reversal of the impairment on each balance sheet date.

2.9. Intangible assets

2.9.1 Development expenses

Development expenses primarily relate to the extraction and exploration processes aimed at identifying new gold resources. They are capitalised as soon as they are attributed to a project that is identifiable and can be reliably measured on the balance sheet date and has a real chance of technical success and commercial profitability.

Mining development expenses are amortised over the estimated period of exploitation beginning as at the start of operations on a site.

If no useful deposits are found, exploration expenses, i.e. expenses for the search for new information on the mineralogical potential, technical feasibility, and profitability of a geographic zone are immediately written down as operating expenses.

Mining research expenses are measured at acquisition or production costs.

2.9.2 Exploration rights

Exploration rights are rights granted by the government to determine if a deposit exists and to quantify its scale. They are recognised as intangible assets and initially measured at purchase or production costs.

2.9.3 Impairment

Intangible assets are tested for impairment as soon as there are indications of impairment. If this is the case, additional write-downs are reported in the income statement under operating result in the item "depreciation, amortisation and write-downs and provisions".

Indications of impairment include, for example, the quantity and quality of the resources, expected extraction yield, market value of the transactions, and changes in the legal and/or technological environment. The exchange price of a fine ounce of gold and the exchange rate of the dollar also affect the value of mining and exploration rights.

2.10 Mining assets

2.10.1 Fair value measurement

Mining assets are the ore extraction rights (concession or operating licence) for gold deposits granted by the government. By their nature, mineral resources in sites within the territory of such ore extraction licences are classified as property, plant, and equipment.

Mining assets are initially measured at cost. .

Mining assets are amortised over the estimated operating life of a site beginning as at the start of operations.

2.10.2 Impairment

Mining assets are tested for impairment as soon as there are indications of impairment. If impairment exists, additional write-downs are reported under operating result in the income statement in the item "depreciation, amortisation and write-downs and provisions".

Indications of impairment include, for example, the quantity and quality of the resources, expected extraction yield, market value of the transactions and changes in the legal and/or technological environment. The exchange price of a fine ounce of gold and exchange rate of the dollar also affect the value of mining and exploration rights.

2.11 Property, plant, and equipment excluding mining assets

Property, plant, and equipment excluding mining assets primarily consists of land, structures, and production plants. These assets are recognised at acquisition costs less cumulative depreciation and possible impairment in accordance with the method in IAS 16 – Property, Plant, and Equipment.

Depreciation for components of property, plant, and equipment with different useful lives is calculated using the linear method without accounting for residual values. The periods generally correspond to the following useful lives:

- Buildings and office equipment 3 to 7 years
- Technical equipment, machinery, and devices 3 to 10 years
- Miscellaneous equipment 5 to 7 years
- Facilities and office equipment 3 to 10 years

The useful life of non-current assets directly related to operations takes into account the estimated economic life of the operating income. The useful lives of items of property, plant, and equipment are reviewed periodically and changed, if necessary, according to the circumstances.

Depreciation is recognised as an expense for the fiscal year.

Items of property, plant, and equipment except mining assets are tested for impairment as soon as there are indications of impairment. If impairment exists, additional write-downs are reported under operating result in the income statement in the item "depreciation, amortisation and write-downs and provisions".

2.12 Financial instruments

A material or permanent reduction in the fair value of an investment in a financial instrument below its acquisition cost is also an objective indicator of impairment. Loans and receivables are reported as financial instruments, measured at cost, and are subject to impairment if there are objective indications of impairment. Financial claims are remeasured when they are of significant scale.

2.13 Receivables and liabilities

Receivables and liabilities in CFA francs are reported at their nominal value. Provisions are formed for outstanding debts if it is probable that the receivable cannot be collected and it is possible to make a reasonable estimate of the size of the loss.

The identification of outstanding debts and associated provisions is based on historical empirical values for effective receivables losses, receivables ageing analysis, and a detailed assessment of the specific receivables and credit risks they are related to.

2.14 Currency translation - currency risks

As a rule, transactions in foreign currency are recognised using the exchange rate at the time the transaction is entered or the hedging rate. The foreign currency amounts of receivables and liabilities are translated into CFA francs upon settlement using the daily closing exchange rate. Exchange differences for transactions in foreign currency are reported in profit or loss.

2.15 Cash and cash equivalents

Cash and cash equivalents in the balance sheet include cash-in-hand, bank balances, time deposits up to three months, and securities that satisfy the criteria of IAS 7.

Interest accrued in savings accounts is recognised in financial products.

2.16 Contingent assets and liabilities

Contingent assets and liabilities arise from past events but their existence is confirmed only by the occurrence of uncertain future events. Contingent liabilities also include unrecognised obligations whose amounts cannot be measured with sufficient reliability.

3. SEGMENT REPORT

3.1 Information by area of activity

Wassoul'Or only operates in the area of primary gold mining. As a result, no segments were formed.

3.2 Information by geographical areas

Wassoul'Or conducts exploration and mining work in the Kodieran site in Mali. All of the activities of Wassoul'Or therefore take place in Mali.

4. NOTES ON THE SEPARATE FINANCIAL STATEMENTS

4.1 Financial assets and liabilities

All assets and financial liabilities are initially recognized at fair value.

Financial assets held for trading are measured at fair value, with changes in fair value recognised in profit or loss. The changes in fair value that are recognised in profit or loss include interest income, recorded profits and losses and are presented as net investment income.

Loans and receivables and other financial liabilities are measured at cost less amortisation calculated using the effective interest rate (including any impairment in the case of financial assets). The interest calculated using the effective interest rate method is reported under net investment income.

4.2. Property, plant, and equipment

Items of property, plant, and equipment are recognised at cost when acquired as business assets. They do not include any physical assets with useful lives of less than one year.

Property, plant, and equipment is depreciated linearly.

Depreciation is calculated linearly over the normal useful life of the asset.

Non-depreciable non-current assets are recognised at gross value, which is equal to acquisition costs less incidental expenses. If inventory value is less than gross value, a write-down in the amount of the difference is recognised.

4.3 Gold deposits and development and extraction expenses:

Intangible assets consist of development expenses and include:

- Expenses for geology and geophysics;
- Exploratory boring;
- Own work capitalised.

The expenses for geology and geophysics: expenses for geology, geophysics, and exploratory boring are reported as intangible assets.

Expenses for exploratory boring are reported as intangible assets.

Expenses related to the acquisition, exploration, and exploitation of the gold deposits are capitalised for each deposit until the start of commercial production.

Any incidental income generated during the exploration and development period is accounted for as a reduction of deferred expenses. When commercially profitable ore deposits are exploited, the capitalised acquisition, exploration and development costs of the site are reclassified as mineral deposits and amortised using the units-of-production method.

If it is determined that the acquisition, exploration, and development expenses cannot be recovered over the estimated life of the mining project, or if the project is abandoned or excessively long delays occur, the value of the site and the exploration and development expenses are reduced to the known net realisable value.

Coverage of the amounts recognised for the site, exploration expenses, and development expenses depends on the discovery of commercially profitable reserves, the Company's confirmation of the participation in associated extraction rights, and the ability of the Company to acquire needed financing in order to develop future profitable production or to obtain proceeds from the sale of such mining projects. The amounts recognised for the site and the deferred exploration and development expenses do not necessarily equal the current or future value.

4.4 Taxes on income

Due to a lack of sales, the net deficit, and application of mining law, the Company is not subject to income tax.

4.5 Currency translation

The annual financial statements of WASSOUL'OR AG are prepared in CFA francs (CFAF).

Parity with the euro is: 1 euro = 655.957 CFAF

4.6 Environment

The Company's activities are subject to environmental laws and regulations. The environmental impact in terms of outcomes, effect, or time is difficult to determine. To management's best knowledge as at the balance sheet date, the Company is conducting its activities in compliance with applicable laws and regulations.

We note in this regard that Wassoul'Or uses gravimetric processes that have practically no negative effects on the environment.

The population of Faboula, the municipality where the mine is located, supports the project due to the social measures that benefit them. These are, in particular, construction of a school, provision of an emergency vehicle, and hiring of young workers from the village.

4.7 Development expenses

Research and development expenses	2011	2010
Gross total at beginning of fiscal year	37,104,941,806	35,365,199,991
Purchase and acquisition, development	1,846,061,900	1,744,026,815
Gross total on balance sheet date	**38,951,003,706**	**37,104,941,806**
Amortisation	0	0
Net carrying amount	**38,951,003,706**	**37,104,941,806**

These expenses include:

- Expenses for geology and geophysics;
- Exploratory boring;
- Own work capitalised.

Expenses for geology and geophysics: expenses for geology, geophysics, and exploratory boring are reported under development expenses.

The expenses for exploratory boring are reported under development expenses.

Transfer payments during the accounting period are reported under research and development expenses. These expenses are amortised beginning as at the start of commercial exploitation. Based on the results of the work performed to date, exploitation of the site has strong prospects of success both from the technical and commercial perspectives.

4.8. Property, plant, and equipment

Property, plant, and equipment	Expenses	Cumulative depreciation to 2010	Depreciation 2011	Carrying amount 2011
Buildings	9,458,012,071	130,126,283	32,984,316	9,294,901,472
Equipment and facilities	50,429,878,112	649,071,415	181,113,304	49,599,693,393
Machinery	3,366,061,259	2,824,895,761	94,264,304	446,901,194
Transport equipment	813,743,911	657,036,691	21,893,047	179,610,793
Total	**64,067,695,353**	**4,261,130,150**	**330,254,971**	**59,521,106,852**

All items of property, plant, and equipment are recognised at cost when acquired as business assets. They do not include any assets with a useful life of less than one year.

Property, plant, and equipment is depreciated linearly.

Depreciation is performed using the linear method based on the normal useful life of the asset.

Non-depreciable non-current assets are recognised at gross value, which equals the acquisition price without including incidental expenses. If the inventory value is less than the gross value, a provision for impairment is formed in the amount of the difference. They consist of the following items:

- Equipment and facilities
- Machinery
- Transport equipment.

4.9 Other financial assets

Other financial assets	**2011**	**2010**
Gross amount at beginning of fiscal year	18,870,400	18,870,400
Increases during the fiscal year	1,395,730,204	0
Decreases during the fiscal year	1,129,675,555	0
Total as at the balance sheet date	**284,925,049**	**18,870,400**

Other assets increased by deposits of CFAF 1,395,730,204 and decreased by repayment of employee loans and withdrawal of deposits.

4.10 Other receivables

The receivables of CFAF 250,943,417 were comprised of the following:

Other receivables	238,496,857
Advances paid to suppliers	12,446,560

These are prepaid items (insurance) in the amount of CFAF 170,255,117, a discount on the sum payable at death of CFAF 827,200, PEARL GOLD AG 65 595 700, taxes and levies of CFAF 1,818,840, and an advance of CFAF 12,446,560 paid to a supplier.

4.11 Cash assets

The cash assets are comprised of the following:

Branch	Amount	
	2011	2010
Banque Commerciale du Sahel	262,649,429	177,192
Ecobank Mali	0	116,670,076
Banque Internationale pour le Mali	665,641	18,092
Caisse siège	6,208,669	48,000
Carrying amount	**269,523,739**	**116,913,360**

4.12 Subscribed capital

The share capital is CFAF 2,200,000,000, with the shares divided as follows:

Shareholder	Shareholdings (%)
SODINAF	54.28
PEARL GOLD AG	25.00
REPUBLIC OF MALI	20.00
Jean Louis DUPUY	0.45
Emmanuel Bodoulé SOSSO	0.27
Total	100.00

The equity is CFAF 2,200,000,000 and was not subject to any fluctuations during the fiscal year.

4.13 Net income (loss)

Although plant construction was complete on 31 December 2011, production had not yet begun. This meant that Wassoul'Or could not earn any income during the fiscal year. The Company therefore generated a net loss, which is comprised of indirect expenses.

4.14 Loans

- Loan of CFAF 700,000,000 from BCS
- Loan of CFAF 435,799,464 from SABEC, of which CFAF 32,797,850 was repaid by the Company during the fiscal year.

4.15 Suppliers

This account had a balance of CFAF 118,952,555 as at 31 December 2011, comprised of the following:

Item	**Amount**	
	2011	**2010**
Suppliers	1,118,842,327	333,353,003
Supplier bills payable	1,000,000,000	0
Supplier invoices not yet received	110,228	943,161
Total	**2,118,952,555**	**334,296,164**

4.16 Other current liabilities

Other liabilities were CFAF 97,765,515,087 and were comprised of the following:

Item	**Amount**	
	2011	**2010**
SODINAF current account	20,929,202,635	23,938,494,943
MANSA MOUSSA GOLD FUND	63,344,195,464	58,921,775,753
ALIOU BOUBACAR DIALLO	10,654,900,500	0
MANSA MOUSSA gold	668,965,514	0
Miscellaneous creditors	285,000	0
INPS	165,152,134	0
Overdraft facility	2,813,840	0
Total	**97,765,515,087**	**82,860,270,696**

4.17 Other taxes

These are comprised of the following:

Item	Amount	
	2011	2010
Federal taxes and central, regional and local authority taxes	4,329,353	58,180,663
Payroll tax	6,296,546	388,679,788
National contribution	38,201,932	106,664,326
Total	**48 827,831**	**553,524,777**

4.18 Cost of purchased products

These are comprised of the following:

Item	Amount	
	2011	2012
Purchases	732,181,641	76,321,072
Transport	27,497,798	5,150,163
Fees	403,497,849	92,384,500
External services	1,245,307,021	64,063,184
Total	**2,408,484,309**	**237,918,919**

4.19 Personnel expenses

These are comprised of the following:

Item	**Amount**	
	2011	**2010**
Direct employee remuneration	604,428,616	582,002,820
Flat-rate extra pay	1,800,000	1,800,000
Social security contributions	126,567,165	118,788,505
Remuneration of personnel on foreign assignments	57,344,733	40,046,400
Other social security contributions	26,970,180	20,728,450
Total	**817,110,694**	**763,366,175**

4.20 Expenses - taxes and levies

These are comprised of the following:

Item	**Amount**	
	2011	**2010**
Direct taxes and levies	123,053,900	63,630,282
Indirect taxes and levies	0	10,515,206
Registration fees	5,123,228	2,340,771
Fines and penalties	27,999,347	0
Other taxes and fees	560,560	0
Total	156,737,035	76,486,259

4.21 Allocation for depreciation, amortisation, and write-downs

Item	Amount	
	2011	**2010**
Amortisation and write-downs of intangible assets	627,361	429,000
Depreciation and write-downs of property, plant, and equipment	330,254,971	556,576,673
Total	**330882,332**	**556,005,673**

4.22 Operating result

This is comprised of the following:

Item	Amount	
	2011	**2010**
Own work capitalised	1,810,236,977	1,774,151,230
Total	**1,810,236,977**	**1,774,151,230**

4.23 Debt charges

These are interest payments on loans of CFAF 53,172,177.

4.24 Transition from OHADA to IFRS

A distinction is made between the following phases for companies involved in the open pit mining of mineral resources (e.g., in this case, gold): exploration phase, development phase, and actual production or extraction phase. Wassoul'Or was still in the development and evaluation phase in 2010 and part of 2011, so that all expenses incurred were treated under OHADA and, therefore, also under IFRS as acquisition costs of intangible assets or property, plant, and equipment using the full cost method. After transition to the development phase in 2011, substantial expenses could still be treated as development expenses and recognised as an intangible asset: gold deposits. The remainder of the expenses incurred were recognised as expenses, so that the Company reported its first net loss under IFRS in 2011 (unlike under OHADA).

EFFECTS OF FIRST-TIME ADOPTION OF IFRS
in CFAF '000

	Notes	31/12/2010 OHADA audited	01/01/2011 Effect of transition to IFRS	01/01/2011 IFRS audited
ASSETS				
Financial assets		18,870	18,870	18,870
Non-current deferred tax assets				
Non-current assets				
Receivables and other assets		23,942	23,942	23,942
Cash		116,913	116,913	116,913
Current assets		**159,725**	**159,725**	**159,725**
Total assets				
EQUITY AND LIABILITIES				
Subscribed capital		2,200,000	2,200,000	2,200,000
Capital reserves		0.0	0.0	0.0
Net accumulated losses		0.0	0.0	0.0
Fair value reserve		0.0	0.0	0.0
Equity				
Trade liabilities		334,296	334,296	334,296
Other provisions		0.0	0.0	0.0
Other liabilities		83,744,093	83,744,093	83,744,093
Current liabilities		**86,278,389**	**86,278,389**	**86,278,389**
Total assets				

RECONCILIATION OF EQUITY AND COMPREHENSIVE INCOME FROM OHADA TO IFRS
in CFAF '000

		Effective date for transition from OHADA to IFRS	
	31/12/2010 OHADA Audited	01/01/2011 Total reconciliation	01/01/2011 IFRS Audited
Equity			
Subscribed capital	2,200,000	2,200,000	2,200,000
Capital reserves	0.0	0.0	0.0
Net accumulated losses	0.0	0.0	0.0
Fair value reserve	0.0	0.0	0.0
Equity	**2,200,000**	**2,200,000**	**2,200,000**
COMPREHENSIVE INCOME FOR THE PERIOD			
Annual net loss	0	0	0
Other comprehensive income			
Comprehensive income	0	0	0

RECONCILIATION OF CASH FLOW STATEMENT FROM OHADA TO IFRS

in CFAF '000

	31/12/2010 OHADA	01/01/2011 Effect of transition to IFRS	01/01/2011 IFRS
	Audited		Audited
Earnings before taxes (EBT)	0.0	0.0	0.0
Increase in other provisions	0.0	0.0	0.0
Increase in deferred tax assets	0.0	0.0	0.0
Change in			
receivables and other assets	18,870	18,870	18,870
trade liabilities	334,296	334,296	334,296
Cash flow from operating activities	353,166	353,166	353,166
Purchases of financial assets			
Purchases of other investments			
Cash flow from investing activities			
Cash receipts from issue of new shares/contributions from shareholders	0.0	0.0	0.0
Cash receipts from current other liabilities	0.0	0.0	0.0
Cash flow from financing activities			
Increase (+)/decrease (-) in cash			
Cash at beginning of period	-110,901,635		
Cash at end of period	116,913,630		

The transition from OHADA to IFRS had no cash effects.

The financial instruments in the following balance sheet items can be assigned to the following categories and periods:

in CFAF '000

	Amortised cost	31/12/2011 Financial assets/ liabilities	31/12/2011 Non-financial assets/ liabilities	Carrying amount 31/12/2011	Fair value 31/12/2011	Amortised cost	31/12/2010 Financial assets/ liabilities	31/12/2010 Non-financial assets/ liabilities	Carrying amount 31/12/2010	Fair value 31/12/2010
Assets										
Receivables and other assets	284,925	284,925		284,925	284,925		18,870		18,870	18,870
Cash	0									
Total	**284,925**	**284,925**		**284,925**	**284,925**		**18,870**		**18,870**	**18,870**
of which loans and receivables	19,950	19,950		19,950	19,950					
Equity and liabilities										
Trade liabilities	211,895	211,895		211,895	211,895		334,296		334,296	334,296
Other liabilities	95,765,515	95,765,515		95,765,515	95,765,515		82,860,270		82,860,270	82,860,270
Total	**95,977,410**	**95,977,410**		**95,977,410**	**95,977,410**		**83,194,566**		**83,194,566**	**83,194,566**
of which financial liabilities measured at amortised cost	95,977,410	95,977,410		95,977,410	95,977,410		83,194,566		83,194,566	83,194,566

4.25 Events after the balance sheet date

The production plant was inaugurated by His Excellency Amadou Toumani TOURE on 25 February 2012. The political events in March 2012 temporarily prevented commissioning of the commercial production chain, but we are confident that commercial production will begin soon.

4.26 Additional information

The Company had 159 employees during the course of the fiscal year.

Auditor's Report for Wassoul'Or S.A., Bamako

We have audited the IFRS separate financial statements of Wassoul'Or SA as at 31 December 2011 in accordance with applicable international professional standards. These standards require us to exercise due care to ensure that we can state with reasonable assurance that no material objections can be raised against the financial statements. An annual financial statement audit consists of examining pertinent information forming the basis of the disclosures in the annual financial statements on a test basis using sampling or another selection procedure. It also includes assessing the accounting principles and significant estimates used when preparing the accounts and their overall presentation.

We believe that our audit provides a reasonable basis for the opinion below.

Based on our audit, we certify that the IFRS separate financial statements of Wassoul'Or SA as at 31 December 2011 comply with the applicable requirements of the IFRS and give a true and fair view of the results of operations for the fiscal year just ended and the net assets and financial position of Wassoul'Or at the end of that fiscal year. Our audit has not led to any reservations.

Bamako, 13 August 2012

(*Stamp: SARECI SARL Société d’assistance, de Révision, d’Expertise Comptable et d’Informatique SARL)*

Bourahima SIBY

Certified Accountant

KODIÉRAN GOLD DEPOSIT

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Experts Report

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WASSOULOR

Kodiéran Gold Project

Mali, West Africa

1 June 2012

WASSOULOR
Kodiéran Gold Project

INTRODUCTION

At the request of Pearl Gold AG, I accepted to review the *independent technico-economic valuation report* entitled "The Mining of Kodiéran Gold Project" by Bumigeme Inc. in January 2010 and updated as of March 2012 and the feasibility study prepared by Roche Ltée in 1996 in order to give a professional opinion on those two items. The updating of the Bumigeme report mostly consisted in bringing up the price of gold to a more accepted level used today.
To gather several opinions, let them be positive or negative, on the Kodiéran project, I contacted a number of geologists and engineers who had been involved at one time or another with various phases of studies done in Mali on this project.

Here, it should be said that I came across the Kodiéran project for the first time in autumn 2009 when I was asked to participate to a presentation report on this project.

- I am completely independent of the Kodiéran Gold Project and I never visited the property in Mali or worked in the Kodiéran area. The last time I was informed on this project was in June 2010, and later when I reviewed the updated report of Bumigeme dated March 2012.

HISTORY

Several studies and field work have been done before and after the feasibility study carried out by Roche Ltée.

- I have not had access to all those studies and results of field work performed by others in a formal way. So, I cannot give any comments on them.

GEOLOGY

As discussed in most reports, the Kodiéran area is underlain by Birimian geological formations which are chiefly made up of meta-sediments, diorite, quartz veins and of the utmost importance, a weathered cover with a variable thickness reaching some 70-80 metres in places.

- In fact there is nothing more to add on the geology because it had been studied and reported upon by several geologists.
- It should be borne in mind that the Birimian formations are host to a number of gold deposits in West Africa.
- It should be pointed out that the Kodiéran Gold deposit lies within the weathered cover/overburden above the bedrock characterised by laterite and saprolite.

ORE RESERVES

In all mining projects, the ore reserve calculations are of paramount importance and constitute a delicate operation which should be handled in a very professional way. It involves the whole process of sampling, including various drilling techniques, the sample preparation in the laboratory and the analytical techniques.
In our case, the samples have been collected using reverse circulation (RC) drilling, by pitting (hand dug holes) and with a motorised auger.
In order to have good RC drilling samples, a diameter ranging from 4.4 to 6 inches was used. Each hole has been sampled metre by metre. Auger holes and pits were aimed at testing the upper layer of the orebody and gave bulkier samples.
Overall, 4700 samples have been tested. Most of them have been collected in 1995 and all those sampling procedures, according to what I was told, have been managed by several professionals, experts and Malian.

- According to the study of Roche, <u>no sample has been taken under their supervision</u> as all of them were already waiting on the Kodiéran site to be processed. So, the 'integrity' of the samples has never been assumed by Roche.

At the beginning of 1996, Roche was hired to carry out a detailed feasibility study on the Kodiéran Gold deposit using the generally accepted principles of the mining industry of those days.
A small pilot plant was set up on the Kodiéran site to process all samples and all of them were sent to SGS-Bamako, an internationally reputed laboratory, for the final assays (analyses). A few bulk samples have also been sent to a U.S.A. laboratory in Nevada and to CRM laboratory in Quebec City to perform additional tests. As it was reported, the results were excellent and yielded some 4 g/t Au. The ore grade may be variable according to the sampling site within an orebody.

- In a general way, most of the results were typical of that kind of orebody and yielded useful data for the calculations and characterisation of the ore reserves.
- So far and as far as I can see, everything seems to have been well done <u>according to the professional practice of 1996.</u>

All the values (tenors) of the samples have been processed using SURPAC, a software, which in those years was extensively used by geologists and mining consultants to produce a 3D model of the orebody.
Geological ore reserves have been calculated with the same software and they have been classified into several categories for a rough total of 52,112,000 tonnes grading 1,56 g/t Au. That includes the proven and probable reserves distributed in the upper & lower zones as it is outlined in previous reports.

- There is one point that I would like to bring up, I haven't seen any cross-check of the calculations of ore reserves using other methods or using different software.

With all available data, mining operations have been planned and mining ore reserves have been defined using a 3D model generated for the geological ore reserves. At this time, SURPAC was also used for the mining engineering to design the open pit. Because of the projected selective mining, all of the outlined geological reserves could not be economically mined, so only a part of them have been considered as mineable and have been called 'mining ore reserves'.

- The economics used for selective mining was based on the price of gold in 1996.
- According to my observations, I feel that what has been done by Roche is very similar to other projects of the same nature in terms of procedures.

MINING ENGINEERING

The mining operations have been studied and a model of open pit has been proposed showing the position of mining ore reserves using a horizontal slice for each 5 m level and vertical cross-sections.

- The actual gold economic situation will definitely call for a review of the mining practice at Kodiéran. It means that more 'low grade ore' will be mined and the quantity of mining ore reserves will be increased. The open pit geometry and the mining operations will also have to be adapted to the new prevailing situation.

- This means that a new open pit design will have to be produced, the mining operations will have to be re-adjusted and a new ore reserve calculation will have to be done along with a new geological model for the mineralisation of the orebody. This implies that more samples will have to be taken, by drilling or other methods, and assayed to be used in the new ore reserve calculation.

- A second verification, as a double check, of all the calculations used for the mining and ore reserve calculations will have to be produced.

A summary geotechnical study (soil mechanics, porosity, etc…) has also been done by Roche on the minesite and in its neighbourhood.
Inasmuch as I am aware of, no study on hydrology and hydrogeology was done.

- In view of the new changes that will be brought to the mining operations, the previous geotechnical study should be considered obsolete and a new geotechnical study should be undertaken as soon as possible.

- A full and detailed study on hydrology and hydrogeology of the Kodiéran minesite should be produced before the start of the mining operations. It is essential that such a study be done before the start of the mining operation in order to prevent negative issues related to water problems that would halt the production of the mine.

In our days, most mining companies are required to produce an impact study on the environment and the social aspects of operating a mine. Such a study has been done but was not consulted by me.

ORE PROCESSING / EXTRACTIVE METALLURGY

I carefully reviewed the metallurgical part of the proposed operation at Kodiéran and found out a number of positive points.
The treatment process chosen for the operations at Kodiéran is the gravity gold concentration using Knelson concentrators which are well known for their efficiency and used in several parts of the world. Most of the extractive metallurgical testing has been carried out by laboratories in two different places: the CRM in Quebec City and McClelland Laboratory in Reno, Nevada. The gravity process was chosen over cyanidation because it was the easiest way to extract gold and is known to be environmentally friendly. Despite this fact, a cyanide circuit has been added to the gravity plant in order to recover the gold content in the middlings and tailings coming from the Gemini and Wilfley tables. It is expected that this circuit will process 0,05% of the ore.
The gold recovery of the laboratory tests has been duplicated by the pilot mill which was set up on the projected minesite at Kodiéran and which was initially geared up to a 1000 tonnes per day capacity. During 2007 and 2008, that mill yielded a recovery of over 90% gold and produced tailings with low gold values, in the range 0,08 to 0,15 g/t Au.
Furthermore following the pilot testing programme, the management of Wassoulor and the consultant (Bumigeme) have added to the new projected 10 000 tonnes per day plant, four Falcon concentrators to recover more fine gold contained in the minus 45µ and a ball mill to grind the rejects of the jigs to recover the gold that could be locked in the +1180µ fraction (jig rejects).

With the additional equipment, the gold recovery should be kept over 90%.
This process is actually used at the Ballarat operation in Australia and the Moroccan company Managem (ONA group) has completed the feasibility study of the Bakoudou project in Gabon and has also retained this process to recover the gold in the laterite ore. This process is cheaper than heap leaching for low grade ores.

- There is very little to add to the ore processing operation as it was tested several times, first in the laboratories, and second, by a pilot mill on the minesite which simulated the mining operation that will take place once the mining operation will start.

CONCLUSION

I have read those two documents mentioned earlier and found nothing which would make those reports erroneous and/or would mislead the readers. In a general way they give an appropriate overview on the project.
Anyone relying on the feasibility study done by Roche Ltée should be aware it was done in 1996 and used the guidelines and recognised standards of the mining industry of those days.
Most of the points brought up have been dealt with earlier in June 2010. Since that time, as far as it is known and as far as it was reported to me up to June 2010, and even up to June 2012, no change has happened concerning the geological studies and mining engineering at the Kodiéran minesite.
I have not been involved with the Kodiéran gold project of Wassoulor since June 2010 except for the reading of the latest version of the Bumigeme report (mentioned earlier).

Respectfully submitted,

Pierre C. LaBrèque
Geological Engineer
15 June, 2012

KODIÉRAN GOLD PROJECT
MALI

Independent Technical and Economic
Valuation Report
on
The Mining of Kodiéran Gold Deposit

LIST OFABBREVIATIONS

Cubic meter	m3
Gram	g
Gram per tonne	g/mt
Kilowatt	kw
Metric ton or tonne	mt
Metric ton per day	mt/d
Micrometer or micron	µm
Millimeter	mm
Ounce	oz (31.1034 g)
NOTE:	All units are in metric system

EXECUTIVE SUMMARY

INTRODUCTION

Bumigeme was requested by the Directors of Wassoul'Or Mali to compile an independent CPR to be used by the company in pursuit of the listings of a company shareholder Pearl Gold AG, Frankfurt / Main, Germany, on the Frankfurt Stock Exchange. Therefore this report has been prepared by Bumigeme for inclusion in the prospectus to be published by Pearl Gold AG in connection with the change of listing (upgrading) of its shares from the First Quotation Board (Open Market) of the Frankfurt Stock Exchange to the General Standard (Regulated Market) of the Frankfurt Stock Exchange.

This document has been compiled in order to incorporate all currently available and material information that will enable potential financial investors to make a reasoned and balanced judgment regarding the economic merits of the project. This work has been based upon commercial, mining, environmental and financial information, which has been independently addressed.

HISTORY / PREVIOUS WORRKINGS

In 1992, SODINAF acquired the concession and carried out a sizable work programme including 891 pits of 5 m deep; 502 auger holes with an average depth of 20 m, and 4,783 m from 70 drill holes (reverse circulation).

In the spring of 1996, SODINAF built a small gravity processing plant in Bamako to treat the samples taken during the previous drilling campaign. The test period lasted until the fall of 1996 and treated 4,705 samples for a total of 45,728 kg. The plant was under the supervision of Mr. Raymond Leclerc, Geological Engineer from Roche Groupe Conseil, Quebec City and Mr. Corneille Sabélé Déna from SODINAF.

Wassoul'Or has been incorporated in 2002 in order to put into production the Kodiéran gold deposit situated in SW Mali on the Faboula concession. Wassoul'Or was formed with the assets of SODINAF which had been registered in 1992. This last company was awarded a mining permit for the exploitation of gold, which permit is valid for thirty years from the date of issuance (30 May 1997). Said permit (#09655) was transferred to Wassoul'Or on 10 December 2009 (see Appendix 1).

In 1996, Roche, an international consulting engineering group, prepared a feasibility study on the future mining operation of the Kodiéran deposit. The feasibility study included ore reserve calculation and the open pit design.

In 2006, Wassoul'Or began the construction of a 1,000 mt/day pilot mill, based on a simplified gravity flowsheet developed by Roche in 1996, and the operation started in the beginning of 2007, until November 2008.

The operation of the 1,000 mt/day pilot plant for almost two years has confirmed the presence of gold on a continuous basis on the Gemini table. This data was then used to modify the flowsheet and to eliminate most of the problems that could have been encountered with the new 10,000 mt/day concentrator under construction. The first 1,000 mt/day concentrator and the new 10,000 mt/day addition will bring the processing capacity to 11,000 mt/day.

GEOLOGIE / ORE RESERVES

From the geological studies of the results of the past workings on the Kodiéran deposit, two mining zones have been outlined based on the geology of gold and the ore grade.

The first zone, called the "upper zone", is made up of the first 20 m from the surface. The second zone, the "lower zone", lies underneath the upper zone and reaches the unweathered bedrock. This last zone has a variable thickness from 25 to 55 m depending on the bedrock topography The upper zone comprises the gold occurrences found at the surface along with a weathered layer which underwent some re-mobilization.

The geological ore reserves have been calculated and classified using two categories: measured (proven) and indicated (probable). Each category in turn has been subdivided in two sub-classes: C-I and C-II.

In the case of the "upper zone", the proven (measured) ore reserves belonging to the C-I category, amount to 15,584,000 mt with a 2.42 g/mt Au grade. In the same zone, for the measured (probable) ore reserves belonging to C-II, the total calculated ore reserves amount to 8,048,000 mt with an average of 2.58 g/mt Au. The total of C-I and C-II categories of that zone is 23,632,000 mt of ore at average grade of 2.48 g/mt Au.

The "lower zone", as discussed previously, is leaner and most probably received less drilling in several places due to its depth making it at a greater risk in terms of ore reserve calculations. In that zone, the probable C-I ore reserves have been estimated at 18,419,000 mt grading 0.84 g/mt Au.

The probable C-II ore reserves in the lower zones have been estimated at 10,060,800 mt grading 0.70 g/mt Au. By adding the total ore reserves found in the upper and lower zones. The total geological reserves amount to 52.1 million mt of ore grading 1.56 g/mt Au.

All the above-mentioned ore reserves are considered as ***geological reserves***.

MINING

The mining ore reserves established by Roche are 33.08 Mmt at 1.78 g/mt with a waste to ore ratio (S/M) of 0.17:1. The following table shows the details of those mining reserves, ratios S\M, ore and waste quantities by level, zone, and reserve categories. Based on the actual gold price (± 1,700 US$/oz) versus the 1996 gold price (350 US$/oz), the tonnage estimated as waste in 1996 (5.7 Mmt) could now be considered as low grade ore. This option could be retained for future consideration, but the present valuation report is based only on the mining of ±33,000,000 tonnes of ore grade material.

Mining Reserves, All Categories

Level (m)	Ore upper zone				Ore lower zone				Total Ore		Waste (mt)	Total (mt)	Cumulative tonnage				
	Proven C-I		Probable C-II		Probable C-I		Probable C-II		Tonnage (mt)	Grade (g/mt Au)			Tonnage Ore (mt)	Grade Ore (g/mt Au)	Tonnage waste (mt)	Tonnage Total (mt)	Ratio S/M
	Tonnage (mt)	Grade (g/mt Au)	Tonnage (mt)	Grade (g/mt Au)	Tonnage (mt)	Grade (g/mt Au)	Tonnage (mt)	Grade (g/mt Au)									
390			19 200	7,09					19 200	7,09	15 814	35 014	19 200	7,09	15 814	35 014	0,824
385	76 800	4,15	46 000	4,39					124 800	4,24	5 959	130 759	144 000	4,62	21 773	185 773	0,151
380	368 000	3,19	87 200	3,25					435 200	3,20	115 605	550 605	579 200	3,55	137 378	718 578	0,237
375	1 107 200	2,2	86 400	3,76					1 193 600	2,31	157 252	1 350 852	1 772 800	2,72	294 630	2 067 430	0,166
370	2 390 400	2,04	332 800	3,00					2 723 200	2,15	159 055	2 682 255	4 496 000	2,38	453 685	4 949 685	0,101
365	3 459 200	2,13	742 400	2,77					4 201 600	2,25	448 530	4 650 130	8 697 600	2,31	902 215	9 599 815	0,104
360	3 107 200	2,76	723 200	3,25	320 000	2,70	70 400	3,55	4 220 800	2,65	449 319	4 670 119	12 918 400	2,49	1 351 534	14 269 934	0,105
355	2 297 600	3,04	707 200	3,01	1 068 000	2,32	89 600	2,49	4 163 200	2,84	373 177	4 536 377	17 081 600	2,57	1 724 711	18 806 311	0,101
350	883 200	2,22	313 600	2,34	1 715 200	1,67	624 000	1,13	3 536 000	1,77	869 165	4 405 165	20 617 600	2,44	2 593 876	23 211 478	0,126
345					1 699 200	1,14	457 600	1,00	2 156 800	1,11	336 974	2 493 774	22 774 400	2,31	2 930 850	25 705 250	0,129
340					1 667 200	0,65	428 800	0,72	2 096 000	0,66	304 389	2 400 389	24 870 400	2,17	3 235 239	28 105 639	0,130
330					1 657 600	0,57	390 400	0,38	2 048 000	0,53	260 265	2 308 265	26 918 400	2,05	3 495 504	30 413 904	0,130
335					1 574 400	0,63	294 400	0,41	1 868 800	0,60	348 788	2 217 588	28 787 200	1,95	3 844 292	32 631 492	0,134
325					1 529 600	0,63	246 400	0,53	1 776 000	0,62	352 265	2 128 265	30 563 200	1,68	4 196 557	34 759 757	0,137
320					1 388 800	0,52	153 600	0,68	1 542 400	0,54	497 852	2 040 252	32 105 600	1,81	4 694 409	36 800 009	0,146
315					899 200	0,63	73 600	0,81	972 800	0,64	980 965	1 953 765	33 078 400	1,78	5 675 374	38 753 774	0,172
	13 689 600	2,46	3 040 000	3,01	13 520 000	0,89	2 828 800	0,89	33 078 400	1,78	5 675 374	38 753 774					

Because of the nature of the ore (laterite), drilling and blasting are not required. Bulldozer with rippers, big shovels and hydraulic hammer are the most indicated for the handling of coarse materials. Two hydraulic shovels with buckets of 13 and 8 m³ each and two wheel loaders with a 10 and 5 m³ bucket each are very well indicated for loading purposes. The loading capacity of those equipments (excavators and wheel loaders) is suitable to reach the objective of 21,000 mt per day (actual 11,000 mt/day plus addition of a 10,000 mt/day module in year 3). Three 85-mt trucks and three 30-mt trucks are suitable for the first and second years of mining. For the following years, seven more 85-mt trucks will be needed to meet the requirements of an additional 10,000 mt/day milling capacity.

ORE PROCESSING

Considerable metallurgical test works were undertaken prior to the commencement of processing Kodiéran ore. These metallurgical test works conducted at SODINAF pilot plant at the beginning of this project and at CRM Quebec and McClelland laboratory later, indicate that a gravity circuit is preferable to a whole ore cyanidation circuit for economic and environmental reasons, as the recoveries in the laboratories of CRM and McClelland with one Knelson concentrator on the < 1.7 mm fraction only has given recoveries of over 95%.

These results led to the development of a preliminary flowsheet by Roche and Bumigeme Inc. Montreal.

At the beginning of 2005, Wassoul'Or mandated the engineering firm, Bumigeme Inc. to realize the detailed engineering of a 1,000 mt/day pilot plant and to supervise its construction.

The 1,000 mt/d realised pilot plant flowsheet differs slightly from the preliminary flowsheet developed conjointly by Roche and Bumigeme (v.s.). Following recommendations from the management of Wassoul'Or, some modifications were added to the preliminary flowsheet. The objectives of these modifications were to study the behaviour of the Knelsons for the treatment of the fraction finer than 1.7 mm without desliming and the behaviour of a jig for the recovery of the gold nuggets. This 1,000 mt/day pilot plant has finally served to improve the realised flowsheet for the 10,000 mt/day plant..

Following the results obtained on the treatment of the Kodiéran ore in the 1,000 mt/day pilot plant and the test work program at Met-Solve and Gekko, the actual flowsheet for the 10,000 mt/day concentrator under construction, differs considerably from the pilot plant (flowsheet for the 1,000 mt/day pilot plant realized there) with the addition of the following units:

- Addition of a secondary gravity circuit (4 Falcon concentrators)
- Addition of a ball mill to grind the jig tailings to < 1.7 mm and treatment of these ground tailings in the gravity circuit, with the fraction < 1.7 mm of the scrubbers.
- Addition of an intense cyanidation unit (In Leach Reactor of Gekko) for the cyanidation of the middlings and tailings of the Wilfley and Gemini tables. The annual weight of these two products represents less than 0.05% of the total feed. The rich gold concentrates from these tables go directly to fusion.
- Addition of a thickener to thicken the tailings of the plant, to recover the process water at the exit of the mill and to pump the tailings to the tailings pond at higher density thus allowing to reduce the diameter of the pipes and the power of the pumps.
- The addition of an electrowinning cell to recover the gold from the ILR.
- A detox unit to chemically destroy the free cyanide in the waste liquor and the tailings.

It's worthy to note that the de facto capacity of the plant is 11,000 mt/d and comprises the new 10,000 mt/d concentrator and the 1,000 mt/d pilot plant.

CAPITAL AND OPERATING COSTS

Capital costs to date which include all the geological works done so far; all the studies done; the mining residential quarter; the mining equipments; the tailings pond; power generators; the 1,000 mt/day plant; etc.; amount to 140,000,000 US$. To this sum, it is necessary to foresee 20,202,609 US$ for the addition of another module of 10,000 mt/day which will be built during the 2nd year of production (the second year after reaching full production capacity), plus other related expenses of 16,948,843 US$ (sections 2.1, 2.2, 3.1 and 3.2 of Table 14.1), for a total of $177,151,452 US$. (Capex).

Based on its experience on similar projects and on the information obtained during the construction period of the 1,000 mt/day plant, plus the substantial increase in cost of petroleum products (57%) since 2010, as well as an increase in salaries and supplies, Bumigeme established the operating costs as follows:

	Operating Costs (US$/mt)			
	11, 000 mt/day		21,000 mt/day	
	US$/year	US$/mt	US$/year	US$/mt
Mining extraction	8,187,670	2.13	12,734,771	1.73
Concentrator	6,546,400	1.70	7,612,992	1.04
Laboratory	595,342	0.15	1,050,860	0.14
Maintenance	6,133,325	1.59	8,734,111	1.19
Administration and Services	5,825,304	1.51	5,825,304	0.79
Energy	12,986,446	3.37	20,947,047	2.85
Miscellaneous (15%)	5,886,883	1.53	8,195,491	1.12
TOTAL	**46,161,370**	**11.98**	**65,100,576**	**8.86**

FINANCIAL ANALYSIS

The project is extremely robust with an internal rate of return (IRR) of 174.17% and a net present value (NPV) of 924,267,663 US$ for a gold price of 1,350 US$ an ounce, and a discount rate of 18%.

The parameters used are conservative and were taken from the Report of Roche Ltée-Groupe Conseil as well as data taken by Bumigeme from the operation of the 1,000 mt/day pilot plant.

The price of gold at 1,350 US$/ounce is not exaggerated and has already exceeded 1,700 US$/ounce.

According to the most optimistic financial gold market analysis, the price of gold is likely to rise to 1,800 US$/oz (and more) in 2012.

PROJECT UPSIDE

The above figures are based on 2% of the property only and do not take into account the three others sites (Traorela, Daoulila and Kobada) where the potential is high, as well as Kodiéran where the full potential is far from being known. The potential of the extension of the actual quarry in the lateritic zone (east-west direction), as well as in the hard rock under the lateritic zone, is not considered in the present financial analysis.

i- Mandate

Bumigeme was requested by the Directors of Wassoul'Or, Mali, to compile an independent Competent Person's Report (CPR) to be used by the company in pursuit of the listings of the company's major shareholder, Pearl Gold AG, Frankfurt / Main, Germany, on the Frankfurt Stock Exchange (FSE). Therefore this report has been prepared by Bumigeme to be included in the prospectus to be published by Pearl Gold AG in connection with the change of listing (upgrading) of its shares from the First Quotation Board (Open Market) of the Frankfurt Stock Exchange to the General Standard (Regulated Market) of the Frankfurt Stock Exchange.

This report has been compiled in order to include all currently available and material information that will enable potential financial investors to make a balanced judgment concerning the economic merits of the project. This work has been based upon commercial, mining, environmental and financial information, which has been independently addressed.

ii- Disclaimer and Risks

Bumigeme has prepared this CPR and in so doing has utilized and actualized the feasibility study made by Roche Consultant, a Canadian engineering firm; the data collected during the operation of the 1,000 mt/day pilot plant for almost two years; and from the information provided by Wassoul'Or Mali operational methods and forecasts. Where possible this information has been verified from independent sources with due enquiry in terms of all material issues that are a prerequisite to comply with the Canadian geological and mining practices (the relevant applicable and applied CIM Standards, guidelines and/or regulations). Bumigeme and its directors accept no liability for any losses arising from reliance upon the information presented in this report.

The authors of this CPR are not qualified to provide extensive comments on legal issues associated with Wassoul'Or's Mali right to the mineral properties. Wassoul'Or Mali and their attorneys have provided certain information, reports and data to Bumigeme in preparing this CPR which, to the best of our knowledge and understanding, are complete, accurate and true. Bumigeme has relied on such information, reports and data in preparing this CPR. No warranty or guarantee, be it expressed or implied, is made by the authors with respect to the completeness or accuracy of the legal aspects of this document.

iii- Operational Risks

The business of mining and mineral exploration, development and production by its nature contains significant operational risks. The business depends upon, amongst other things, successful prospecting programs and competent management. Profitability and assets values can be affected by unforeseen changes in operating circumstances and technical issues.

iv- Political and Economic Risks

Factors such as political and industrial disruption, currency fluctuation and interest rates could have an impact on Kodiéran's future operations, and potential revenue streams can also be affected by these factors. The majority of these factors are, and will be, beyond the control of Wassoul'Or or any other operating entity.

v- Forward Looking Statement

The following report contains forward-looking statements. These forward looking statements are based on opinions and estimates of Wassoul'Or Mali management and Bumigeme at the date the statements are made. They are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in our forward-looking statements. Factors that could cause such differences include changes in world gold price, costs and supply of materials relevant to the projects, and changes to regulations affecting them. Although we believe the expectations reflected in our forward-looking statements to be reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

INTRODUCTION

Wassoul'Or has been incorporated in 2002 in order to put into production the Kodiéran gold deposit situated in SW Mali on the Faboula concession. Wassoul'Or was formed with the assets of SODINAF which had been registered in 1992. This last company was awarded a mining permit for the exploitation of gold, which permit is valid for thirty years from the date of issuance (30 May 1997). Said permit (#09655) was transferred to Wassoul'Or on 10 December 2009 (see Appendix 1).

In 1996, Roche, an international consultancy group, prepared a feasibility study on the future mining operation of the Kodiéran deposit. The feasibility study included ore reserves calculations and the open pit design.

The 1,000 mt/day pilot plant became operational as of February 2007. The pilot plant was fully equipped and required an operating crew of ±125 employees.

Until December 2007, the pilot plant operated under the supervision of the staff of Bumigeme assisted by the Malian staff of Wassoul'Or. From January 2008, the staff of Wassoul'Or had the necessary experience to take over of the operations.

On November 25th, 2008, the management of Wassoul'Or stopped the operations.

The pilot plant has been used to improve and validate the mill flowsheet for an 11 000 t/day and a 21,000 mt/day milling operations.

The mine site is fully organized with a concentrator (almost completed); a dam to retain used water; villas; school; dispensary and offices. A security station has been located at the mine site entrance, and there is a landing strip for small aircrafts not far from the mine site.

The foregoing report has relied heavily on the study by Roche concerning the ore reserve calculations and the open pit design.

SCOPE OF THE OPINION

The guidelines used by Bumigeme are considered to be a concise recognition of the best practice due diligence methods for this type of mineral transaction and are in agreement with the principles of open and transparent disclosure that are embodied in internationally accepted Codes for Corporate Governance.

Several visits to the mine site have been made by F. Baril since 1996. Mr. Baril is President of Bumigeme.

Mr. Baril was responsible for the development of the process flowsheet and the detailed engineering of the 1,000 mt/day pilot plant. He was also responsible for the construction of this concentrator; the start-up and the supervision of the operation for one year.

Mr. Raymond Leclerc, Geological Engineer, supervised the treatment of the Kodiéran samples in the process center in 1996 and was the engineer in charge of the start-up of the open pit production in 2006. Mr. Leclerc has resided in Mali for over a year in 1996 and travelled many times to the site since then.

Mr. Baril, since 2008, has been responsible for Bumigeme for the engineering and the supervision of the construction of the 10,000 mt/day concentrator which is almost completed at the date of this report.

COMPETENT PERSON'S DECLARATION

Bumigeme is an independent engineering consulting group. Its specialists have extensive experience in preparing Competent Person's Reports; and valuation studies for mining and exploration companies. Bumigeme's staff has, collectively, more than 50 years of experience in the assessment and evaluation of mining projects and are members in good standing of appropriate professional corporations.

Neither Bumigeme nor its staff, have or have had any interest in this project capable of affecting their ability to give an unbiased opinion, and, have not and will not, receive any interests or other benefits in connection with this assignment, other than normal consulting fees. Neither Bumigeme nor the Competent Persons involved in the preparation of this CPR have any interest in the assets of Wassoul'Or Mali. Wassoul'Or Mali has warranted in writing that it has openly provided all material information to Bumigeme, which, to the best of its knowledge and understanding, is complete, accurate and true.

FLORENT BARIL, P, Eng., B. Sc.

Certificate of Author

I, Florent Baril, B.Sc., Senior Metallurgical Engineer and President of:

Bumigeme Inc.
615, René Levesque West Blvd, Suite 750
Montréal, Québec H3B 1P5

De hereby certify that:

1. I reside at 624 Jean Deslauriers, Condo 17, Boucherville. Quebec J4B 8P5
2. I am a graduate from Laval University, Quebec with a B.Sc.A. Degree in Metallurgical Engineering (1954), and I have practiced my profession for over 50 years.
3. I am member of the "Ordre des ingénieurs du Québec" (O.I.Q) (Quebec Order of Engineers) (Membership Number 6972)
4. I am the Principal and President of Bumigeme Inc., a firm of consulting engineers, which has been incorporated in 1994.
5. I am a Qualified Person for the purpose of the "independent Technico-Economic Valuation Report on the Mining of Kodiéran Gold Deposit" based on my experience with feasibility studies on mining projects and the preparation of Technical report.
6. I have no personal knowledge as of the date of this certificate of any material fact or change, which is not reflected in this report.
7. I have supervised the preparation of this report and collaborated to the chapter 7.0.
8. Neither I, nor any affiliated entity of mine, is at present, under an agreement, arrangement or understanding or expects to become, an insider, associate, affiliated entity or employee of Wassoul'Or or any associated or affiliated entities.
9. Neither I, nor any affiliated entity of mine own, directly or indirectly, nor expect to receive, any interest in the properties or securities of Wassoul'Or or any associated or affiliated companies.
10. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Technico-Economic Valuation Report.

Dated this 24th day of February 2012

Florent Baril, P.Eng.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

I, Pierre C. LaBrèque, do hereby certify that:

1. I reside at 245, des Chrysanthèmes, La Prairie, Québec, Canada J5R 4G4.

2. I graduated with a degree in Geological Engineering from École Polytechnique, University of Montreal in 1971 and I have practised my profession continuously since that time.

3. I am a member of Ordre des Ingénieurs du Québec.

4. I certify that by reason of my education, affiliation with a professional association and my past relevant work experience, I fulfil the requirements to be a "qualified person". I have been involved with a number of projects of different types involving gold, uranium and base metals exploration.

5. I am responsible for the preparation of the geological part (section 7) of the report entitled "Independent Technical and Economic Valuation Report on the Mining of the Kodieran Gold Deposit".

6. I have not visited the Kodieran mine site in Mali.

7. I am independent of the issuer.

8. Neither I, nor any affiliated entity of mine, is at present, under an agreement, arrangement or understanding or expects to become, an insider, associate, affiliated entity or employee of Wassoulor or any associated or affiliated entities.

9. Neither I, nor any affiliated entity of mine own, directly or indirectly, nor expect to receive, any interest in the properties/projects or securities of Wassoulor or any associated or affiliated companies.

10. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the geology section of this report.

Dated and sealed this 24th day of February, 2012.

INGÉNIEUR · ENGINEER
PIERRE C. LABRÈQUE
PROVINCE DE QUÉBEC

Pierre C. LaBrèque, P.Eng.

WASSOUL'OR MINING ASSETS

Wassoul'Or mineral assets consist mainly of eluvial and alluvial deposits of Kodiéran gold ore body at mining stage. This represents 2% of the 100 km² of its Faboula mining licence granted in 1997 for 30 years.

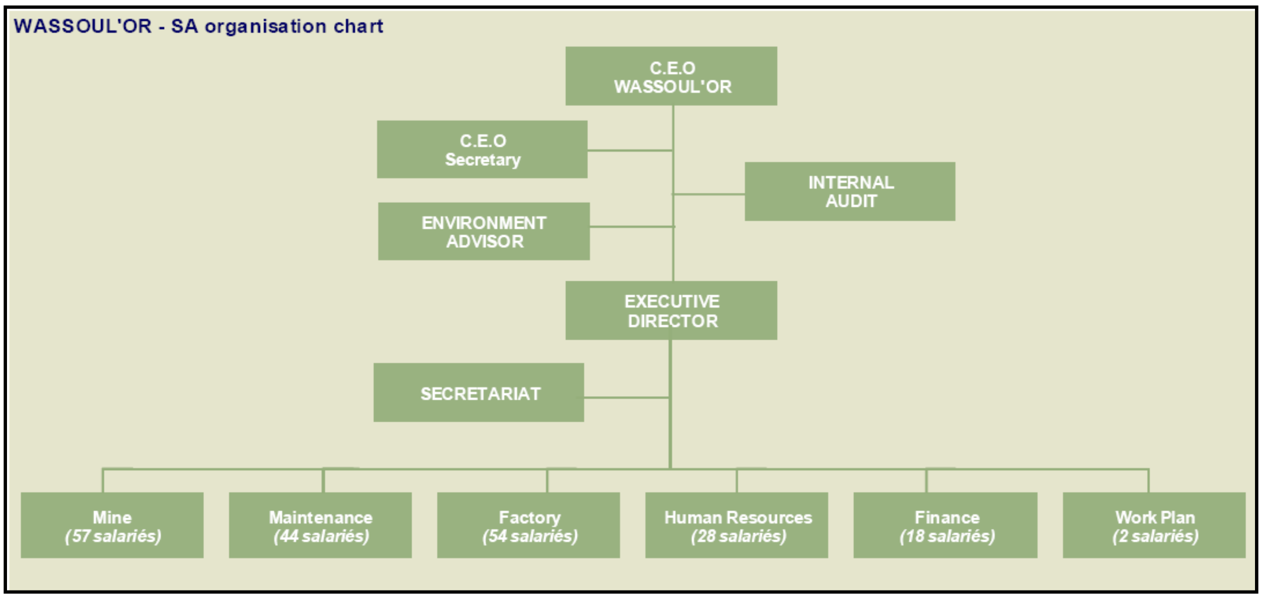
WASSOUL'OR SALE OF GOLD PROCEDURE

The sale policy of Wassoul'Or is the following:

- 25% of the gold produced will be sold by way of futures.
- 75% of the gold produced will we sold at the relevant market price.

WASSOUL'OR CORPORATE STRUCTURE AND MANAGEMENT

Below is a projected and simplified organizational chart[1]. Some functions as General Management or Internal Audit will only be filled when the main plant will be built and operational.



[1] Deloitte report, Wassoul'Or Project, Due diligence on the business plan and mining rights. Page 16.

THE REPUBLIC OF MALI

SUMMARY OF POLITICAL AND ECONOMIC CLIMATE

Summary of Political Context[2]

The multi-party, democratic general elections of 2007 saw the first-round re-election of the outgoing president, Amadou Toumani Touré, and the formation of a strong presidential majority in parliament. In 2008, this victory was consolidated and the presidential team focused on the commitments given in its Economic and Social Development Programme and in a roadmap known as the Presidential Project. Considerable efforts are being made on the ground – in regional capitals, in rural areas, within various governance bodies (ministers, members of parliament and decentralised authorities) – to complete the Presidential Project at the same time as the GPRSF (2007-11).

The democratic process has made noteworthy progress in recent years. Mali scores well on indicators of politics, democracy and freedom, but further progress is needed in regard to the corruption perception index. This series of elections that passed without incident has strengthened the democratic process and created a political environment ripe for the implementation of deeper economic reforms. It is also a favourable climate for political reforms addressing the status, role and means of the political opposition – an opposition that is currently very quiet. A national consensus has formed against the pockets of conflict in northern Mali, but recent demonstrations, violating the peace agreement, could deter the negotiation process restarted in June 2008. Despite these troubles in the north of the country, the climate of social peace that Mali has experienced for the past 15 years and the peaceful organization of elections give an indication of the political maturity of the stakeholders concerned (the overall population, social strata, pressure groups and politicians) and their willingness to consider support for the democratic process as a necessary condition for social and economic development. The government is aware of this fact and is expanding its efforts to fight corruption. A forum was held in November 2008, along with other measures to strengthen governance, including an evaluation under the African Peer Review Mechanism. Some of the recommendations have been implemented since 2009. A review by rating agencies found that Mali is a good investment destination, without major political risk for foreign investors.

[2] http://www.africaneconomicoutlook.org/en/countries/west-africa/mali/ from January 2012

The Malian Government has definitely shown its intention to develop the mineral industry and particularly gold, to the point that Mali is the third gold producer in Africa.

MINERAL POLICY

Malian Government Policy on Gold Mining [3]

The Malian Government has decided that the private sector will be the main player in terms of mining development.

To facilitate development, the Government has chosen to diversify the extraction products and concentrate on its primary tasks:

- Create basic infrastructures;
- Create an attractive legal and institutional environment;
- Ensure that extraction rules are easily applicable;
- Assist companies in reducing their energy costs;

The State of Mali thus grants exploration and prospecting rights to applicants who can demonstrate their technical and financial resources.

The State of Mali can hold a 20% maximum stake of which half (i.e 10%) as a free stake. In return, holders of mining rights receive the following State guarantees:

- Free conversion and transfer of funds to pay foreign currency debt;
- Free conversion and transfer of profits to non Malian partners;
- Free conversion and transfer of profits on asset sales;
- Export extractions;
- No expropriation of mines or withdrawal of mining rights.

[3] Ministry of Mining of Mali

GENERAL, INFRASTRUCTURES, geology AND ORE RESERVES

ACCESS, INFRASTRUCTURES, ETC.

The Faboula mining concession on which the Kodiéran deposit lies some 300 km South of Bamako (see map on page 40). A good quality paved road links Bamako to Yanfolila for an approximate distance of 250 km.

From Yanfolila, a dirt road leads to Kodiéran. Along the last 50 km of the road, some sixty (60) culverts or small bridges have been built to enable streams/brooks to cross the road during the rainy season.

Dirt Road between Yanfolila and Kalana

As usual, in these developing countries, the local miners/investors will be asked to contribute financially and sometimes physically to the maintenance of the local roads and infrastructures.

No railway passes near the Kodiéran deposit. The closest railway station is at Bamako and links that city to Dakar in Senegal. Although a national power line passes over the property, generators are used on the mine site to produce the required power for the mining operation.

The closest international airport is located at Bamako. Communications are easily done by telephone and internet, as a good satellite system has already been implemented in the area. Most of all required heavy equipments used for the mining operations will have to be brought in through Dakar in Senegal or Abidjan in Côte d'Ivoire.

Kodiéran: Road leading to the open pit

h

The required manpower is available in that part of Mali and Kodiéran has a good pool of employees with good training in mining operations.

Water is available on the mining property and can be used for all needs of the mining operations.

The area surrounding the Kodiéran deposit is a gently rolling land devoid of high relief like high mountains, deep valleys and scarps.

The vegetation is typical of the sub-Sahel region and is mostly represented by widely spaced deciduous trees in grassland partially used to grow cotton, vegetables and sustain the local livestock. Most of the indigenous population lives off the local farming.

LEGAL ASPECTS

Mr. Ahmadou Touré (Cabinet Juri-Partner, Bamako, Mali), a notary, did the verification of the mining rights. Details of the mining rights are summarized in the confirmation given to the Cabinet Juri-Partner by the Ministry of Mines dated 11 September 2009 (see appendix 1). Further details of the mining rights are stated in the order N 97179 of 30 May 1997 given by the Prime Minister of Mali (see appendix 1).

HISTORY/ PREVIOUS WORKINGS

As far as we are aware of the prospecting history, the first recorded work in the Kodiéran area was carried out in the sixties. At that time, local miners have mined those alluvial and eluvial placers around the Kodiéran orebody and the Tagoua River for a number of years. All those mining operations were "artisanal" and were done with picks and shovels along with panning.

Between 1967 and 1982, a Soviet led exploration group carried out some field work, including core drilling, thus allowing the discovery of six mineralized zones.

Following the work done by the Russians, the Kodiéran mining concession was awarded to Ree Co., an American company. Up to this time, no information on the work done by Ree has been made available.

In 1989, the Mali government (DNGM) conducted a regional geochemical survey along with more detailed sampling over the mineralized zones. The geochemical study outlined several auriferous zones and proved the existence of a gold potential in the area.

In 1992, SODINAF acquired the Kodiéran concession and later on in 1993 carried out a sizable work programme including 891 pits 5 m deep, along with 502 auger holes with an average depth of 20 m. Added to the exploration programme, 70 RC (reversed circulation) drill holes have been done totaling 4,783 m.

Sampling pits at Kodiéran

Up to 1995, SODINAF had already spent some 6.6 million US$. Additional expenses consisted in purchasing and installing a gravity plant. Up to 1996, SODINAF had already invested some 8 million US$.

GEOLOGY AND ORE RESERVES

Regional

The Precambrian geological formations of Mali belong to two geotectonic structural units: the West African craton (western part of Mali) and the Tuareg shield (eastern part of Mali). At the end of the Precambrian times, both cratons were brought together and the suture zone between the two cratons lies in a N-S direction west of the Adrar des Iforas.

The West African craton, according to I. Kusnir (1999), has been stabilized at about 1,800 MY and comprises two main occurrences of crystalline rocks. The southernmost is known as the Leo shield and has an Archaean nucleus located in the South-West and a Proterozoic domain forming most of the shield. This last domain contains the well-known Birimian formations which belong to the lower and middle Proterozoic.

The Birimian formations form elongated belts of epi-metamorphosed volcano-sedimentary formations and are hosts to most gold deposits of West Africa, including the Kodiéran deposit in the Kalana mine area.

Property Geology

The Kodiéran concession is mostly underlain by Birimian formations, chiefly represented by meta-sediments, diorite, quartz veins and a weathered cover with a variable thickness reaching some 70 m in places. The regional metamorphism has brought these geological formations to the greenschist facies and probably to a higher level in a few places. Structurally, the Kodiéran-Kalana area is located on the western flank of a N-S synform structure. Small quantities of sulphides have been encountered and reported in the course of various geological observations. At the time of writing this text, no study on the possibility of acid mine drainage had been produced and made available for consultation, and the present writer is not aware if such a study has been done.

It should be pointed out that the author of this text has never visited the property and has solely relied on the available data given in the report of Roche (1996).

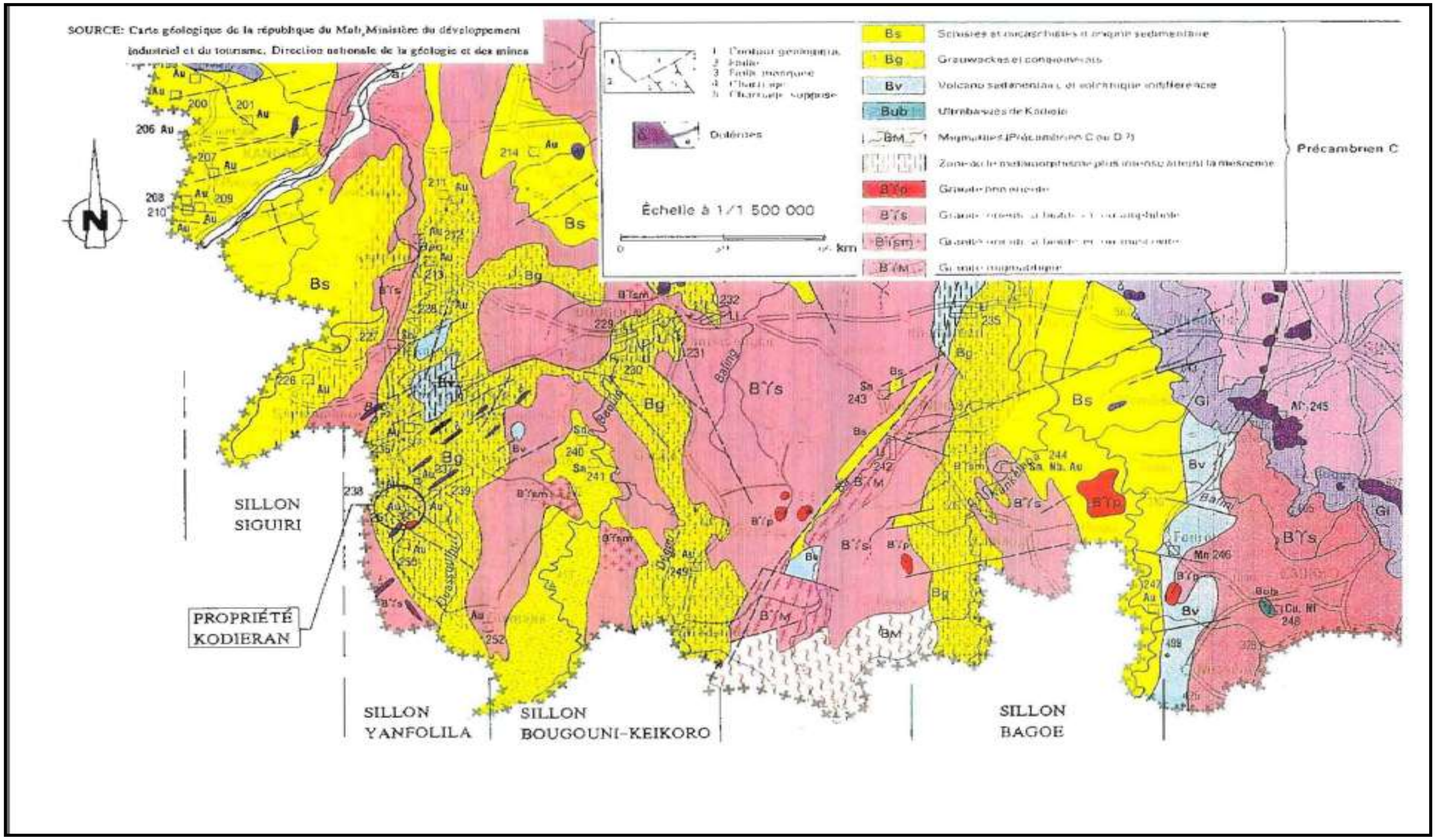
Several N-W trending diabase (dolerite) dykes are visible in the area.

Gold veins

Gold veins

Geological Map South-West Mali

Kodiéran Gold Deposit



Mineralization

The gold mineralization consists of zones made up of several quartz veins having an average thickness of 5 m. Those mineralized zones appear to coincide to specific geological features like brecciated structures and shear zones which have been silicified. Most of those zones are found west of the diorite intrusive and most of them have a 60° to 75° East dip. Those mineralized zones seem to repeat themselves every 25 m or so.

Quartz veins in each zone, according to several observations, belong to several generations and are distinguished by the type of quartz: white, gray and smoked. Gold appears to be more abundant where it is associated to smoked quartz.

Two vein networks forming the gold bearing zones have been delineated. The most productive network and by far, has been made up of steep veins dipping some 60° to 75° East, the other vein network has yielded a leaner ore and has a sub-horizontal dip of 20° to 30° East.

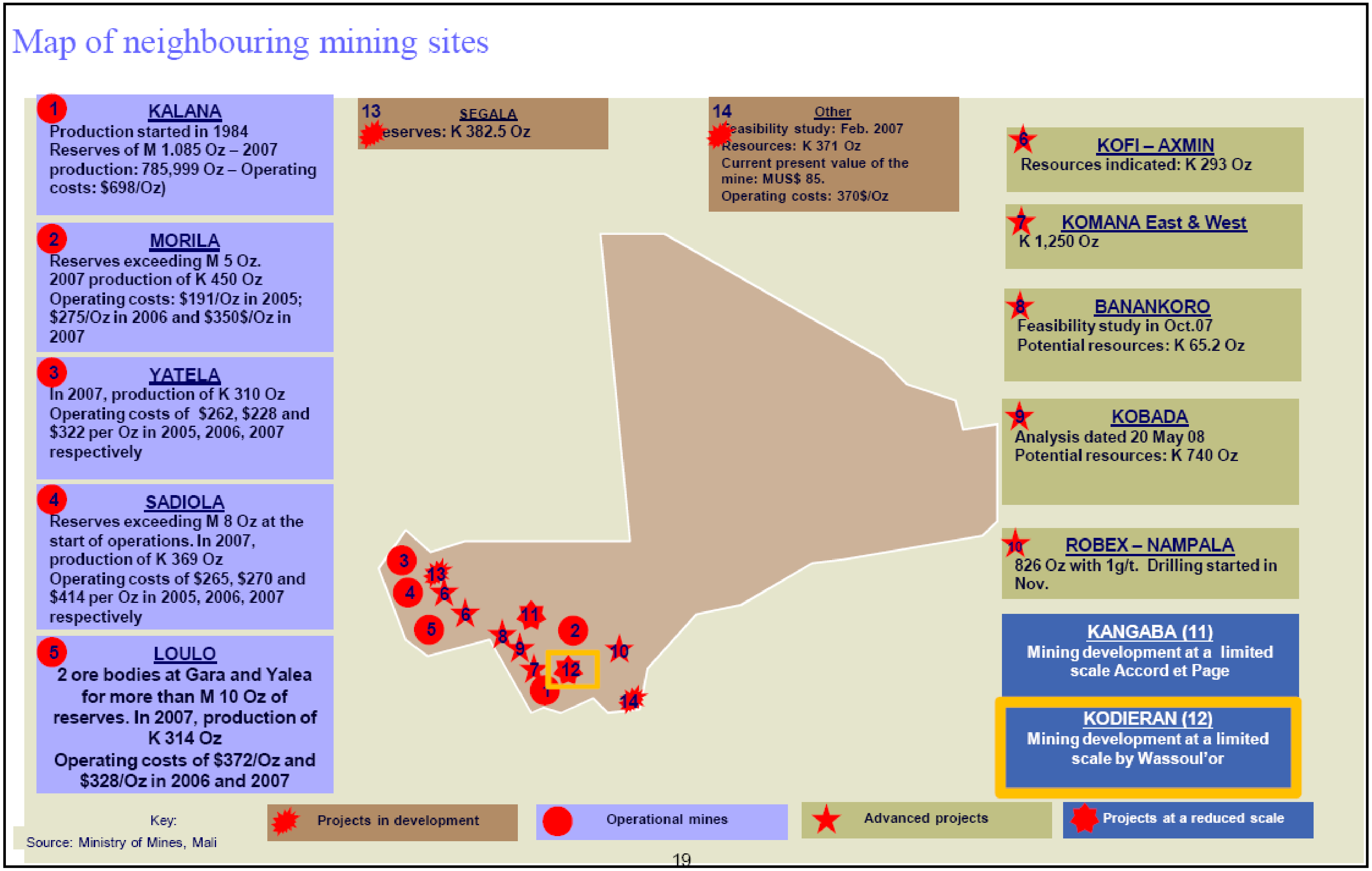
Gold occurs in its native form associated with quartz. Very often, pyrite and arsenopyrite are found associated with the quartz veins.

At the nearby Kalana mine, it was shown that gold is present within the quartz veins crossing into the diorite intrusive and the surrounding hornfels constituting an aureole metamorphism around the diorite.

DEPOSIT MODELLING

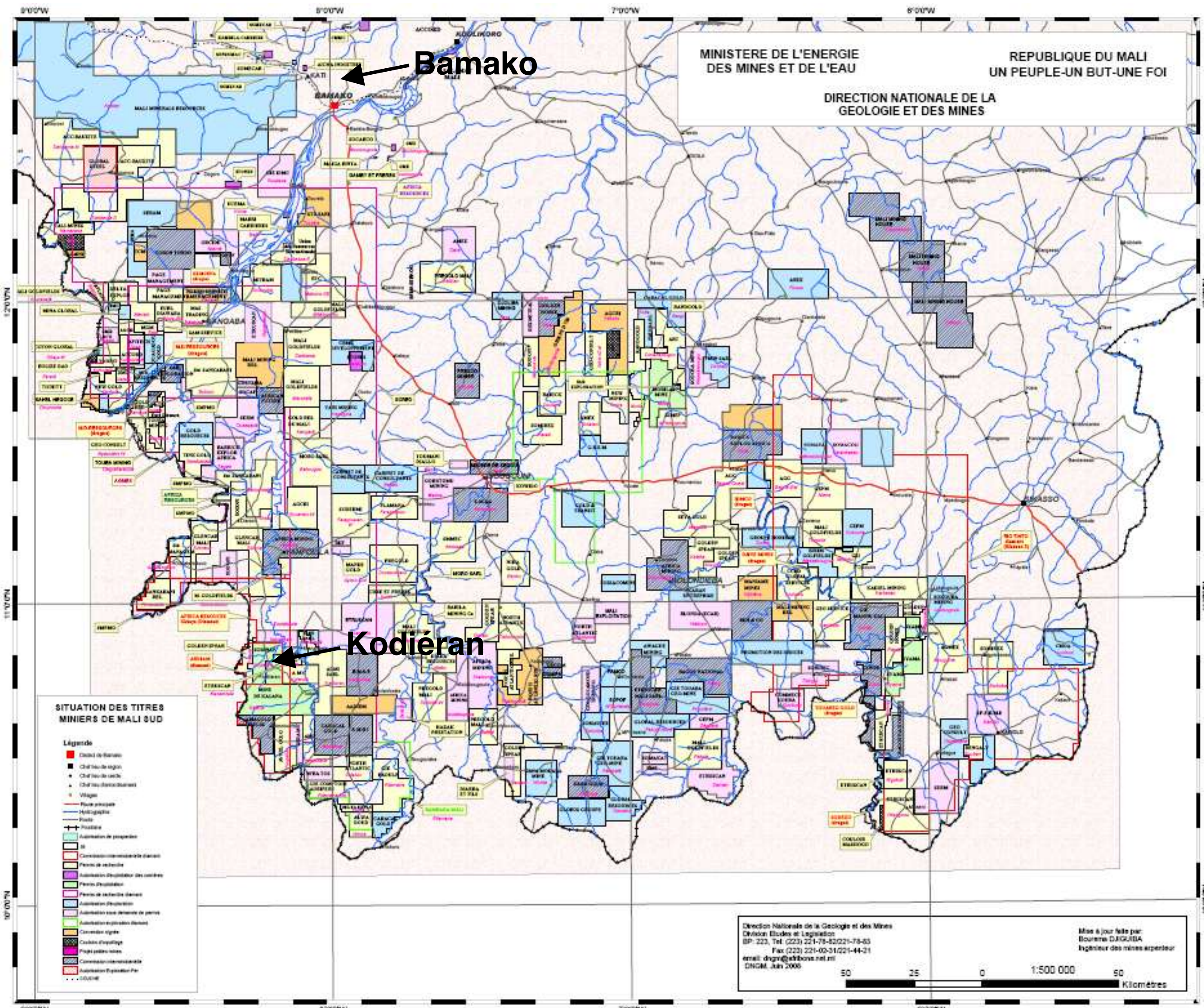
From the geological studies of the results of the past workings on the Kodiéran deposit, two mining zones have been outlined based on the geology of gold and the ore grade.

The first zone, called the “upper zone”, is made up of the first 20 m from the surface. The second zone, the “lower zone”, lies underneath the upper zone and reaches the unweathered bedrock. This last zone has a variable thickness from 25 to 55 m depending on the bedrock topography. The upper zone comprises the gold occurrences found at the surface along with a weathered layer which underwent some re-mobilization.


Map of neighbouring mining sites
1 KALANA
Production started in 1984
Reserves of M 1.085 Oz – 2007
production: 785,999 Oz – Operating costs: $698/Oz)
2 MORILA
Reserves exceeding M 5 Oz.
2007 production of K 450 Oz
Operating costs: $191/Oz in 2005; $275/Oz in 2006 and 350/Oz in 2007
3 YATELA
In 2007, production of K 310 Oz
Operating costs of $262, $228 and $322 per Oz in 2005, 2006, 2007 respectively
4 SADIOLA
Reserves exceeding M 8 Oz at the start of operations. In 2007, production of K 369 Oz
Operating costs of $265, $270 and $414 per Oz in 2005, 2006, 2007 respectively
5 LOULO
2 ore bodies at Gara and Yalea for more than M 10 Oz of reserves. In 2007, production of K 314 Oz
Operating costs of $372/Oz and $328/Oz in 2006 and 2007
13 SEGALA
Reserves: K 382.5 Oz
14 Other
Feasibility study: Feb. 2007
Resources: K 371 Oz
Current present value of the mine: MUS$ 85.
Operating costs: 370$/Oz
6 KOFI – AXMIN
Resources indicated: K 293 Oz
7 KOMANA East & West
K 1,250 Oz
8 BANANKORO
Feasibility study in Oct.07
Potential resources: K 65.2 Oz
9 KOBADA
Analysis dated 20 May 08
Potential resources: K 740 Oz
10 ROBEX – NAMPALA
826 Oz with 1g/t. Drilling started in Nov.
KANGABA (11)
Mining development at a limited scale Accord et Page
KODIERAN (12)
Mining development at a limited scale by Wassoul'or
Key:
Projects in development
Operational mines
Advanced projects
Projects at a reduced scale
Source: Ministry of Mines, Mali
19

Map of Mali

Kodiéran location



The lower zone represented by the lower layer of the weathered zone extends down to the bedrock. The ore grade in this zone should be lower than in the upper zone because of a lesser intensity of the concentration action.

So far, only those two zones have been considered for mining.

GEOSTATISTICS / ORE RESERVES

Samples

All the 4,700 samples used to produce the ore reserve calculations of the feasibility study of Roche Ltée have been collected by third parties before the end of 1995 using various means of drilling and pitting. According to the available information, the sampling work has been done under the direction of expats and Malian professionals. All samples have been processed and assayed in 1996 under the supervision of Roche.

Geostatistics

The Kodiéran deposit, for the purpose of geostatistical evaluation, has been characterized by the results of its gold assays. The ore reserve estimate was done using the “kriging of the indicatrices”. That method was found to be the most appropriate when certain reported values are not constant with respect to other available data. In applying such calculations, the orebody is subdivided into numerous blocks. In the Kodiéran case, each block is 20 m x 20 m x 5 m (vertical axis).

The first phase of the ore reserve calculations involves the production of variograms. In fact, three orthogonal variograms (3D estimate) are needed, one for each axis or one omnidirectional variogram if the values are the same in all directions.

The second phase of those calculations turns around kriging, a technique that holds into consideration all variables in all dimensions which will yield evaluation parameters. The reason for kriging is to avoid the “over-evaluation” of a deposit in holding into consideration the smaller values in the wallrocks and the immediate surroundings of a deposit.

In order to process all those available data with geostatistical tools, SURPAC, mining software produced by SSI Pty Ltd was used by Roche in 1996 to calculate the ore reserves and to design the open pit.

Two geostatistical models have been established, one for each zone.

In order to proceed with the kriging of the data, each one of them which is the result of the sample assays need to have a constant support, meaning that all sample results should come from the same kind of sampling techniques. So, a 2.5 m sample composite was done to match half the height of an open pit bench.

Cut-off Grade

Two cut-off grades have been figured out. The upper zone was given a cut-off grade of 0.30 g/t Au, and the lower zone 0.18 g/t Au. The cut-off grades have been determined by Roche (1996).

Variograms

The variogram is a basic tool that gives a measure to a mineralized zone continuation in which direction it is calculated. It also shows the comparative results between available samples (composites) according to a selected direction and regular separation with the drilling pattern.

All variograms used to evaluate the orebody do coincide with a spherical model.

Kriging

The kriging was done on each zone using 5 m bench, from levels 295 to 395 m. Several blocks have been delineated. The kriging planning has established the number of blocks belonging to various ore grade groups.

With all those results, it has been possible to calculate the projected grade for each block belonging to its own grade classification.

Once the topography and the estimate limits of those blocks outside the drilled zones have been held into consideration, 16 285 blocks having a dimension of 20 m x 20 m x 5 m have been used to produce a model of the Kodiéran deposit which has been used to plan the open pit for the mining operations.

Ore Reserves and Classification

The ore reserves have been calculated and classified using two categories: measured (proven) and indicated (probable). The confidence interval of those calculations is said to be 90%. Each category in turn has been subdivided in two sub-classes: C-I and C-II (reserves are in tonnes).

In the original report produced by Roche (1996), each category has been defined according to grade and probability of continuity for a certain distance around a drill hole or the like, what we call the “radius of influence” of a drill hole and a given assay value.

In the original calculations, each ore category was calculated and expressed as global/average and by blocks bearing a percent of error which is inherent to such calculations for geological reserves.

In the case of the “upper zone”, for the proven (measured) ore reserves belonging to the C-I category, the error is less than 10% on average, and less than 25% if you go block by block on a unit basis. At the Kodiéran mine site, that category of ore amounts to 15,584,000 tonnes with a 2.42 g/t Au grade.

In the same zone, for the measured (probable) ore reserves belonging to C-II, they have been defined with almost the same criteria as the previous one, except that no bulk sample has been taken to characterize this ore type. So, the measured ore C-II has less than 20% error on average and less than 50% error taken on a block by block basis, yielding a total calculated ore reserves of 8,048,000 tonnes with an average of 2.58 g/t Au.

Because of the field methods used to evaluate this orebody, it was considered that categories I & II of the upper zone be added together to constitute “proven” ore ready for mining. A total of 23,632,000 tonnes of ore grading 2.48 g/t Au falls into that category. The consistent presence of gold within all the prospective zones would enable the combination of several ore reserve categories into “mineable reserves” holding into account the geometry of the deposit. It is important to note that an ore deposit is not homogenous and some zones show higher grades or lower grades than the average of the deposit (see Table 7-1).

The “lower zone”, as discussed previously, is leaner and most probably received less drilling in several places due its depth making it at a greater risk in terms of ore reserve calculations. In that zone, the probable C-I ore reserves have been estimated at 18,419,000 tonnes grading 0.84 g/t Au with less than 30% error on average, but with more that 50% chances of error taken on a block by block basis.

The probable C-II ore reserves in the lower zones have been estimated at 10,060,800 tonnes grading 0.70 g/t Au. The calculated error probability was established at less than 40% on average but is considered to be quite high if calculated on a block by block basis.

Here, we should recall the fact that a block as defined in the ore reserve calculations is 20 m x 20 m x 5 m.

By adding the total ore reserves found in the upper and lower zones, we end up with 52.1 million tonnes of ore grading 1.56 g/t Au.

All those reserves are considered as ***geological reserves***. (See table 7-1).

As mentioned earlier in this report, section 7.5, the ‘upper zone’ has been characterized by its gold content and by its geology typified by weathering accompanied by a remobilization probably due to the action of running water. The ‘upper zone’ has generally been measured and described by various drill holes and pits and makes up the top 20 metres of the Kodiéran deposit. The gold content, as proven by various assay techniques, is above the gold content found in the ‘lower zone’ as shown in table 7-1.

The ‘lower zone’ has been characterized by its low gold content. Geologically, this zone has been derived from the decomposition (weathering) of the bedrock. No remobilization action has taken place, so no natural concentration of gold has happened.

Up to this point, we have been dealing with geological ore reserves.

Very often, it is not possible to mine all the geological ore reserves. So, the mining operations will take most of the geological reserves leaving aside those which will be used for the retaining walls, pillars, etc. or in those places where it would be non profitable to extract the ore. So, the ore that will be used to feed the milling operations is called mining ore reserves and will be dealt with in other sections of the report.

Table 0-1
Geological Reserves of all Categories

Grade classes (g/t Au)	Ore upper zone				Ore lower zone				Total Ore	
	Proven C-I		Probable C-II		Probable C-I		Probable C-II		Tonnage (t)	Grade (g/t Au)
	Tonnage (t)	Grade (g/t Au)	Tonnage (t)	Grade (g/t Au)	Tonnage (t)	Grade (g/t Au)	Tonnage (t)	Grade (g/t Au)		
0,00 - 0,14	144 000	0,11	112 000	0,12	2 416 000	0,10	3 020 800	0,09	5 692 800	0,10
0,14 - 0,30	1 049 600	0,23	518 400	0,24	4 393 600	0,21	1 952 000	0,21	7 913 600	0,21
0,30 - 0,50	1 036 800	0,39	515 200	0,39	1 712 000	0,42	860 800	0,37	4 124 800	0,40
0,50 - 2,00	5 491 200	1,16	2 291 200	1,18	7 993 600	1,07	3 388 800	1,14	19 164 800	1,12
2,00 - 3,00	6 918 400	3,41	4 144 000	3,47	1 904 000	2,63	838 400	2,65	13 804 800	3,27
6,00 et +	944 000	7,57	467 200	7,23	0		0		1 411 200	7,45
	15 584 000	**2,42**	**8 048 000**	**2,58**	**18 419 200**	**0,84**	**10 060 800**	**0,7**	**52 112 000**	**1,56**
		23 632 000	**2,48**			**28 480 000**	**0,79**			

Source: Roche (1996)

CONCLUSIONS AND RECOMMENDATIONS

The report of Roche done in 1996 for SODINAF has been carefully scrutinized and, in as much as it was possible, the content was evaluated against similar studies. The calculations and the results presented in the study of the Kodiéran deposit appear to be true to the practice in use by most mining organizations at the time of producing such a study.

The ore reserve calculations were made using SURPAC software which in turn uses well-known methods for generating geostatistical parameters which have been used to classify and compute the quantity of ore grade material.

It is standard practice, in our days, to use and rely on softwares specifically designed to calculate ore reserves and generate ore deposit models for mining.

A point should be brought up: in the study by Roche (1996), no counter-check of the ore reserve calculations has been made and reported upon.

The actual gold economic situation will definitely call for a review of the mining practice at Kodiéran. It means that more low grade ore could be mined and the quantity of mining ore reserves could be increased. The open pit geometry and the mining operations will also have to be adapted to the new prevailing situation.

This means that a new open pit design will have to be produced, the mining operations will have to be re-adjusted and a new ore reserve calculation will have to be done along with a new geological model for the mineralization of the orebody.

An additional part to the existing study dealing with hydrology and hydrogeology at the Kodiéran mine site will definitely have to be carried out and reported upon along with geotechnical measurements. The possibility of acid mine drainage, as the pit deepens, will have to be addressed appropriately in order to leave no doubt on the subject.

It should be pointed out that only a very small part of the mining concession has been explored using modern means. It is strongly recommended to the operator of the mining concession to carry out additional surveys (geochemical, geophysical) and more conventional prospecting using trenches, drilling and pitting in order to extend the present limits of the Kodiéran deposit and build up more ore reserves.

The Kodiéran mine site area is made up of a small percent of the Faboula concession. Several other potential gold occurrences/zones are found on the concessions and should be further explored in order to assess the gold content and if possible enlarge the ore tonnage for the mining operation.

MINING EXTRACTION

EXPLOITATION METHOD

Considering the nature of the deposit, the exploitation method which applies is open pit mining. This offers the advantage of reaching quickly the ore and of minimizing capital expenditures as well as operating costs.

The mining software SURPAC was used for orebody modeling, ore reserve calculations, pit design and mine planning. All the locations and analyses results for each pit (80 cm diameter and 5 m deep), auger drill holes and reverse circulation drill holes were fed in the computer as base information. This software gives the flexibility and the speed for optimizing the ore body exploitation.

CRITERIA OF EXPLOITATION BY OPEN PIT METHOD

Objective for the first and second year:

- Mining operation: 3,850,000 mt per year
- Calendar: 350 days per year
- Daily production: 11,000 mt

Objective for other years:

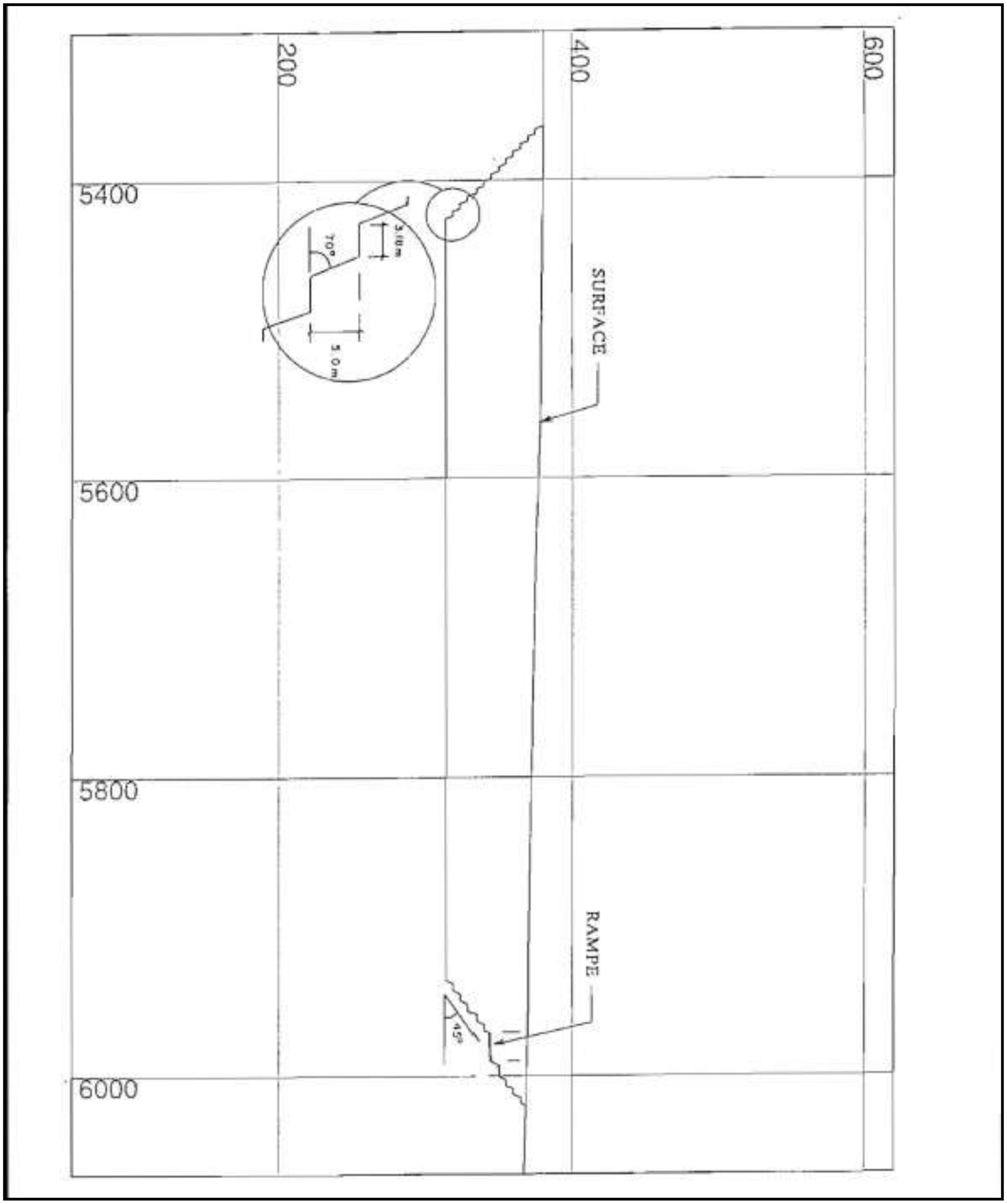
- Mining operation: 7,350,000 mt per year
- Calendar: 350 days per year
- Daily production: 21,000 mt

Ultimate Pit Design Geometry

The global slope of the pit walls is set up at 45º with the horizontal. The slope is defined by 15 benches of 5 m high with a 70º slope and 3.18 m berm width.

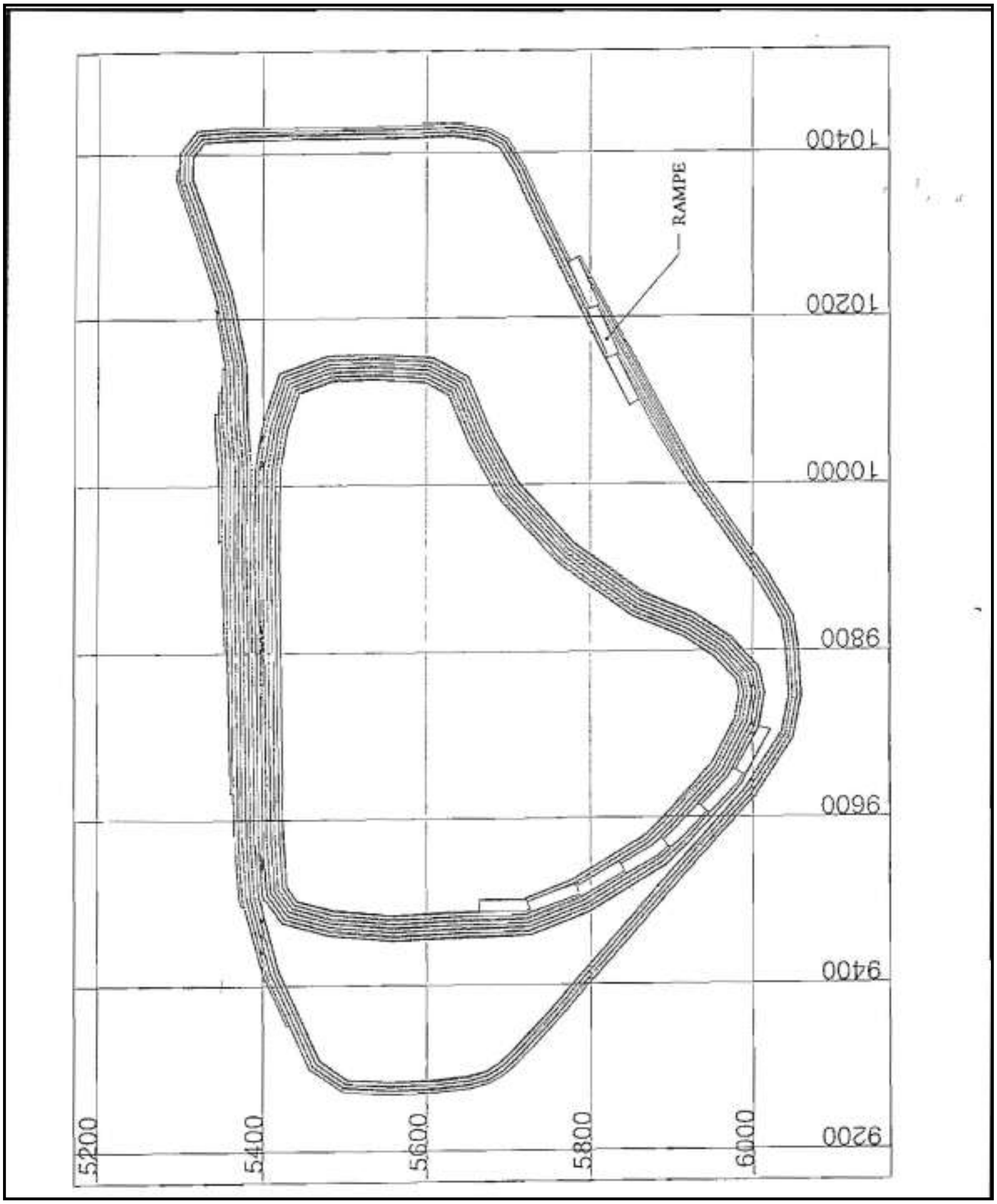
The main ramp is 13.5 m wide, which is 2.5 times the width of the haulage truck and a slope of 8%. Figure 8.1 shows those parameters on a typical section.

Figure 0-1
Pit Plan – Kodiéran Deposit - Faboula Permit



The ultimate pit design was determined to maximize the ore recovery with the lowest waste to ore ratio. The bottom of the projected pit is at 315 m elevation or 65 m deep as average surface level varies between 365 and 395 m. More drilling will be required for mining lower benches. Figure 8-2 shows a plan view of the pit design.

Figure 0-2
Pit Plan – Kodiéran Deposit - Faboula Permit



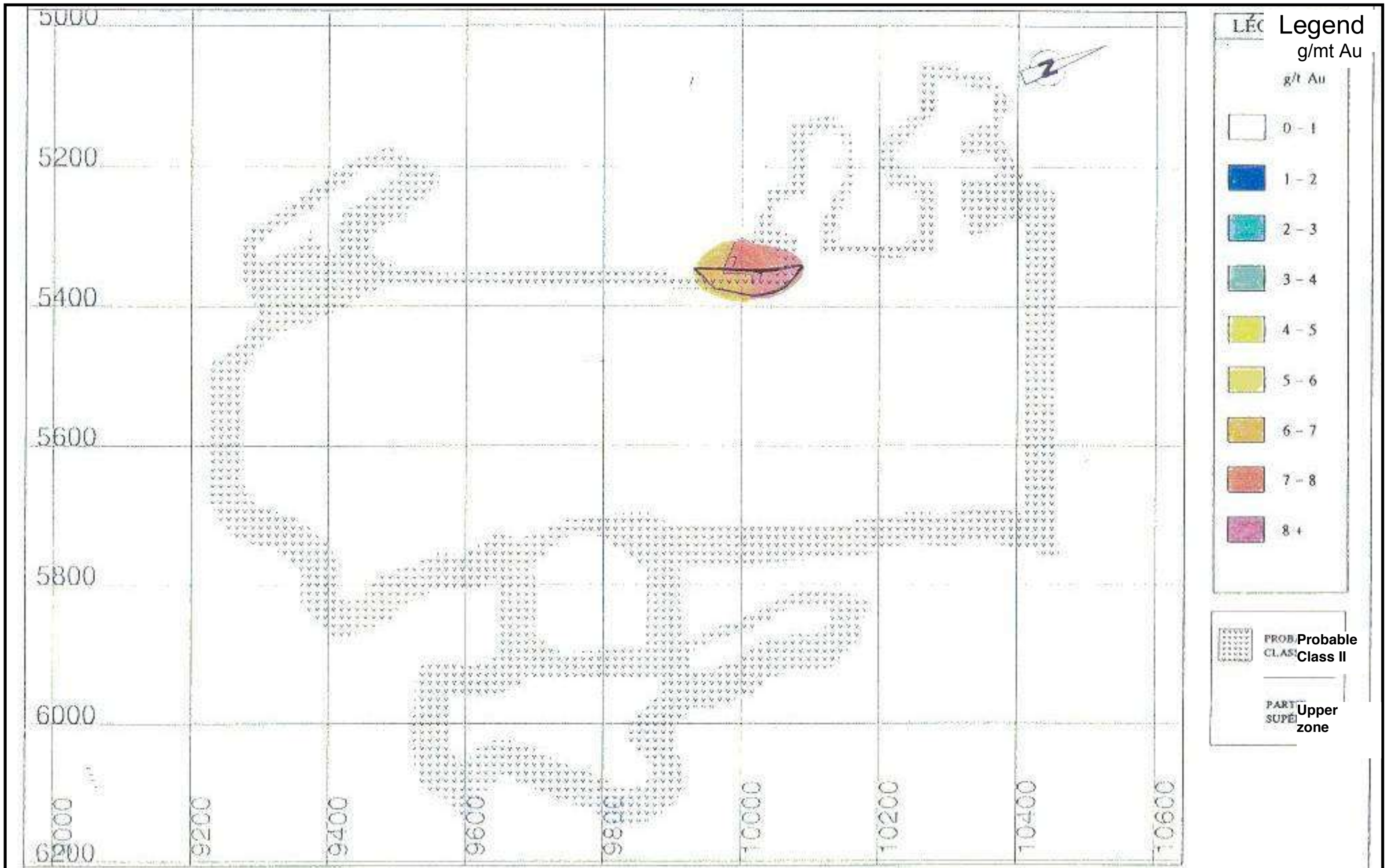
Mining Ore Reserves

The mining ore reserves are defined as mineralized material with a gold value confined within the projected pit design.

The mining ore reserves established by Roche are 33.08 Mmt at 1.78 g/mt Au with a waste to ore ratio (S/M) of 0.17:1. Table 8-1 shows the details of these ore reserves, ratios S\M, ore and waste quantities by level, zone, and reserve categories. Based on the actual gold price (±1,700 US$/oz) versus the 1996 gold price (350 US$/oz), the tonnage estimated as waste in 1996 (5.7 Mmt) could now be considered as low grade ore. This option could be retained for future consideration, but the present valuation report is based only on the mining of ±33,000,000 tonnes. See levels and sections of the pit in the following pages.

Table 0-2
Mining Reserves, All Categories

Level	Ore upper zone				Ore lower zone				Total Ore		Waste	Total	Cumulative tonnage				
	Proven C-I		Probable C-II		Probable C-I		Probable C-II		Tonnage	Grade							
(m)	Tonnage (mt)	Grade (g/mt Au)	Tonnage (mt)	Grade (g/mt Au)	Tonnage (mt)	Grade (g/mt Au)	Tonnage (mt)	Grade (g/mt Au)	(mt)	(g/mt Au)	(mt)	(mt)	Tonnage Ore (mt)	Grade Ore (g/mt Au)	Tonnage waste (mt)	Tonnage Total (mt)	Ratio S/M
390			19 200	7,09					19 200	7,09	15 814	35 014	19 200	7,09	15 814	35 014	0,824
385	76 800	4,15	46 000	4,39					124 800	4,24	5 959	130 759	144 000	4,62	21 773	185 773	0,151
380	368 000	3,19	87 200	3,25					435 200	3,20	115 605	550 605	579 200	3,55	137 378	718 578	0,237
375	1 107 200	2,2	86 400	3,76					1 193 600	2,31	157 252	1 350 852	1 772 800	2,72	294 630	2 067 430	0,166
370	2 390 400	2,04	332 800	3,00					2 723 200	2,15	159 055	2 682 255	4 496 000	2,38	453 685	4 949 685	0,101
365	3 459 200	2,13	742 400	2,77					4 201 600	2,25	448 530	4 650 130	8 697 600	2,31	902 215	9 599 615	0,104
360	3 107 200	2,76	723 200	3,25	320 000	2,70	70 400	3,55	4 220 800	2,65	449 319	4 670 119	12 918 400	2,49	1 351 534	14 269 934	0,105
355	2 297 600	3,04	707 200	3,01	1 068 000	2,32	89 600	2,49	4 163 200	2,84	373 177	4 536 377	17 081 600	2,57	1 724 711	16 806 311	0,101
350	883 200	2,22	313 600	2,34	1 715 200	1,67	624 000	1,13	3 536 000	1,77	869 165	4 405 165	20 617 600	2,44	2 593 876	23 211 478	0,126
345					1 699 200	1,14	457 600	1,00	2 156 800	1,11	336 974	2 493 774	22 774 400	2,31	2 930 850	25 705 250	0,129
340					1 667 200	0,65	428 800	0,72	2 096 000	0,66	304 389	2 400 389	24 870 400	2,17	3 235 239	28 105 639	0,130
330					1 657 600	0,57	390 400	0,38	2 048 000	0,53	260 265	2 308 265	26 918 400	2,05	3 495 504	30 413 904	0,130
335					1 574 400	0,63	294 400	0,41	1 868 800	0,60	348 788	2 217 588	28 787 200	1,95	3 844 292	32 631 492	0,134
325					1 529 600	0,63	246 400	0,53	1 776 000	0,62	352 265	2 128 265	30 563 200	1,68	4 196 557	34 759 757	0,137
320					1 388 800	0,52	153 600	0,68	1 542 400	0,54	497 852	2 040 252	32 105 600	1,81	4 694 409	36 800 009	0,146
315					899 200	0,63	73 600	0,81	972 800	0,64	980 965	1 953 765	33 078 400	1,78	5 675 374	38 753 774	0,172
	13 689 600	2,46	3 040 000	3,01	13 520 000	0,89	2 828 800	0,89	33 078 400	1,78	5 675 374	38 753 774					



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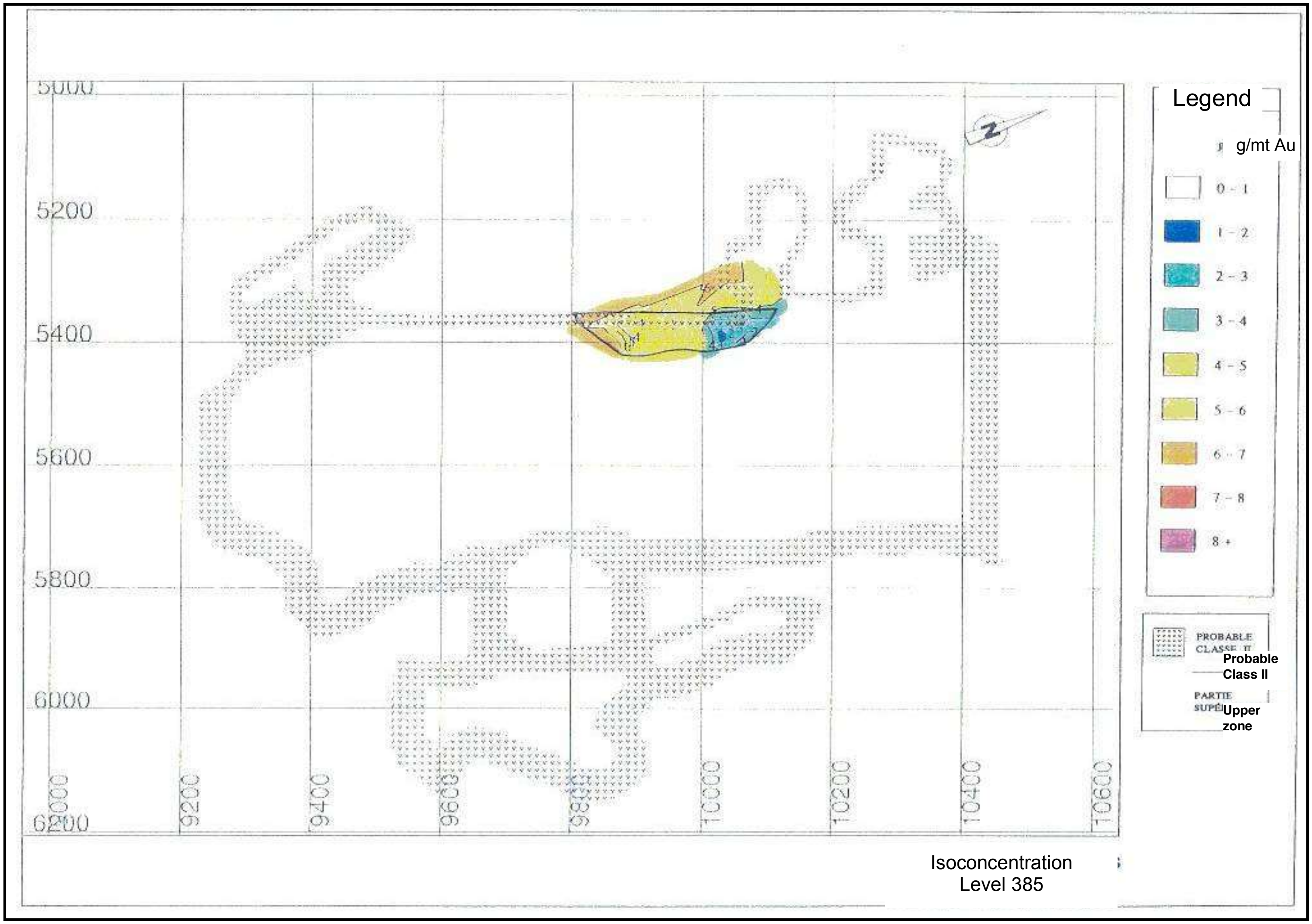
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g/mt Au
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1 - 2
2 - 3
3 - 4
4 - 5
5 - 6
6 - 7
7 - 8
8 +
PROBABLE
CLASSE II
Probable
Class II
PARTIE
Upper
zone
5200
5400
5600
5800
6000
6200
9200
9400
10000
10200
10400
10600
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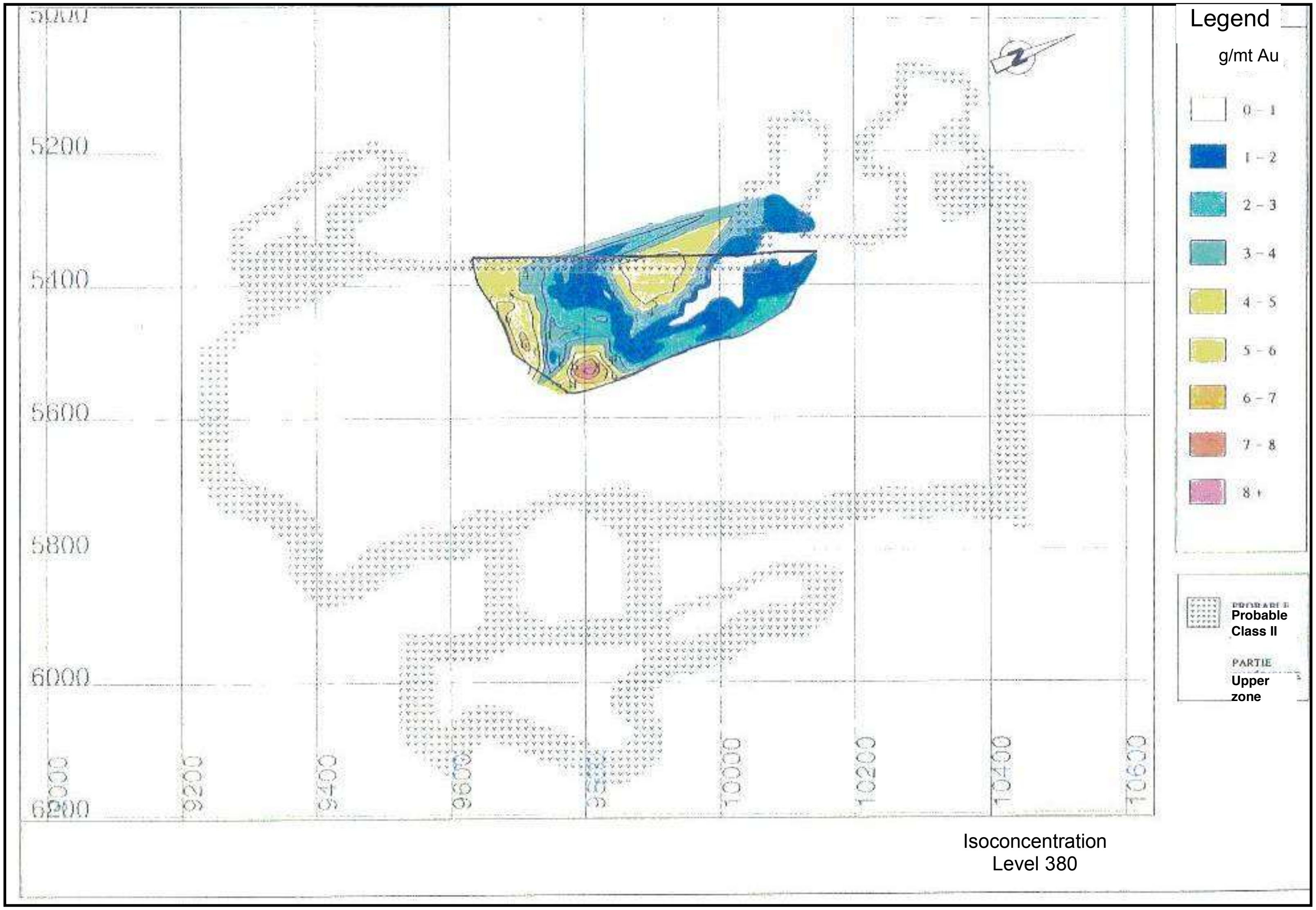
Level 385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g/mt Au
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1 - 2
2 - 3
3 - 4
4 - 5
5 - 6
6 - 7
7 - 8
8 +
Probable
Class II
PARTIE
Upper
zone
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5400
5600
5800
6000
6200
9200
9400
10000
10200
10400
10600
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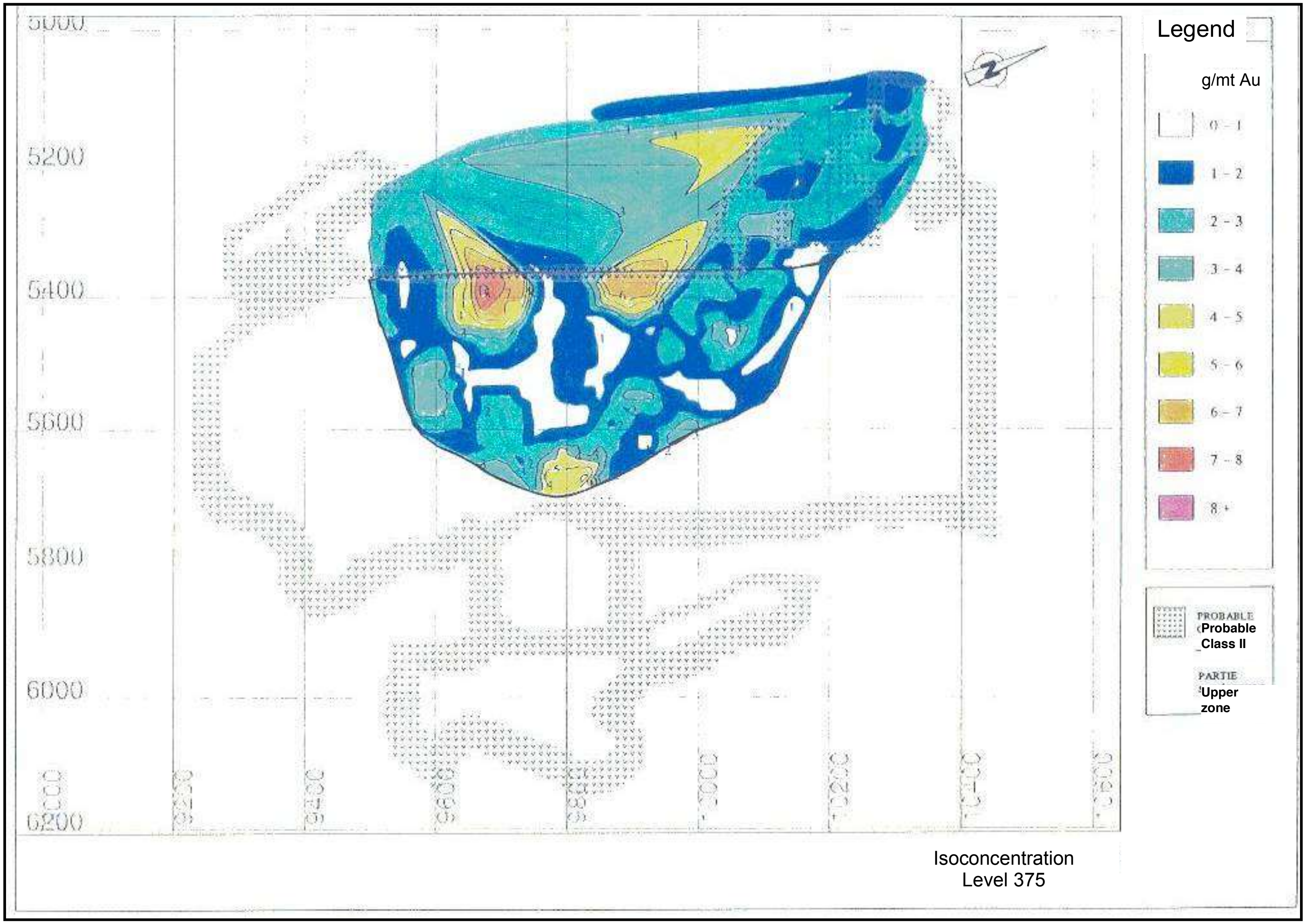
Level 380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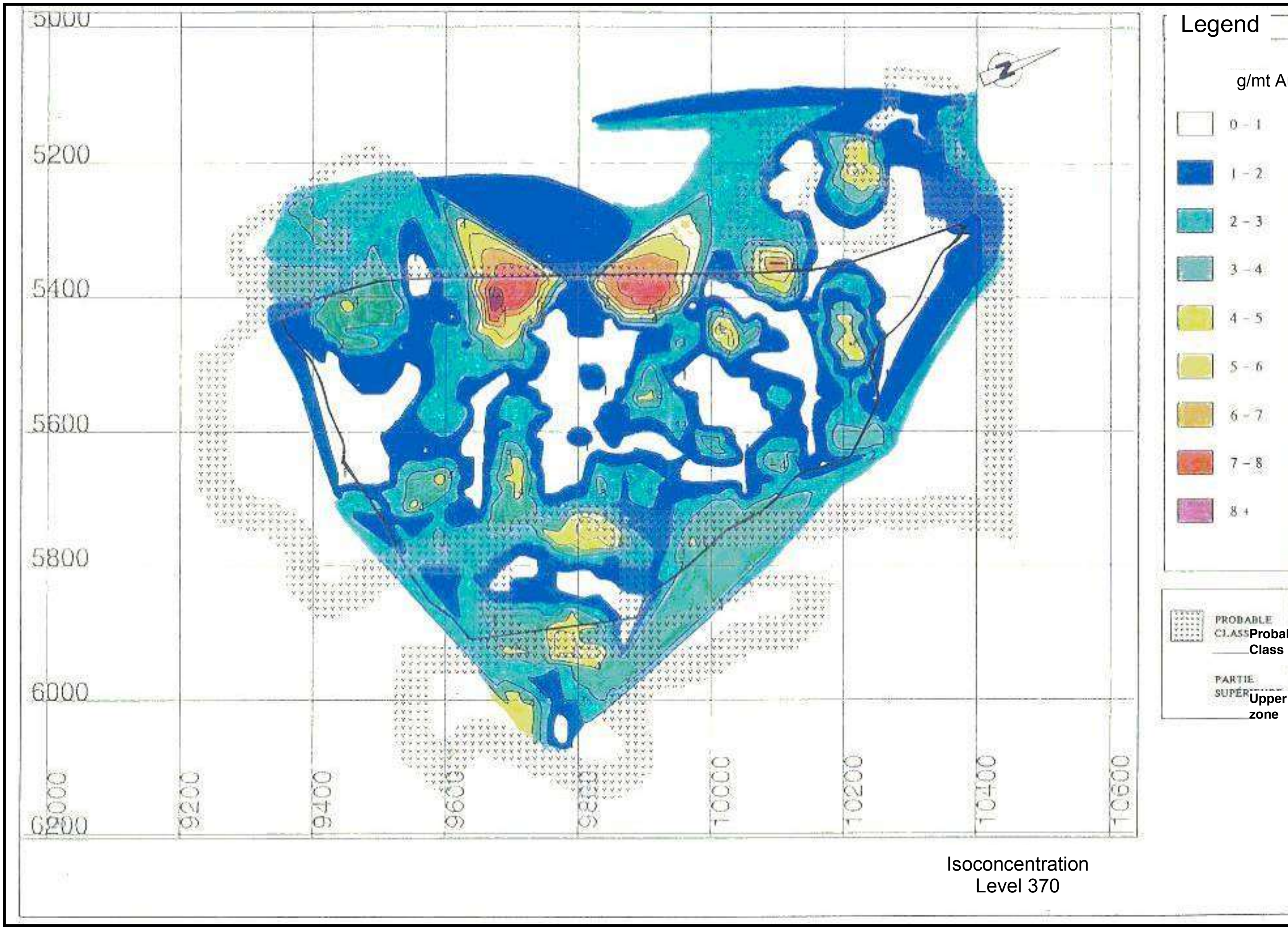
g/mt Au
0 - 1
1 - 2
2 - 3
3 - 4
4 - 5
5 - 6
6 - 7
7 - 8
8 +
PROBABLE
Probable
Class II
PARTIE
Upper
zone
5000
5200
5400
5600
5800
6000
6200
Isoconcentration
Level 375



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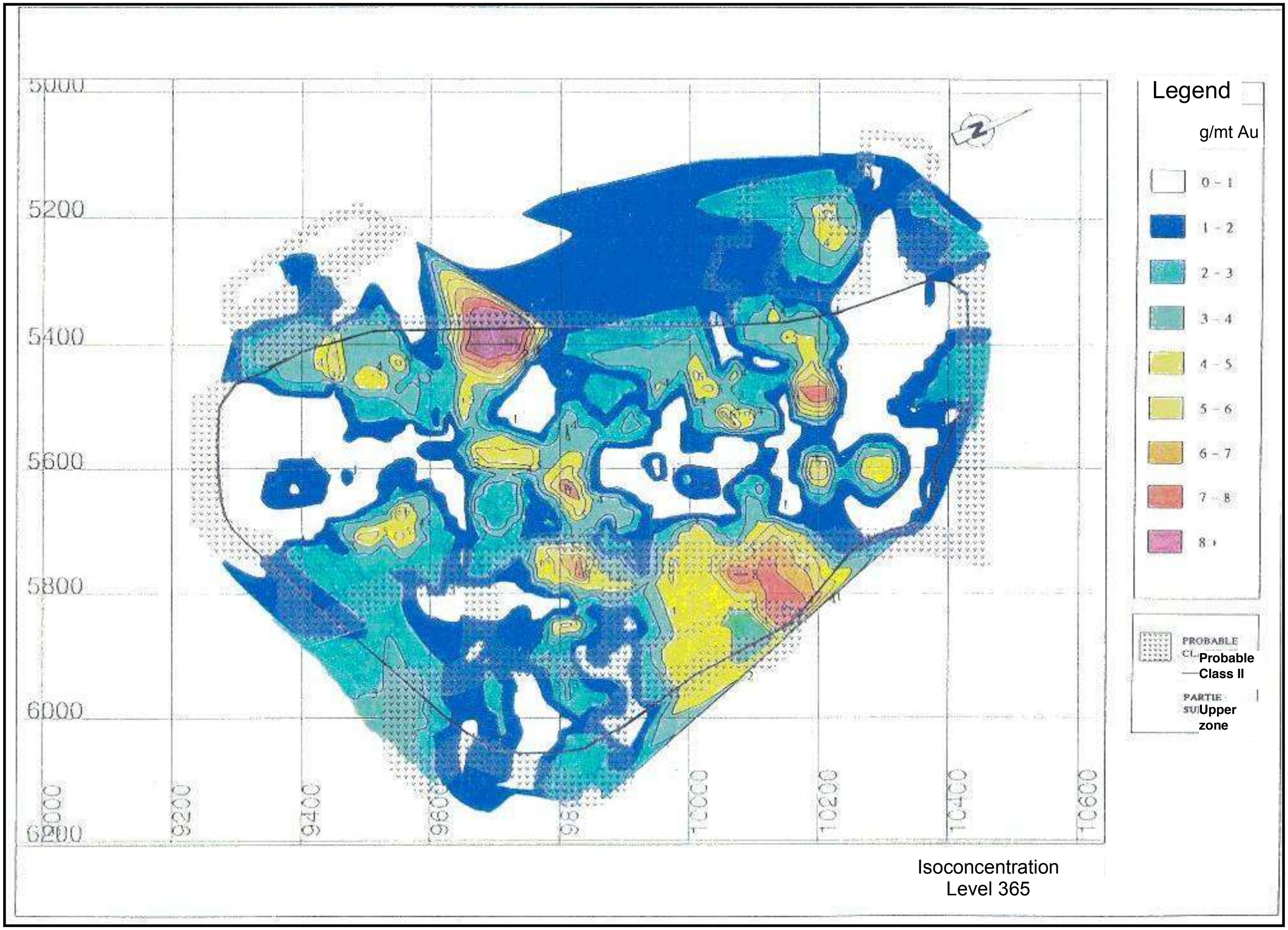
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g/mt Au
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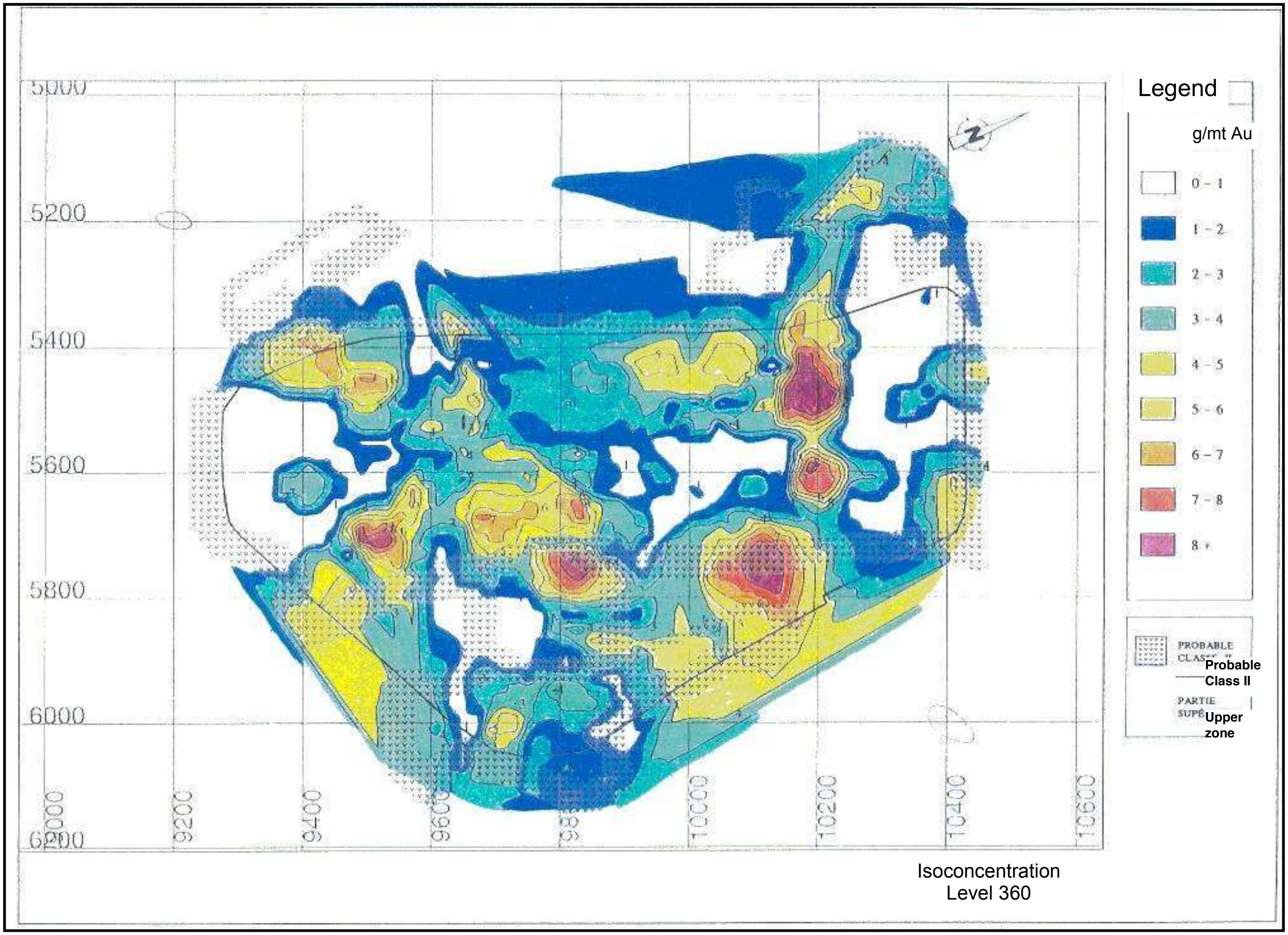
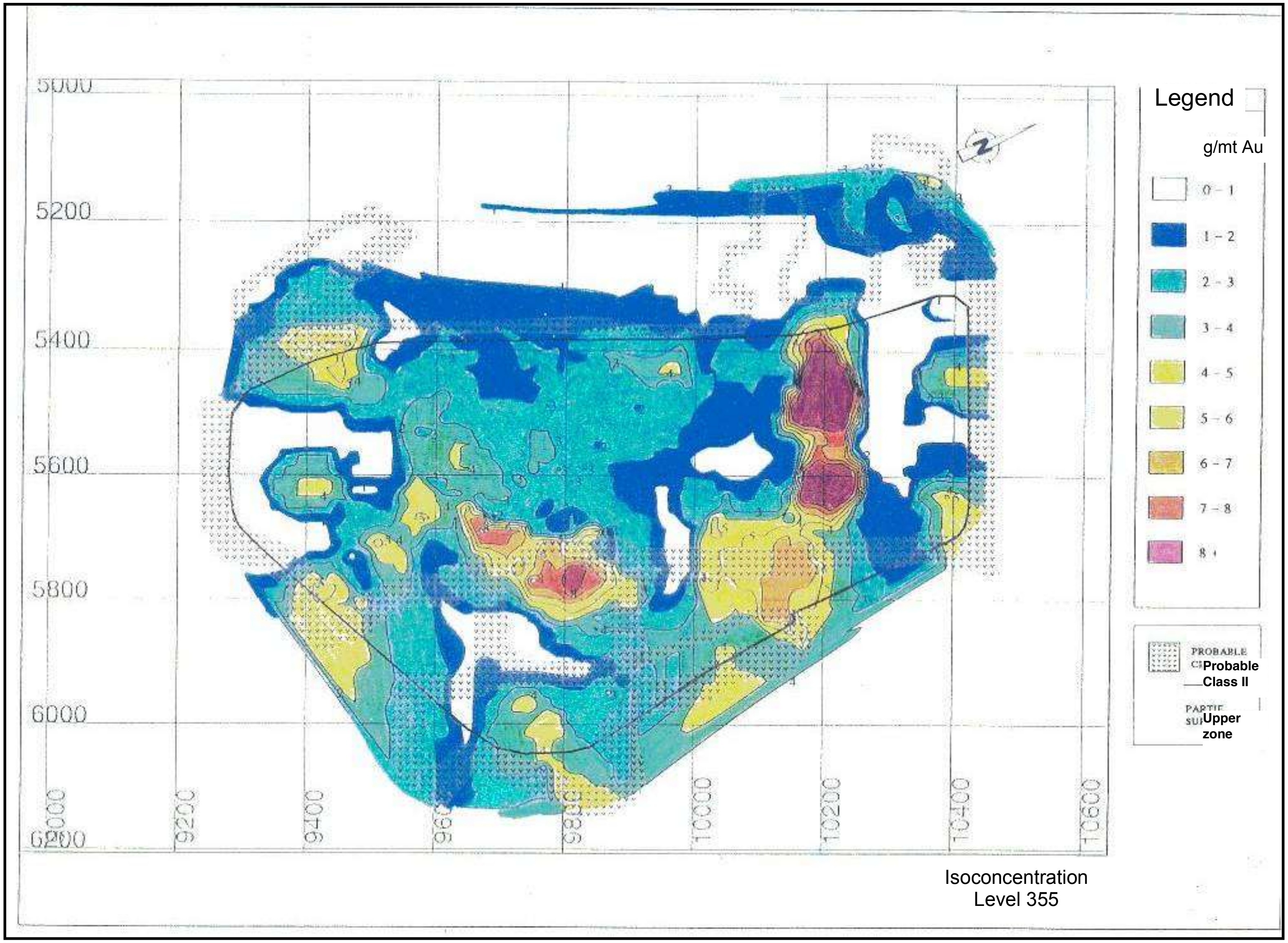
1 - 2
2 - 3
3 - 4
4 - 5
5 - 6
6 - 7
7 - 8
8 +
PROBABLE
Probable Class II
PARTIE
Upper zone
5000
5200
5400
5600
5800
6000
6200
9000
9200
9400
9600
9800
10000
10200
10400
10600
Isoconcentration
Level 365


5000
5200
5400
5600
5800
6000
6200
9000
9200
9400
9600
98
10000
10200
10400
10600
Legend
g/mt Au
0 - 1
1 - 2
2 - 3
3 - 4
4 - 5
5 - 6
6 - 7
7 - 8
8 +
PROBABLE
Probable
Class II
PARTIE
Upper
zone
Isoconcentration
Level 360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g/mt Au
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2 - 3
3 - 4
4 - 5
5 - 6
6 - 7
7 - 8
8 +
PROBABLE
Probable
Class II
Upper
zone
5000
5200
5400
5600
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9000
9200
9400
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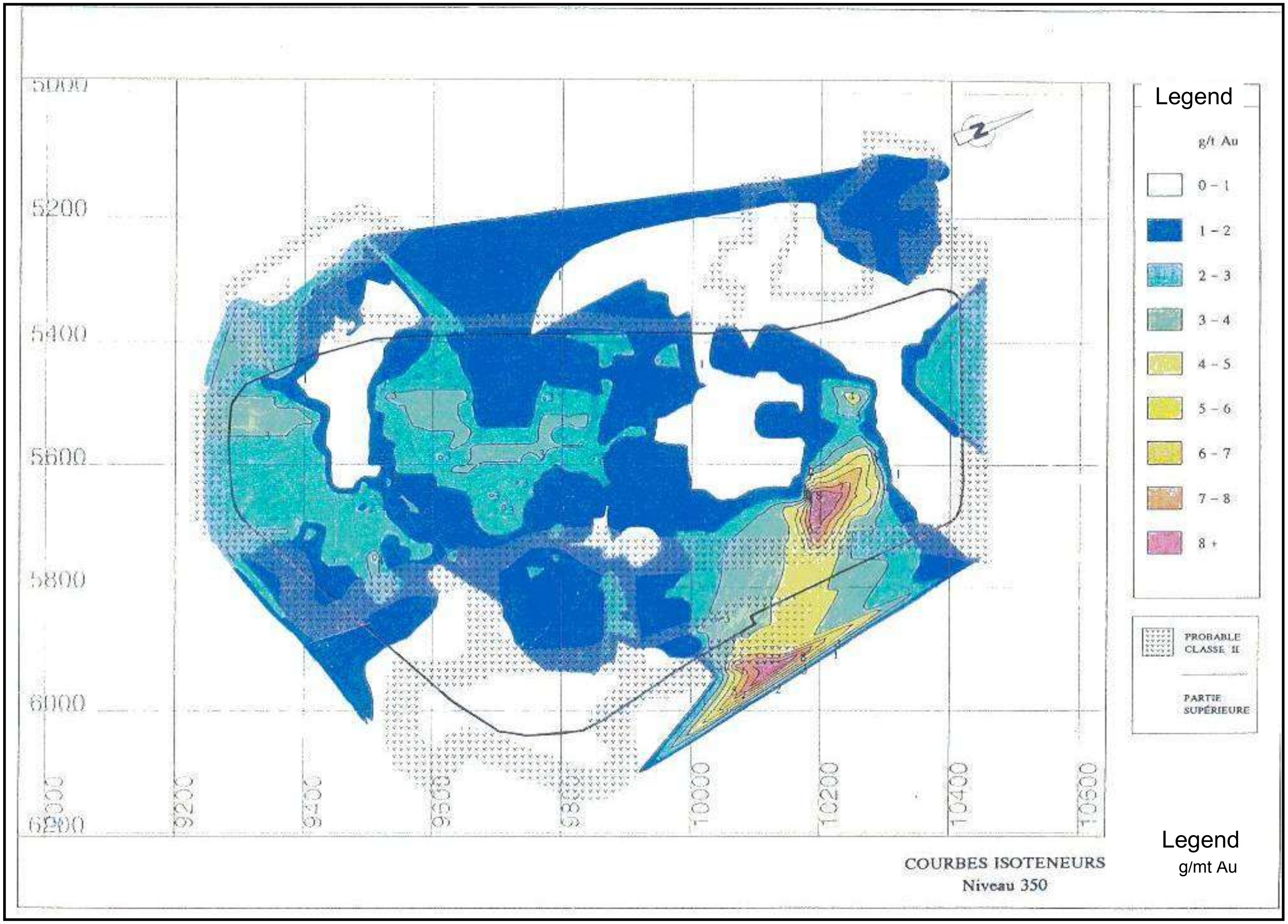
Level 355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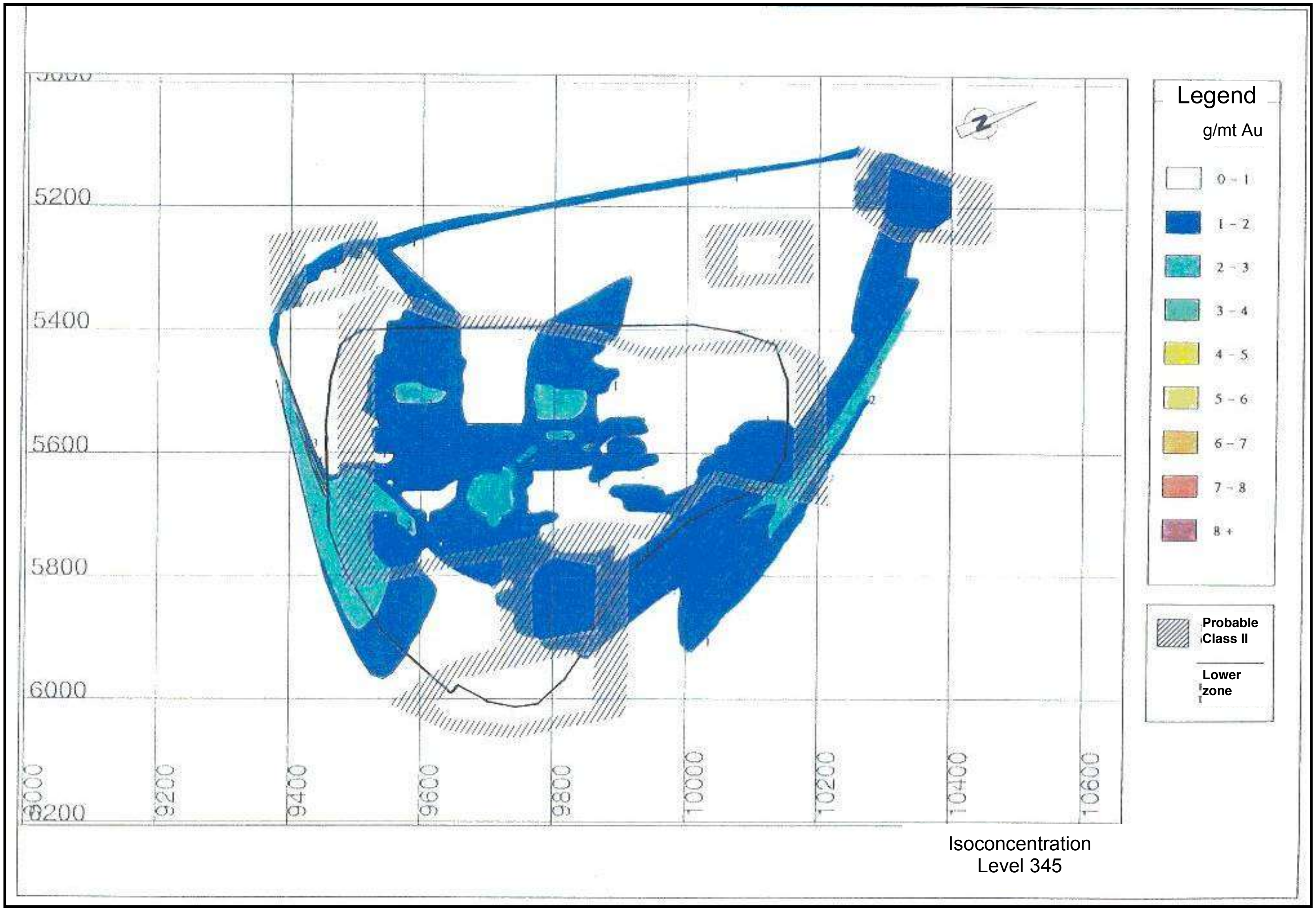
5200
5400
5600
5800
6000
6200
9200
9400
9600
9800
10000
10200
10400
10600
Legend
g/t Au
0 - 1
1 - 2
2 - 3
3 - 4
4 - 5
5 - 6
6 - 7
7 - 8
8 +
PROBABLE
CLASSE II
PARTIE
SUPÉRIEURE
COURBES ISOTENEURS
Niveau 350
Legend
g/mt Au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g/mt Au
0 - 1
1 - 2
2 - 3
3 - 4
4 - 5
5 - 6
6 - 7
7 - 8
8 +
Probable Class II
Lower zone
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5400
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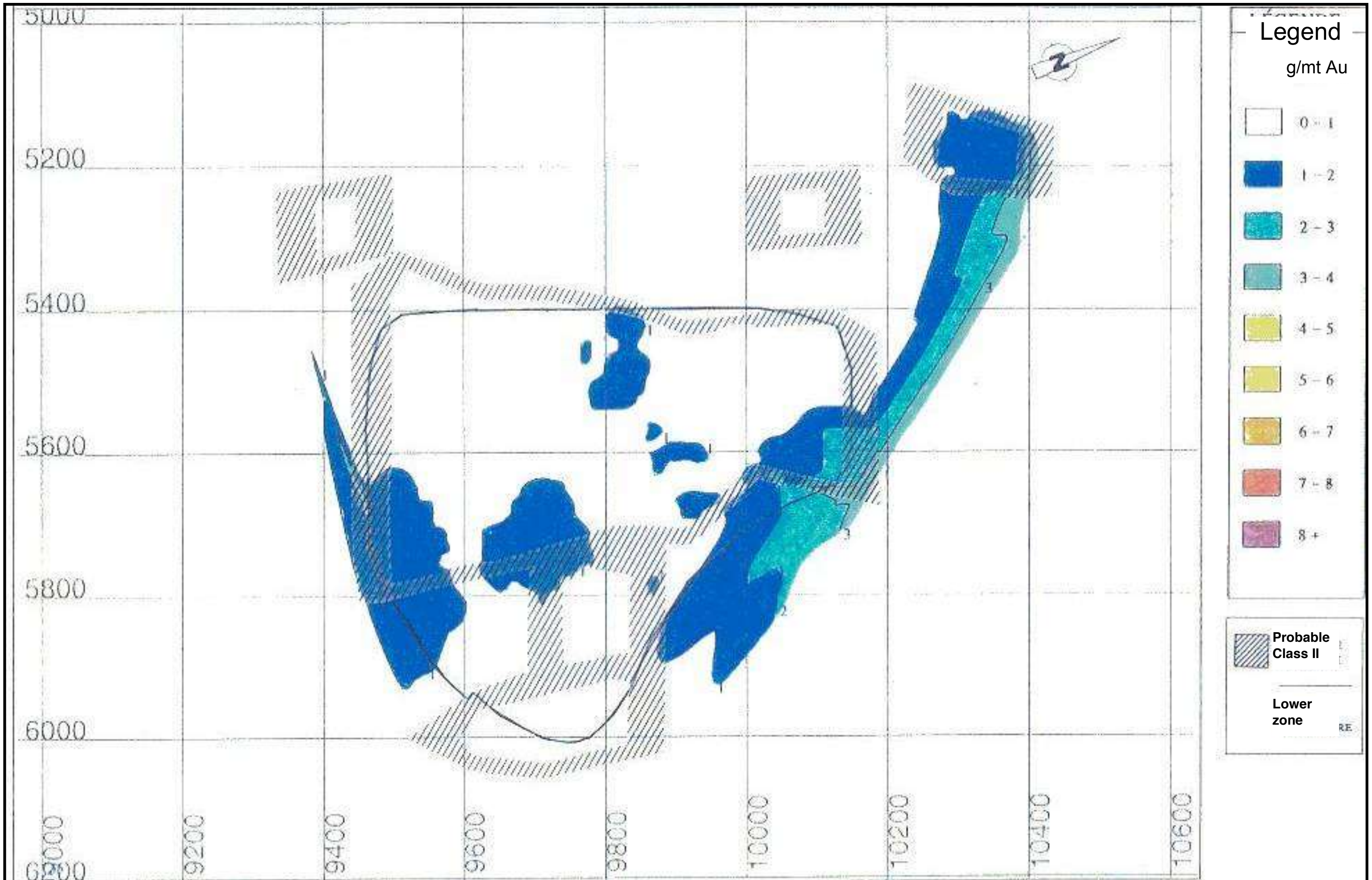
5800
6000
6200
9200
9400
9600
9800
10000
10200
10400
10600
Isoconcentration
Level 345



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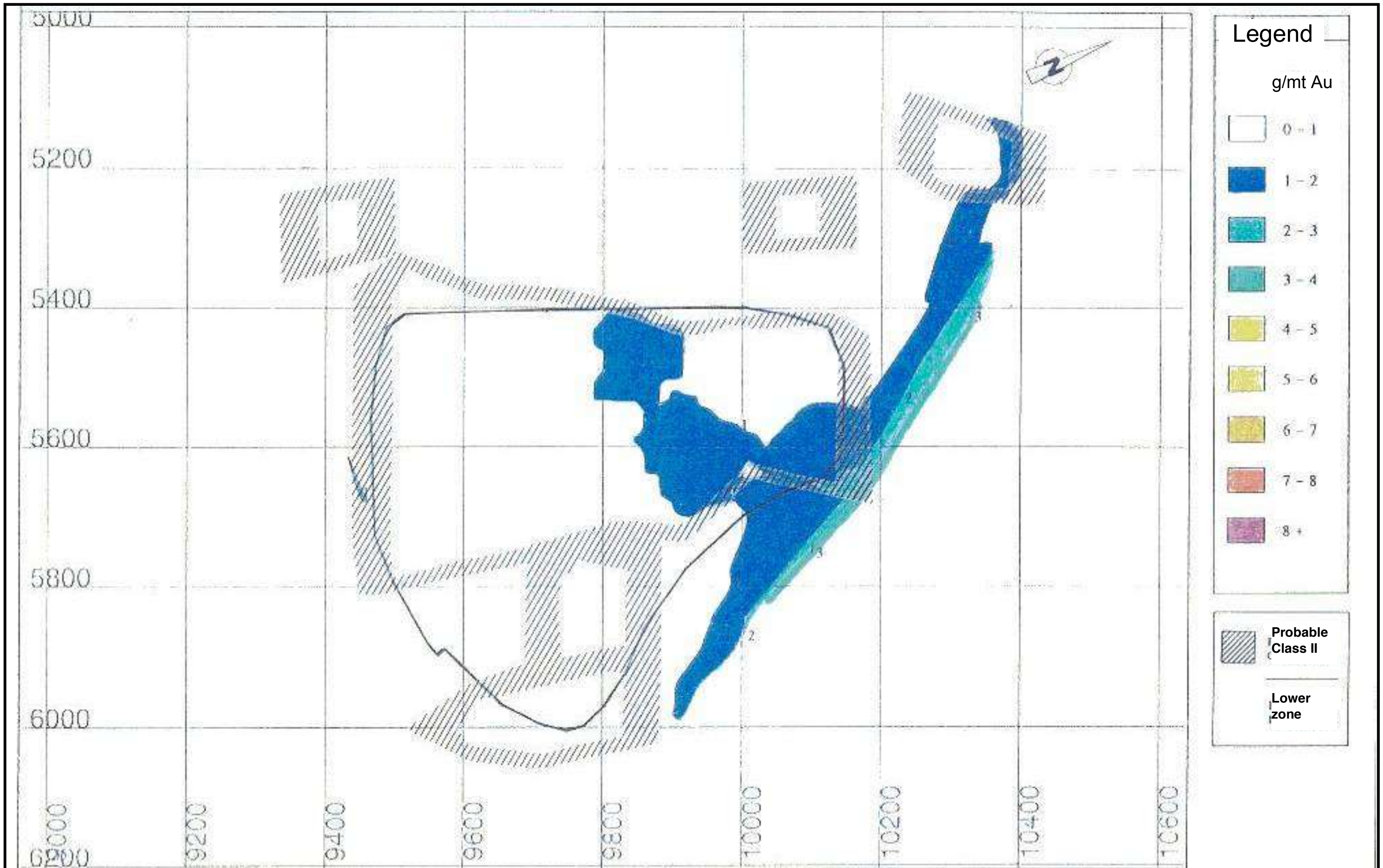
Level 340



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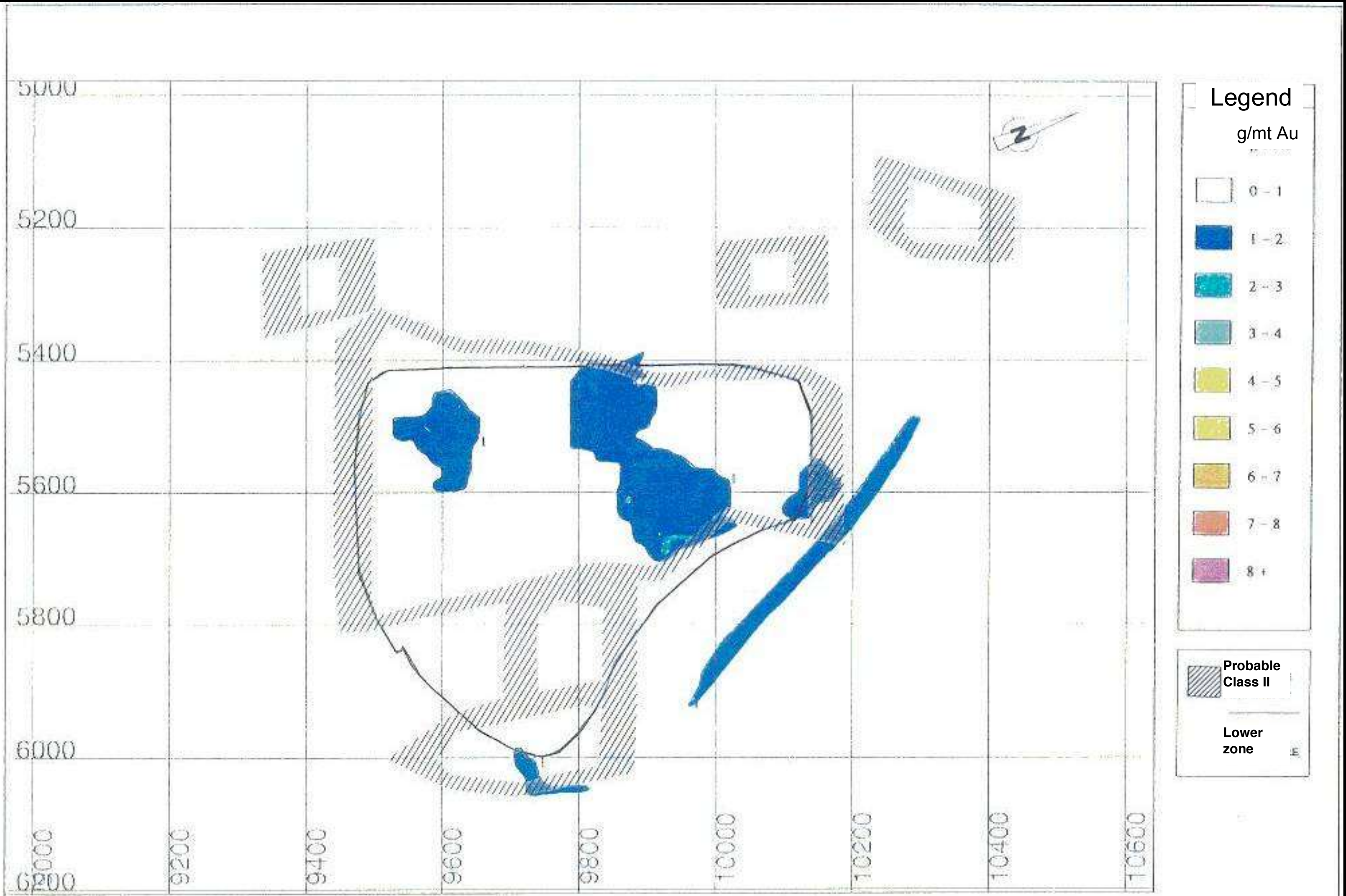
Level 335



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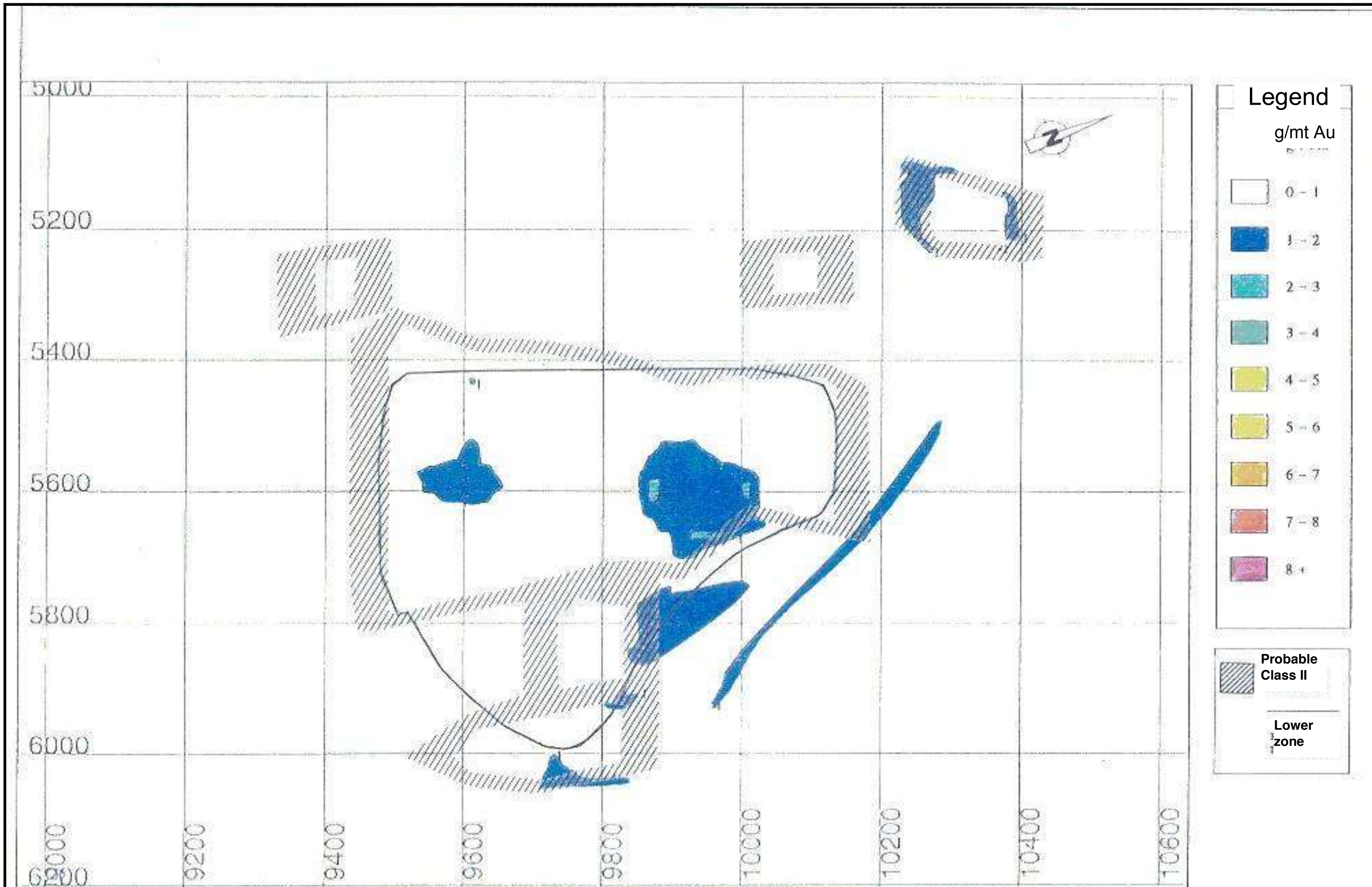
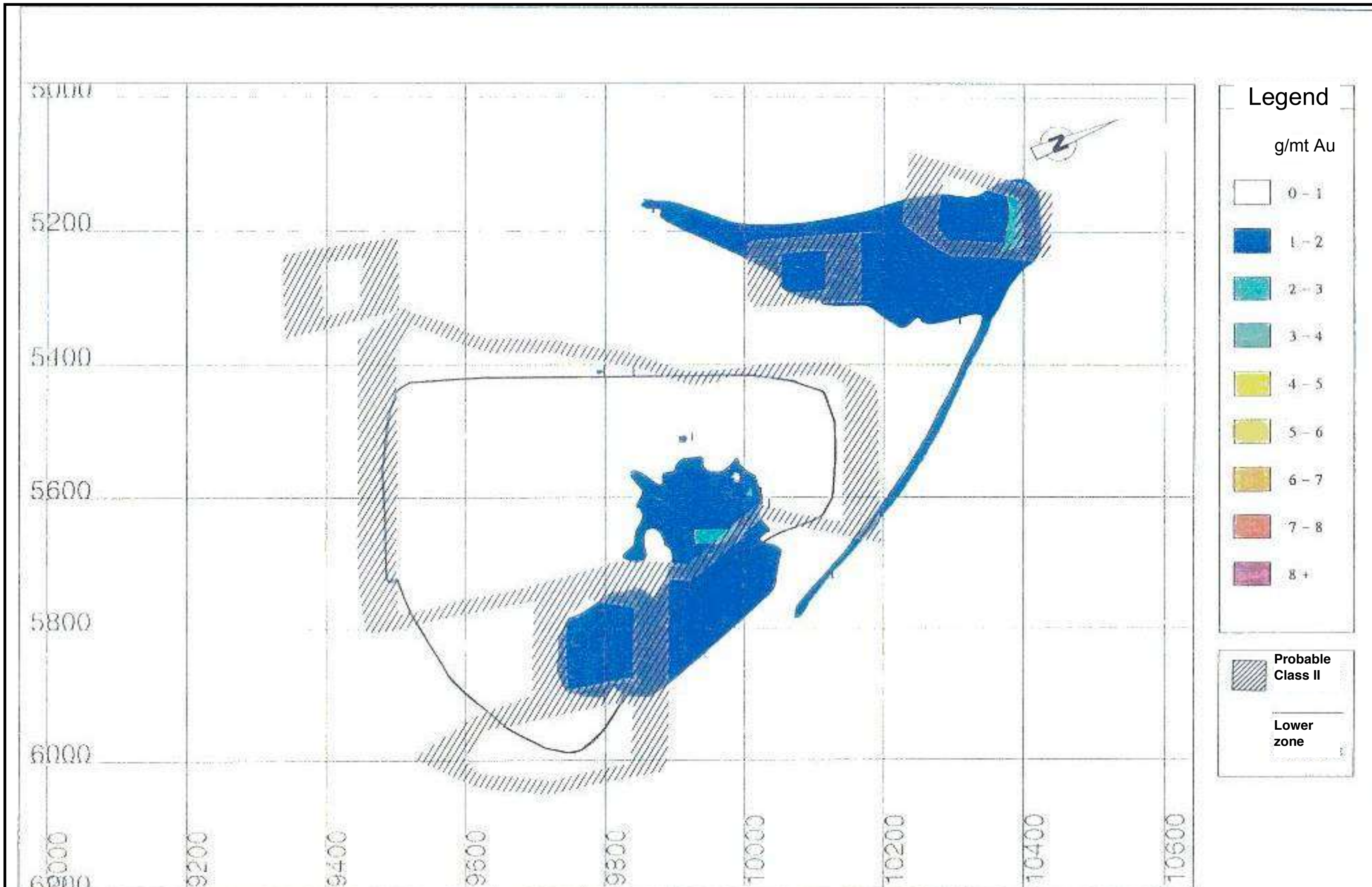
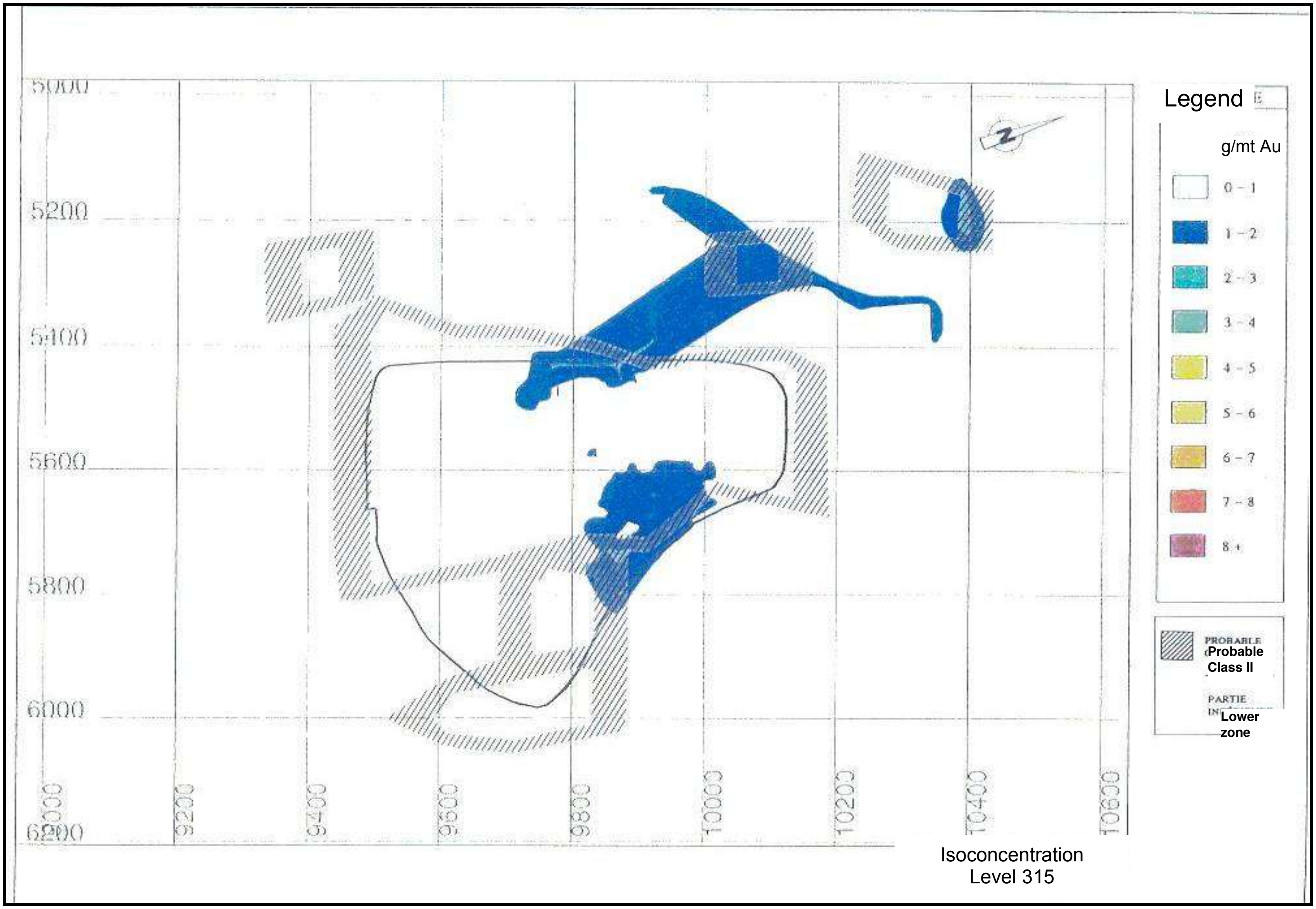
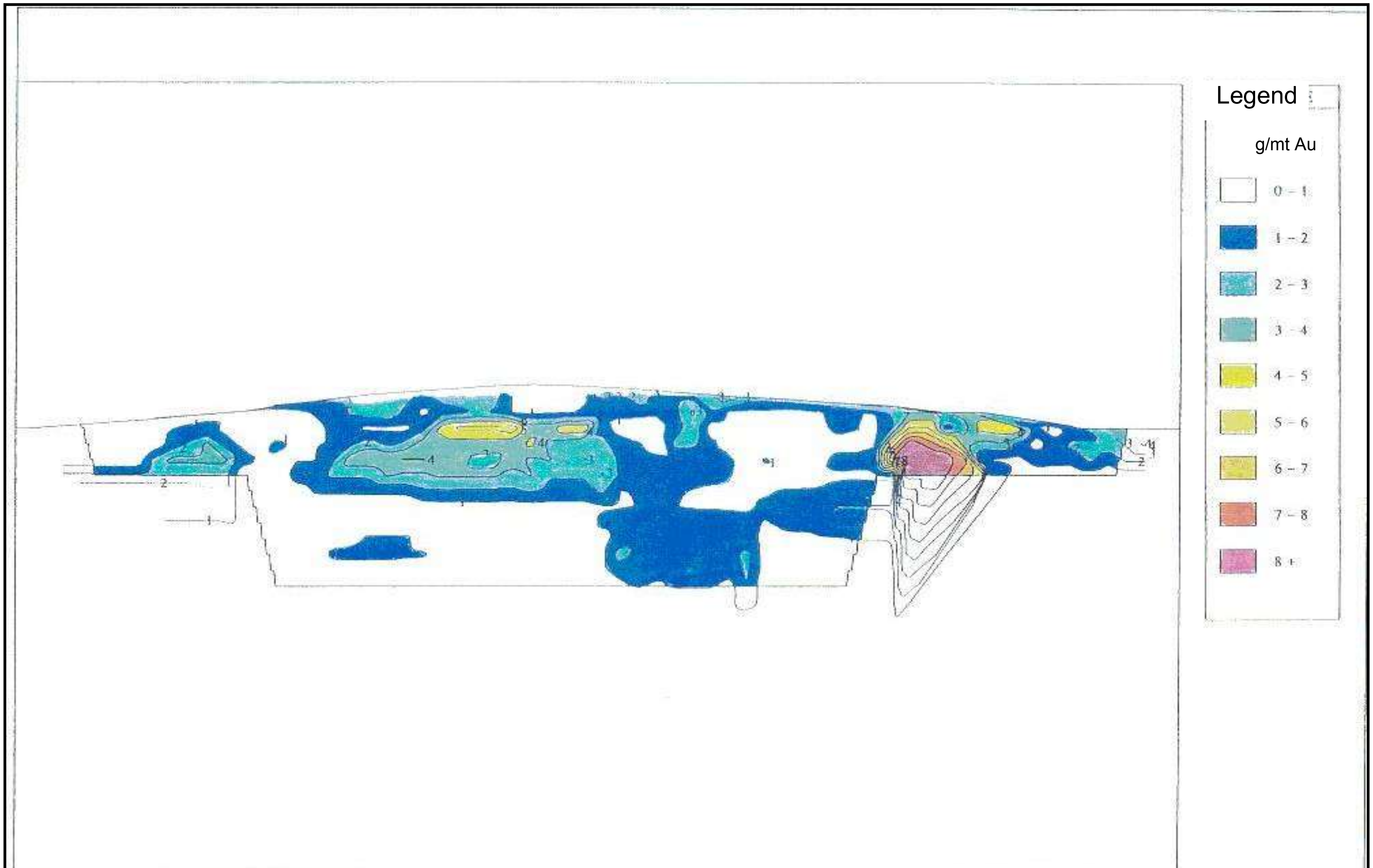


Isoconcentration
Level 325

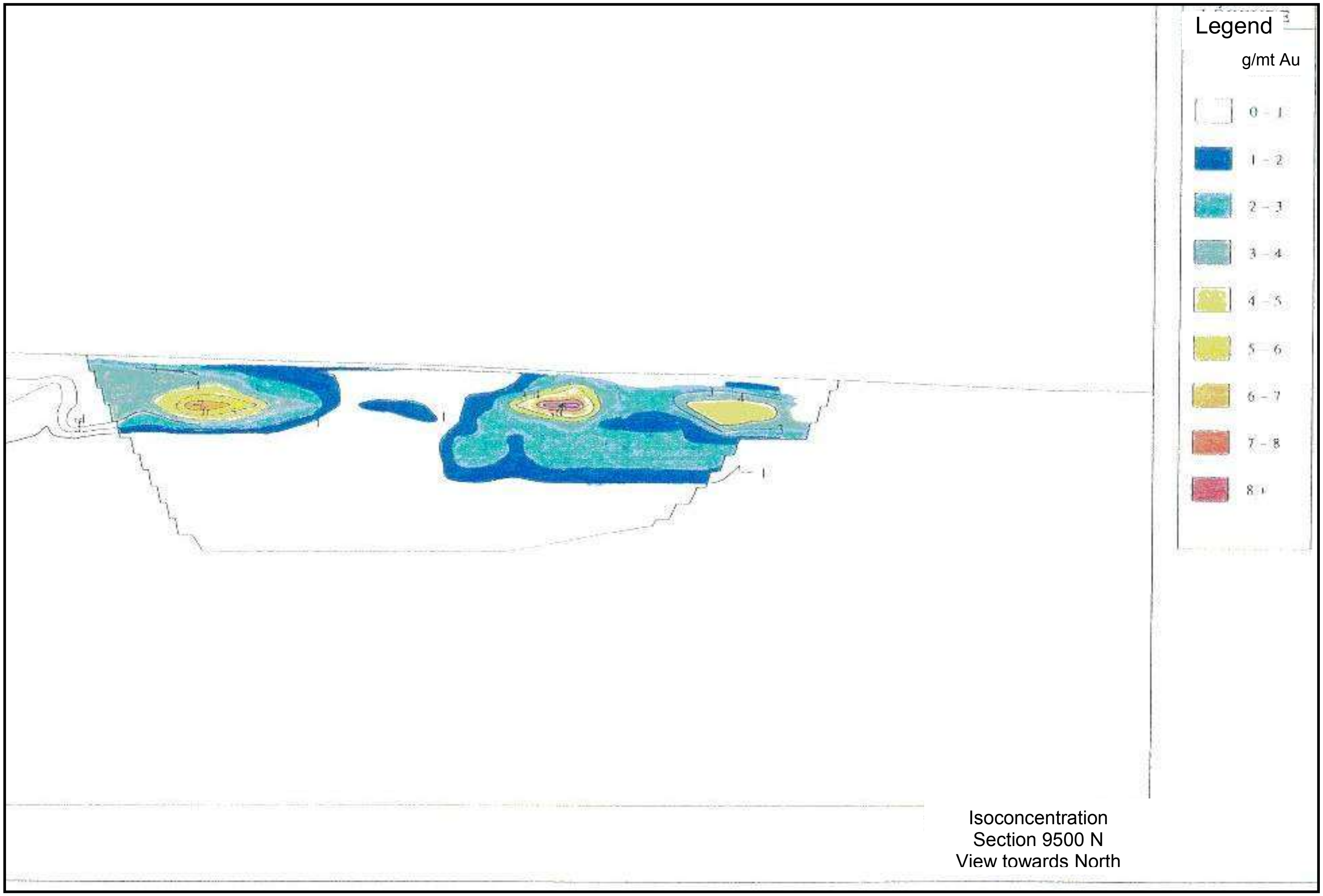


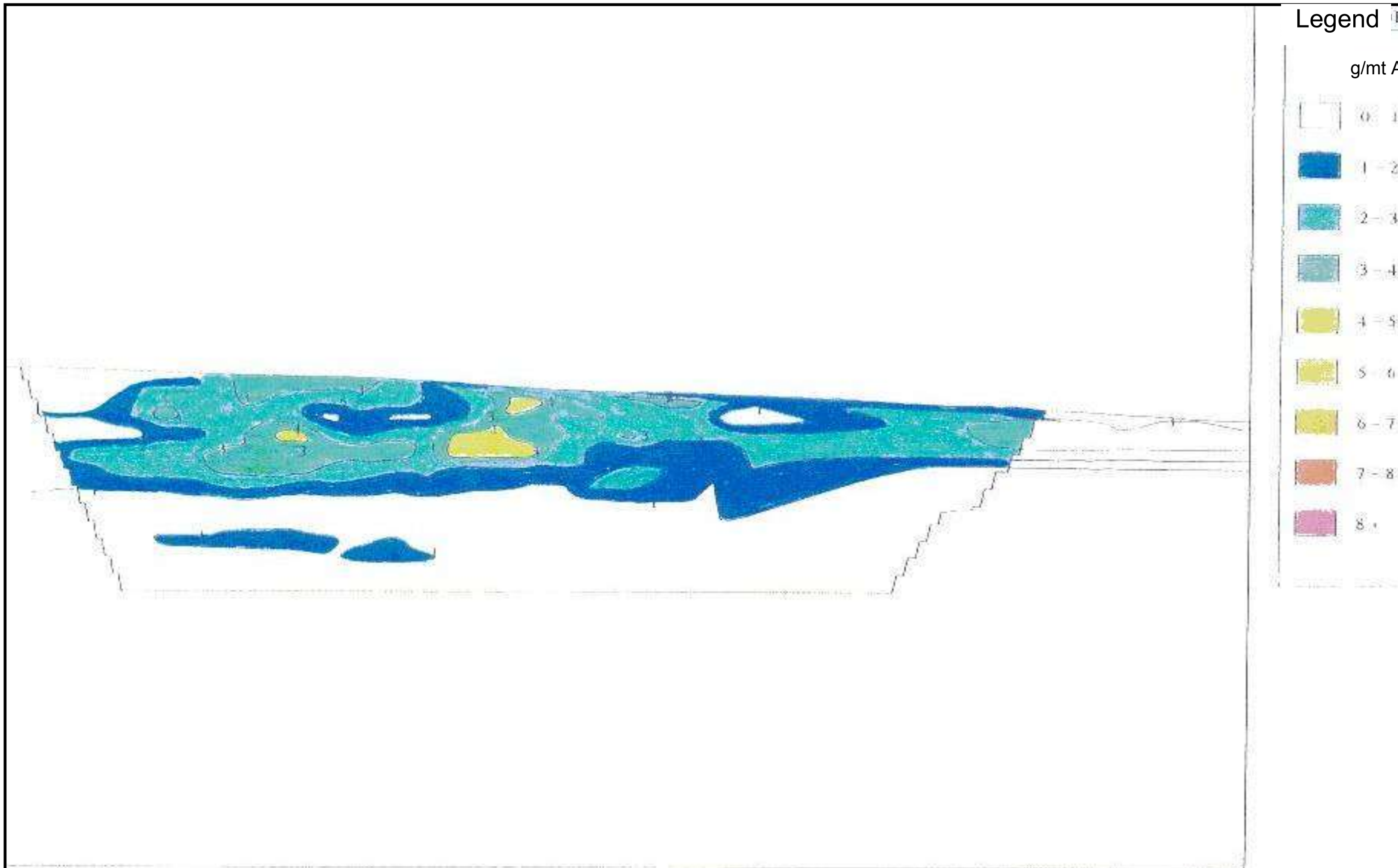
Isoconcentration
Level 320


Legend
g/mt Au
0 - 1
1 - 2
2 - 3
3 - 4
4 - 5
5 - 6
6 - 7
7 - 8
8 +
Probable Class II
Lower zone
5000
5200
5400
5600
5800
6000
6200
9000
9200
9400
9600
9800
10000
10200
10400
10600
Isoconcentration
Level 315

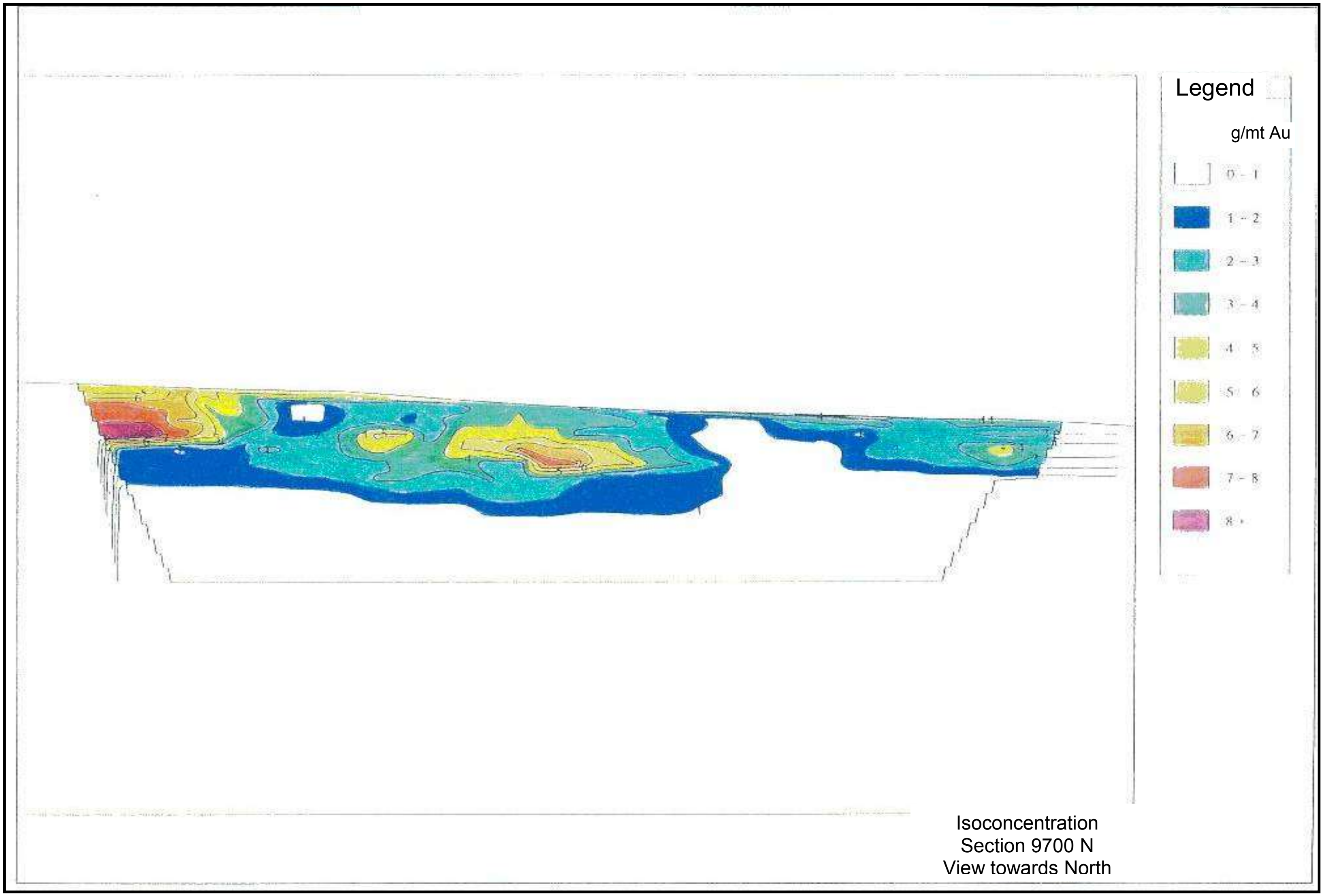


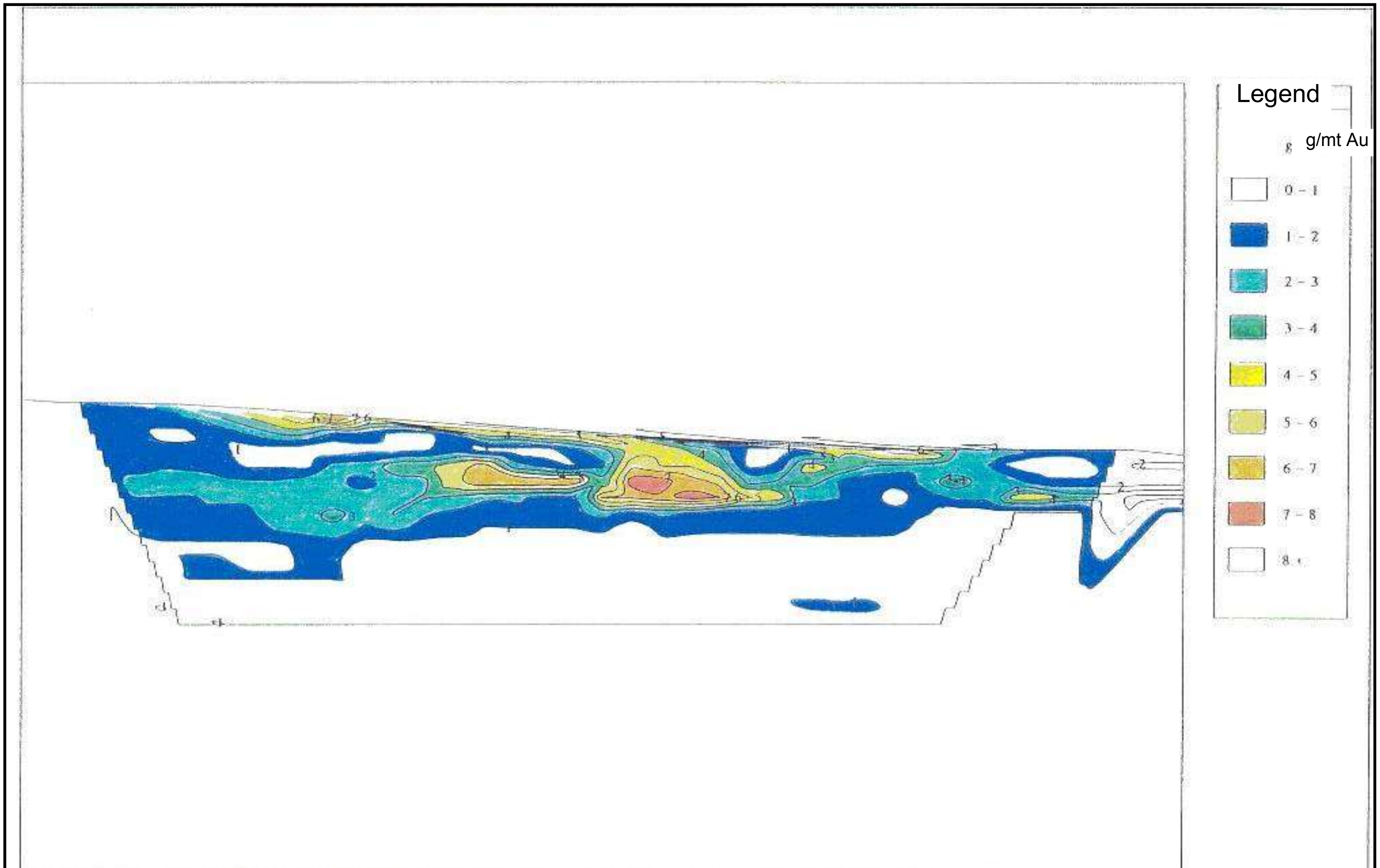
Isoconcentration
Section 5600 E
View towards West


Legend
g/mt Au
0 - 1
1 - 2
2 - 3
3 - 4
4 - 5
5 - 6
6 - 7
7 - 8
8 +
Isoconcentration
Section 9500 N
View towards North

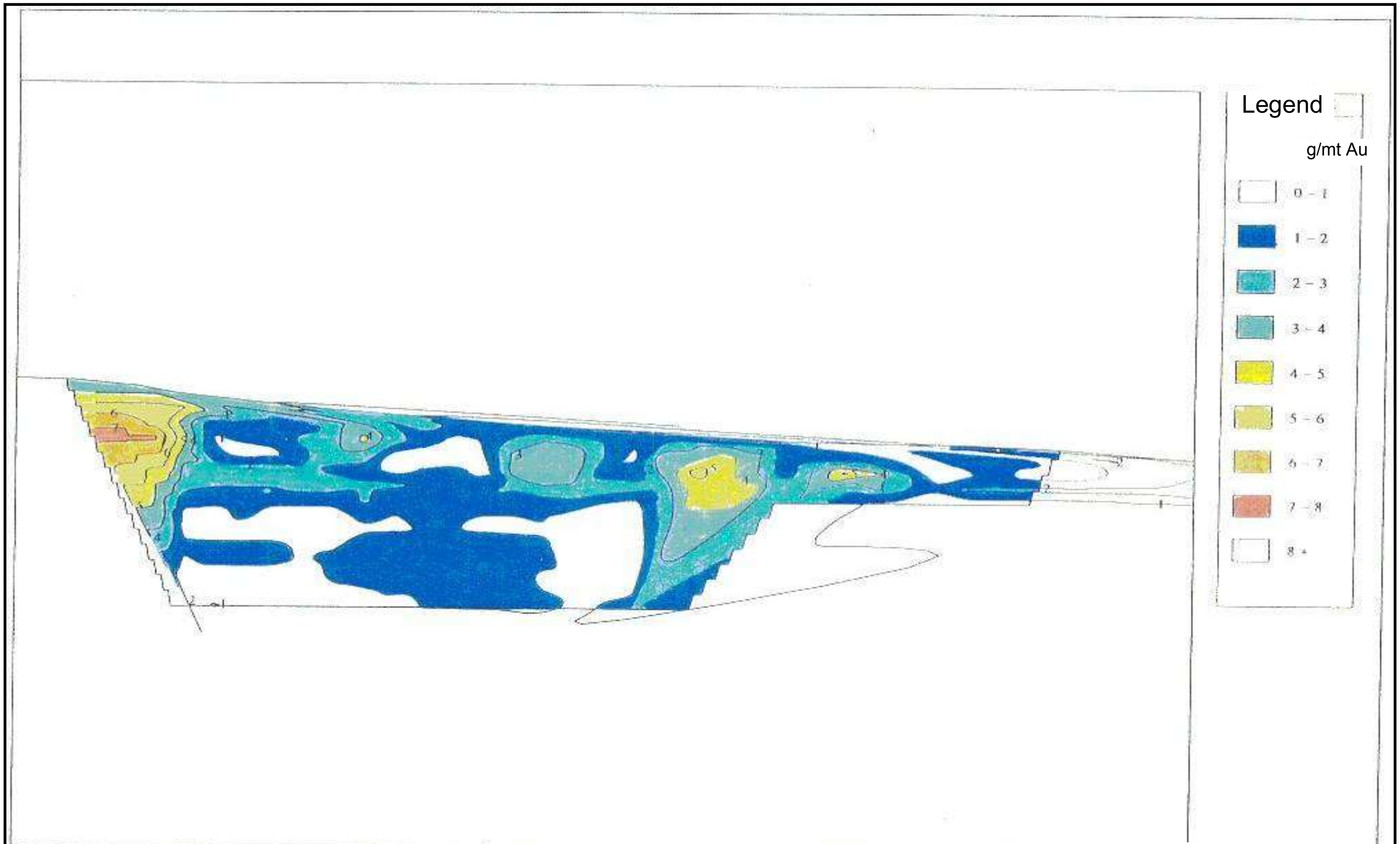


Isoconcentration
Section 9600 N
View towards North


Legend
g/mt Au
0 - 1
1 - 2
2 - 3
3 - 4
4 - 5
5 - 6
6 - 7
7 - 8
8 +
Isoconcentration
Section 9700 N
View towards North



Isoconcentration
Section 9800 N
View towards North



Isoconcentration
Section 9900 N
View towards North

MINING OPERATION

Drilling and Blasting

Because of the nature of the ore (laterite) which is not a solid mass, the drilling and blasting are not required. Bulldozers with rippers, big shovels and hydraulic hammers are very well indicated for the handling of coarse unconsolidated materials.

Loading and Transportation

Two hydraulic shovels with buckets of 13 and 8 m³ each and two wheel loaders with a 10 and 5 m³ bucket each are very well indicated for loading purposes. The loading capacity of those equipments is suitable to reach the objective of 21,000 mt per day.

Three 85-mt trucks and three 30-mt trucks are suitable for the first and second years of exploitation. For the following years, trucks must be added for the 21,000 mt/d exploitation. This requirement is estimated at 7 trucks of 85-mt capacity. See photos of the mining equipments on the site.

Liebherr 8 m³ shovel

Mining equipment

Mining equipment

Mining Exploitation Services

The main services before and during the exploitation are construction and maintenance of haulage roads, ore stockpiles area, loading sites, pit pumping, dust control by watering the roads.

Presently bulldozers, grader, backhoe and water trucks are on the mine site (see photos). The pit pumps will be required at the beginning of the second year of exploitation.

Mining equipment

Summary Of Pilot Plant And Laboratory Testing

HISTORY

The Kodiéran laterite deposit of Wassoul'Or has seen many exploration campaigns since 1967 and has been the site of many gold digging (orpaillage) activities. For many geologists the presence of gold diggers (orpailleurs) on a site, is the best indication of the possible presence of gold in this area, and of where to start an exploration campaign.

From 1967 to 1982, a crew of Soviet geologists carried out some field work on site, including core drilling that has identified six mineralized zones.

After that campaign, the concession was awarded to Ree Co., an American group. Bumigeme has no information on the work done.

In 1989, the Mali Government (DNGM) conducted a regional geochemical survey along with more detailed sampling over the anomalous zones. These surveys outlined several auriferous zones and proved the existence of a gold potential in the area.

In 1992, SODINAF acquired the concession and carried out a sizable work programme including 891 pits of 5 m deep; 502 auger holes with an average depth of 20 m, and 4,783 m from 70 drill holes (reverse circulation).

Considerable metallurgical test works were carried out prior to the commencement of processing Kodiéran ore. These metallurgical test works conducted at SODINAF pilot plant at the beginning of this project and at CRM Quebec and McClelland laboratory later were aimed at finding the best route to process this ore. Gravity concentration and whole ore cyanidation were tested. A summary of the metallurgical tests undertaken is described below.

SODINAF PROCESSING CENTER

In 1996, SODINAF installed, at the very beginning of the Roche study, a pilot plant to treat the samples taken during the previous drilling campaign to establish the gold grade of the ore and the flowsheet.

Given the difficulties in establishing with accuracy and confidence the grade of a gold-bearing ore which contains some nugget gold, it was decided to treat individually each of the samples corresponding to each meter of drilling. A total of 4,705 samples were treated (45,728 kg).

To evaluate the grade of the deposit, the treatment process of the samples was the object of numerous discussions and the flowsheet, such as developed (see figure 9-1, Roche Report) was retained.

SODINAF recruited, hired and trained approximately fifty persons to satisfy the needs of the pilot plant.

The training was supervised by Mr. Raymond Leclerc, Geological Engineer from Roche, assisted by Mr. Corneille Sabéle Dena. These persons had worked on previous programs of SODINAF and were already familiar with the operation of Knelson concentrators and Gemini table, main elements of concentration in the pilot plant.

Furthermore, in the course of the days, with good training and good supervision, the staff acquired the necessary dexterity required for the good operation of the pilot plant.

At the beginning, the pilot plant operated two shifts of 10 hours each, six days a week. After the training phase, the working period was extended to three shifts a day, six days a week.

The number of samples treated every day was gradually increased from an average of 60 samples for a 20 working hour period a day, to an average of 75 samples for a 24-hour working day, with some peaks of 100 samples treated in the last days.

It is necessary to keep in mind that the purpose of the pilot plant was to establish the grade of the ore and not to establish the best treatment process. Nevertheless, gold recoveries of more than 99% in several tests were reached in SODINAF's pilot plant.

Refer to tables 5.1.2, 5.1.3 and 5.1.4 (below) of the Roche Report which give the results of the grade and the recovery for some of the samples and RC composites.

Figure 0-3
Process Center SODINAF – Flowsheet
Kodiéran deposit – Faboula permit

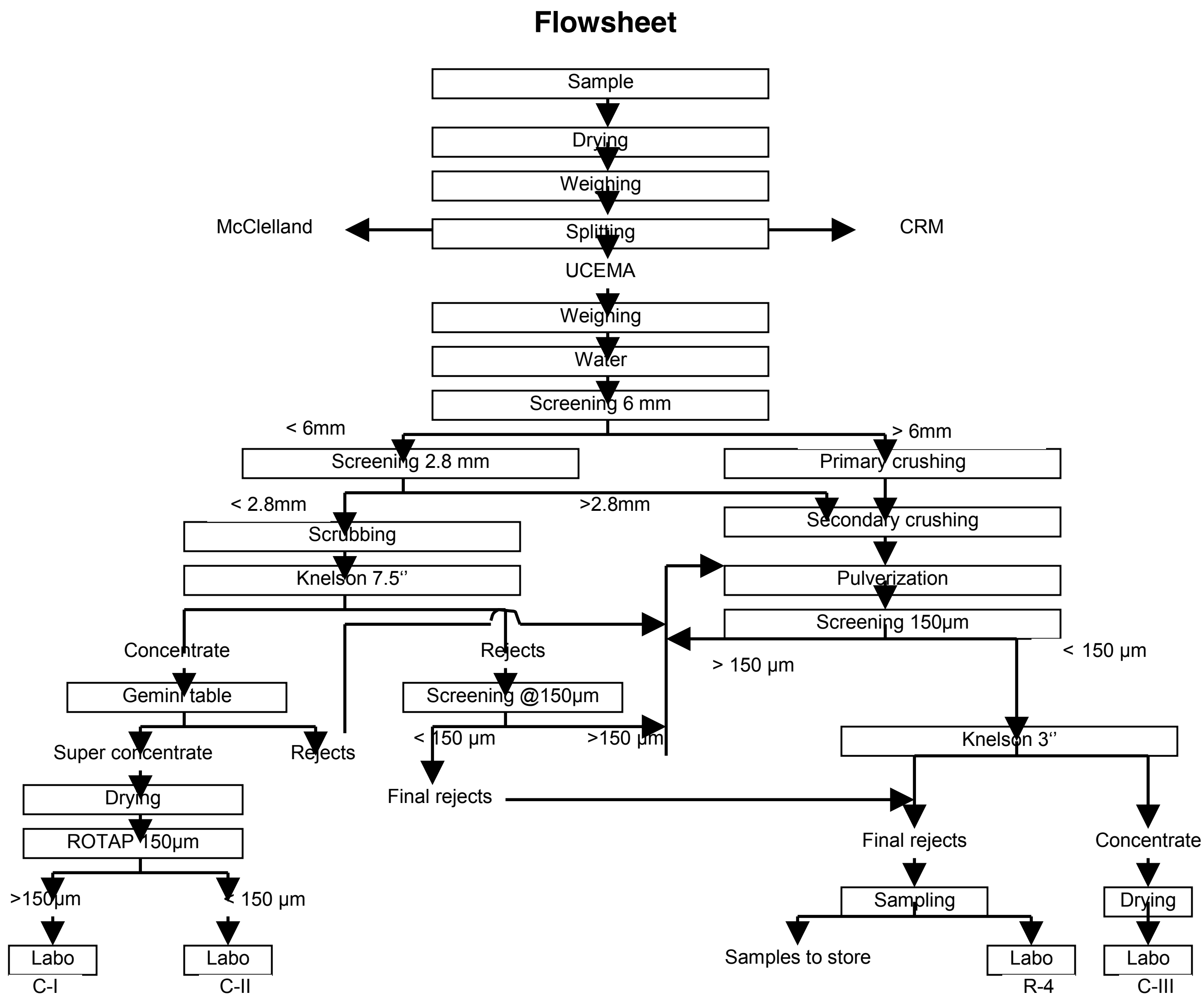


Table 5.1.2 - Summary of RC Drilling

nn	Total length of the hole				For the (0-23)m	
	RC	Composite Sample	Sample Grade g/mt	Recovery %	Sample Grade g/mt	Recovery %
1	RC01	yes	1,03	87,56	2,88	95,51
2	RC02	yes	1,47	92,77	4,20	97,43
3	RC03	yes	1,69	83,57	2,43	73,44
4	RC04	yes	0,80	89,41	0,24	43,90
5	RC05	no	0,24	64,68	0,51	68,17
6	RC06	yes	16,53	99,02	11,13	99,36
7	RC07	yes	3,75	93,10	6,93	98,99
8	RC08	yes	2,75	92,67	8,05	97,01
9	RC09	yes	1,02	72,71	3,65	83,11
10	RC10	yes	4,92	96,35	0,15	64,53
11	RC11	yes	0,34	28,19	0,18	64,08
12	RC12	yes	0,28	20,31	0,47	3,39
13	RC13	no	3,30	94,22	8,92	99,34
14	RC14	no	4,97	98,31	4,02	97,57
15	RC15	yes	0,85	65,44	0,48	60,78
16	RC16	yes	5,74	96,52	15,45	99,19
17	RC17	no	4,40	97,77	10,60	99,36
18	RC18	yes	1,63	84,77	2,07	71,51
19	RC19	no	1,07	94,50	3,73	95,65
20	RC20	yes	2,18	83,32	2,81	95,98
21	RC21	no	4,05	97,67	12,60	97,96
22	RC22	yes	0,97	82,95	0,53	65,02
23	RC23	no	1,28	93,74	2,52	97,56
24	RC24	yes	2,26	95,98	2,37	93,98
25	RC25	yes	2,48	92,41	1,68	83,45
26	RC26	no	1,87	97,73	4,12	98,87
27	RC27	no	1,97	94,79	5,21	97,82
28	RC28	no	0,19	73,89	0,10	50,19
29	RC29	yes	8,66	98,46	23,22	99,25
30	RC30	no	4,52	91,84	12,47	96,47
31	RC31	yes	0,52	74,75	0,27	54,88
32	RC32	no	0,89	85,07	2,20	92,94
33	RC33	no	1,30	93,86	1,66	95,64
34	RC34	yes	4,24	96,75	9,86	98,23
35	RC35	no	2,24	97,64	3,44	99,39
36	RC36	yes	2,22	83,85	2,77	66,62
37	RC37	yes	1,17	93,37	1,32	94,30
38	RC38	yes	2,10	94,01	2,53	90,75
39	RC39	no	1,40	94,00	0,49	83,02
40	RC40	yes	1,11	91,45	2,65	96,47
41	RC41	no	1,84	97,27	3,82	98,67
42	RC42	no	4,12	95,45	7,95	97,87
43	RC43	yes	6,23	95,13	9,15	95,45
44	RC44	yes	0,68	81,95	2,70	90,37
45	RC45	no	2,56	93,53	3,35	89,20
46	RC46	yes	2,77	94,48	3,05	96,93
47	RC47	no	5,10	98,18	10,75	98,72
48	RC48	yes	1,57	83,89	0,21	61,73
49	RC49	no	1,52	95,63	2,07	96,96
50	RC50	yes	0,30	38,96	0,38	50,10

nn	RC	Total length of the hole: Composite Sample	Total length of the hole: Sample Grade g/mt	Total length of the hole: Recovery %	For the (0-23)m: Composite Sample	For the (0-23)m: Sample Grade g/mt
51	RC51	yes	3,72	94,46	5,67	98,12
52	RC52	yes	0,16	51,51	0,14	53,38
53	RC53	yes	0,62	65,03	1,53	70,11
54	RC54	yes	0,48	63,96	0,82	72,60
55	RC55	no	0,66	83,83	0,66	83,83
56	RC56	yes	1,12	82,23	3,42	92,15
57	RC57	no	1,72	97,39	5,54	98,88
58	RC58	no	3,07	96,79	8,76	98,05
59	RC59	yes	1,22	74,09	1,29	37,40
60	RC60	yes	0,67	79,86	0,34	72,00
61	RC61	yes	1,20	85,74	2,83	88,71
62	RC62	yes	2,17	93,66	3,88	93,26
63	RC63	yes	2,32	96,57	4,02	97,04
64	RC64	no	2,27	97,12	6,04	99,08
65	RC65	no	1,23	90,43	1,11	97,41
66	RC66	no	0,24	72,38	0,54	79,10
67	RC67	yes	3,42	96,99	9,72	98,93
68	RC68	yes	0,09	26,86	0,08	31,98
69	RC69	yes	6,40	87,58	6,16	96,69
70	RC70	no	0,33	15,18	0,21	37,57
Average			2,35	84,08	4,10	83,33

Table 5.1.3- Summary of Composite Samples

nn	Total length of the hole			For the (0-23)m	
	No RC	Sample Grade g/mt	Recovery %	Sample Grade g/mt	Recovery %
1	RC01	1,03	87,56	2,88	95,51
2	RC02	1,47	92,77	4,20	97,43
3	RC03	1,69	83,57	2,43	73,44
4	RC04	0,80	89,41	0,24	43,90
5	RC06	16,53	99,02	11,13	99,36
6	RC07	3,75	93,10	6,93	98,99
7	RC08	2,75	92,67	8,05	97,01
8	RC09	1,02	72,71	3,65	83,11
9	RC10	4,92	96,35	0,15	64,53
10	RC11	0,34	28,19	0,18	64,08
11	RC12	0,28	20,31	0,47	3,39
12	RC15	0,85	65,44	0,48	60,78
13	RC16	5,74	96,52	15,45	99,19
14	RC18	1,63	84,77	2,07	71,51
15	RC20	2,18	83,32	2,81	95,98
16	RC22	0,97	82,95	0,53	65,02
17	RC24	2,26	95,98	2,37	93,98
18	RC25	2,48	92,41	1,68	83,45
19	RC29	8,66	98,46	23,22	99,25
20	RC31	0,52	74,75	0,27	54,88
21	RC34	4,24	96,75	9,86	98,23
22	RC36	2,22	83,85	2,77	66,62
23	RC37	1,17	93,37	1,32	94,30
24	RC38	2,10	94,01	2,53	90,75
25	RC40	1,11	91,45	2,65	96,47
26	RC44	0,68	81,95	2,70	90,37
27	RC46	2,77	94,48	3,05	96,93
28	RC48	1,57	83,89	0,21	61,73
29	RC50	0,30	38,96	0,38	50,10
30	RC51	3,72	94,46	5,67	98,12
31	RC52	0,16	51,51	0,14	53,38
32	RC53	0,62	65,03	1,53	70,11
33	RC56	1,12	82,23	3,42	92,15
34	RC62	2,17	93,66	3,88	93,26
35	RC63	2,32	96,57	4,02	97,04
36	RC67	3,42	96,99	9,72	98,93
37	RC68	0,09	26,86	0,08	31,98
38	RC69	6,40	87,58	6,16	96,69
Average		2,53	81,15	3,93	79,53

RC of the zone 7

Z7	RC43	6,23	95,13	9,15	95,45
Z7	RC54	0,48	63,96	0,82	72,60
Average		3,36	79,55	4,99	84,03

RC of the zone 5

Z5	RC59	1,22	74,09	1,29	37,40
Z5	RC60	0,67	79,86	0,34	72,00
Z5	RC61	1,20	85,74	2,83	88,71
Average		1,03	79,90	1,49	66,04

Table 5.1.4 - Summary of Non-Composite Samples

nn	Total length of the hole			For the (0-23)m	
	No RC	Sample Grade *g/mt*	Recovery %	Sample Grade *g/mt*	Recovery %
1	RC05	0,24	64,68	0,51	68,17
2	RC13	3,30	94,22	8,92	99,34
3	RC14	4,97	98,31	4,02	97,57
4	RC17	4,40	97,77	10,60	99,36
5	RC19	1,07	94,50	3,73	95,65
6	RC21	4,05	97,67	12,60	97,96
7	RC23	1,28	93,74	2,52	97,56
8	RC26	1,87	97,73	4,12	98,87
9	RC27	1,97	94,79	5,21	97,82
10	RC28	0,19	73,89	0,10	50,19
1	RC30	4,52	91,84	12,47	96,47
12	RC32	0,89	85,07	2,20	92,94
13	RC33	1,30	93,86	1,66	95,64
14	RC35	2,24	97,64	3,44	99,39
15	RC39	1,40	94,00	0,49	83,02
16	RC41	1,84	97,27	3,82	98,67
17	RC42	4,12	95,45	7,95	97,87
18	RC45	2,56	93,53	3,35	89,20
19	RC47	5,10	98,18	10,75	98,72
20	RC49	1,52	95,63	2,07	96,96
21	RC55	0,66	83,83	0,66	83,83
22	RC57	1,72	97,39	5,54	98,88
23	RC58	3,07	96,79	8,76	98,05
24	RC64	2,27	97,12	6,04	99,08
25	RC65	1,23	90,43	1,11	97,41
26	RC66	0,24	72,38	0,54	79,10
27	RC70	0,33	15,18	0,21	37,57
Average		2,16	89,00	4,57	90,57

ORE TESTING IN CANADA AND U.S.A.

Ore Characteristics

The ore samples sent to Canada and U.S.A. for laboratory testing, come mainly from four ore zones: main zones A and B, zone 5 and zone 7. The specific gravity given by Roche is 2.88 for zones A and B; 2.75 for zone 5 and 2.83 for zone 7.

The work index for the fraction +1.18 mm of the main zones is 12 kWh/t.

1.1.1.1 *Chemical Analysis*

Table 0-3
Chemical Analysis

Oxides	Chemical Analysis (%)			
	Main Zones		Zone	Zone
	A	B	5	7
SiO_2	60.1	60.2	64.9	53.4
Al_2O_3	20.0	19.5	22.3	23.2
Fe_2O_3	8.76	9.15	1.83	10.9
MgO	0.47	0.40	0.30	0.41
CaO	<0.02	<0.02	<0.02	<0.02
Na_2O	0.12	<0.10	<0.10	<0.10
K_2O	2.75	2.56	1.60	2.49
Ti O_2	0.79	0.76	1.18	0.93
MnO	0.06	0.07	<0.01	0.02
P_2O_5	0.08	0.10	0.03	0.07
SO_4	<0.01	<0.01	<0.01	<0.01
L.O.I.	6.93	7.29	7.31	8.73
TOTAL	**100.06**	**100.03**	**99.45**	**100.15**

1.1.1.2 *Gold Distribution in the Ore*

The gold distribution in the ore has been determined from the 2,500 kg samples sent to McClelland Laboratory in Reno, U.S.A. (see section 9.5). The gold distribution has been established on eleven (11) screens in the laboratory. For each fraction, the gold content has been determined by pyroanalysis. Furthermore, for the fraction <12.5 mm to >75 µm, the gold was assayed by the metallic sieve method. The correlation between the two methods is quite good and acceptable.

Table 0-4
Gold Distribution

Screen Opening	% Weight on Screen	Au Assay (g/mt)		Distribution (%)	
		Pyroanalysis	Metallic Sieve	Pyroanalysis	Metallic Sieve
>12.5 mm	0.0	-----	-----	-----	-----
< 12,5 +6.3 mm	0.4	0.03	0.14	0.00	0.00
< 6.3 +1.7 mm	1.8	0.99	0.65	0.40	0.30
< 1.7 +0.85 mm	1.6	0.21	0.24	0.10	0.10
< 0.85 +0.42 mm	2.7	5.18	5.35	2.7	3.3
< 0.42 +0.212 mm	4.7	56.09	44.02	51.30	46.80
< 212 mm +150 µm	2.4	34.73	39.53	16.20	21.40
< 150 +75 µm	5.0	17.93	17.38	17.40	19.60
< 75 + 53 µm	2.6	3.74	-----	3.1	2.2
< 53 +45 µm	1.4	3.09	-----	1.4	1.0
< 45 +38 µm	1.1	2.23	-----	0.8	0.6
< 38 µ	76.3	0.27	-----	6.6	4.7
TOTAL	**100.0**	**5.14**	**4.42**	**100.0**	**100.0**

This table shows that 92.6% of the gold in these ore samples is in the fractions < 1.7 mm and >45 µm, which is the normal feed size of a Knelson concentrator.

1.1.1.3 *Gold Liberation Degree*

The degree of the gold liberation in the ore was determined by amalgamation tests done by the CRM Laboratory in Quebec City on samples from four different zones.

Table 0-5
Degree of Gold Liberation

Zone	% Free Gold			Calc. Head Assay (g/mt)
	>75 µ	< 75 µm	Ore	
A	98.5	39.4	86.1	2.34
B	98.1	47.0	86.6	2.38
5	89.2	33.7	64.4	0.93
7	99.5	18.1	97.1	7.65

From the above table, the gold in the finer fractions (< 75 µm), is not as well liberated as in the >75 µm fractions.

Since the amalgamation technique used by the CRM was not suitable to determine the gold liberation degree in the fine fractions (< 75 µm), a split sample of the main zones A and B was sent to McClelland to achieve this purpose.

Table 0-6
Degree of Gold Liberation in < 75 *µ*m

Main Zone	% of Free Gold in fractions < 75 *µ*m			
	>53 *µ*m	>45 *µ*m	>38 *µ*m	< 38 *µ*m
A	83	85	67	36.4
B	87	77	88	43.3
Average	**85**	**81**	**77.5**	**40.0**

From the above tables, the gold content in the fractions < 2.36 mm to >75 µm is free at 98% and can easily be recovered by gravity. However, by using this process on the fraction < 38 µm where the gold is adsorbed by fine clay particles, the same recovery cannot be expected with Knelson concentrators This explains the introduction of Falcon concentrators in the new 10,000 tonnes plant which are properly designed to recover fine gold.

MINERALURGICAL TESTING AT THE CENTRE DE RECHERCHE MINÉRALES (CRM)

Characterization of the Samples Received

For the execution of the research program, the CRM received a quantity of 2,830 kg of ore distributed in 129 bags. The identification of bags indicates that the samples were taken from main zones and from zones five and seven of the Kodiéran deposit. These samples were taken from reverse circulation drilling up to a depth of 20 m.

For each zone, samples were homogenized by constitution and movement of a heap repeatedly. The taking of 25 kg sub-samples representative of each zone was made by quartering of the last heap. For the main zone, two sub-samples were prepared and designated as A and B.

Grade of the Samples of Different Zones

Table 0-7
Sample Grade Au (g/mt)

Zone Identification	Direct Analysis	Metallic Method	Amalgamation Tests	Cyanidation Tests (48 hrs)	Cyanidation Tests (7 days)	Average n=5
Main Zone A	2.10	3.43	2.29	4.11	0.89	2.56
Main Zone B	1.20	1.88	2.22	1.64	2.68	1.92
Zone five	0.44	0.63	0.79	0.57	1.37	0.76
Zone seven	4.90	6.93	8.34	11.25	2.72	6.83
AVERAGE	**2.16**	**3.22**	**3.41**	**4.39**	**1.92**	**3.02**

A summary analysis of the results of the table indicates that the metallic method is the one closer to the average statistics of the five methods used, which is normal for samples of gold-bearing ore containing some free gold in the form of nuggets.

Cyanidation Tests on Grounded Samples

Four bottle cyanidation tests were realized from the samples taken from the various zones of the deposit, which were beforehand subjected to a grinding of 10 minutes. The basic conditions of these tests were as follows:

- Weight of 1 kg sample;
- Granulometry of the ground sample; 80 to 90% < 45 µm;
- Cyanide concentration of 2.5 g/l NaCN;
- Lime concentration of 0.15 g/l CaO;
- Solids concentration of 33.3%;
- Total duration of 7 days (168 hours);
- Taking of a pregnant solution sample at interval of predetermined time.

The results of the cyanidation tests are shown in the following table.

Table 0-8
Results of Cyanidation on Samples Grounded at 45 µm

Source	Grade	Recovery			Reagents consumption					
(Ore zone)	Au Calc.	% after			Cyanide (kg/mt)			Lime (kg/mt)		
	(g/mt)	24 hrs	48 hrs	168 hrs	24 hrs	48 hrs	168 hrs	24 hrs	48 hrs	168 hrs
Main (A)	0.89	94.00	94.90	100.00	3.34	5.48	8.49	1.92	5.17	13.17
Main (B)	2.68	32.10	62.30	100.00	3.20	5.14	7.81	1.97	5.25	13.45
Five	1.37	94.70	95.70	100.00	3.10	5.04	7.05	1.89	4.83	10.38
Seven	2.72	95.60	98.50	99.40	3.34	5.28	7.59	2.00	5.38	13.90

This series of cyanidation tests demonstrates that the gold contained in the Kodiéran ore is completely dissolved after seven days. Given the initial size of the relatively coarse gold particles, the cyanidation time required would be more than 48 hours for a particle size of 80 to 90 % < 45 µm.

Gravity Separation Tests with a Knelson Concentrator

- Granulometric classification tests with Sweco screen

Three wet screen tests with the Sweco screen were made from sub-samples as received from the main zone. The openings of the screen were 1180, 150, 106, 53 and 45 µm. The calculations of the gold distribution from the three tests are shown in the following table.

Table 0-9
Gold Distribution in the Ore of the Main Zone

Lot Grade	N Au (g/mt)	Fraction +1180 µm (%, g/mt %)			Fraction < 1,180 µm + 45 µm (%, g/mt %)			Fraction < 45 µm (%, g/mt %)		
		Rec.	Grade	Dist.	Rec.	Grade	Dist.	Rec.	Grade	Dist.
		wt	Au	Au	wt	Au	Au	wt	Au	Au
1	3.71	3.16	6.37	5.43	20.28	15.81	86.45	76.6	0.39	8.12
2	3.74	3.00	1.76	1.41	21.99	15.23	89.48	75.01	0.45	9.11
3	5.08	2.73	5.55	2.98	22.9	20.16	90.84	74.37	0.42	6.18
AVERAGE	**4.18**	**2.96**	**4.62**	**3.27**	**21.72**	**17.07**	**88.92**	**75.31**	**0.43**	**7.80**

The fraction >1,180 µm of the ore represents approximately 3.0% of the weight and a variable proportion from 1.4 to 5.4% of the gold contained in the ore. The fraction <45 µm presents approximately 75% of the weight and a more substantial proportion of about 8% of the gold contained in the ore. The average calculated gold content of the three tests is 4.18 g/mt Au.

- Concentration tests with <76 mm diam. Knelson concentrator (to up-grade the primary concentrate).

  Each of the fractions, >150, >75, >53 and <45 µm of the screen tests have been treated by gravity separation with a 3-inch Knelson concentrator. Because of the small opening of the 76 mm Knelson, the fraction >1,180 µm was not treated. The slimes fraction <45 µm is considered too fine to be treated by a Knelson concentrator. The following table shows the metallurgical balance of the Knelson concentrator for the fractions <1,180 µm, >45 µm for the three granulometric classification tests.

Table 0-10
Global Metallurgical Balances of the Tests
Made with a 76 mm Knelson Concentrator

	Feed (%, g/mt, %)			Concentrate (%, g/mt, %)			Tails (%, g/mt, %)		
Lot N°	**Rec. wt**	**Grade Au**	**Dist. Au**	**Rec. wt**	**Grade Au**	**Dist. Au**	**Rec. wt**	**Grade Au**	**Dist. Au**
1	100.00	15.81	100.00	1.43	1,097.52	99.27	98.57	0.117	0.73
2	100.00	15.23	100.00	1.27	1,193.46	99.52	98.73	0.074	0.48
3	100.00	20.16	100.00	1.14	1,757.99	99.41	98.86	0.120	0.59
AVERAGE	**100.00**	**17.07**	**100.00**	**1.28**	**1,325.59**	**99.40**	**98.72**	**0.104**	**0.60**

The metallurgical performance of the Knelson concentrator is remarkable, given an average gold recovery of 99.4% in a small average weight of concentrate of 1.3% of the feed.

MINERALURGICAL TESTS AT MCCLELLAND LABORATORY

Grade of the Samples Received

For the execution of this research program, McClelland Laboratory received a quantity of about 2,500 kg of ore of the main zone distributed in 116 bags. These samples were taken from reverse circulation drilling from the main zone, up to a depth of 20 m.

The samples were homogenized by constitution and movement of a heap repeatedly. The taking of 50 kg sub-samples and three sub-samples of 100 kg of representative ore were made by quartering of the heaps.

According to the method used for the analysis, the gold average grade of the samples (ore from the main zone) would be 5.12 g/mt (pyroanalysis) or 4.56 g/mt (metallic). For the ore of the main zone, the average gold grade determined by the CRM is 4.18 g/mt Au.

Table 0-11
Gold Grade of the Received Samples

Pyroanalysis (Au in g/mt)				Metallic sieves (Au in g/mt)		
Direct	By calculation			Direct	By calculation	
Analysis	Screening	Cyanidation	Knelson	Analysis	Screening	Cyanidation
7.81	5.14	5.65	5.09	1.96	4.66	5.35
5.75		4.00	4.83	3.98		5.79
2.75		5.48	4.61	4.36		5.60
5.44	5.14	5.04	4.84	3.43	4.66	5.58
AVERAGE: 5.12				AVERAGE: 4.56		

Cyanidation Tests

The cyanidation tests realized by McClelland Laboratory gave the following results, on samples grounded at 85 % <150 µm.

Table 0-12
Cyanidation Tests on 85 % <150 μm

Test N°	Calculated grade	Cumulative Recovery of Gold (%) after (hours)		
	Au (g/mt)	24	48	72/96
1	4.00	29.1	39.2	46.8/-----
2	5.65	56.5	76.5	86.2/92.2

The results of the lower cyanidation recovery at McClelland can probably be explained by the granulometry of the samples (80-90% <45 µm (CRM) Vs 85% <150 µm (McClelland) and the lesser addition of cyanide.

Gravity Concentration Tests with a Knelson Concentrator

Each of the fractions >150, >75, >53 and >45 µm of the three screen tests was treated by gravity separation with a Knelson concentrator. The following table shows the metallurgical balance of the Knelson concentrator for the fractions <1,700 µm, >45 µm (combination of the fractions >150, >75, >53 and >45 µm) from the three screen tests.

Table 0-13
Global Metallurgical Balance of the Tests Conducted with a Knelson Concentrator

Test N°	Feed			Concentrate			Tails		
	Rec.	Grade	Dist.	Rec.	Grade	Dist.	Rec.	Grade	Dist.
	wt (%)	Au (g/mt)	Au (%)	wt (%)	Au (g/mt)	A (%)	wt (%)	Au (g/mt)	Au (%)
2A	100.00	20.44	100.00	0.98	2,023.45	97.00	99.02	0.620	3.00
2B	100.00	23.29	100.00	1.09	2,023.69	94.70	98.91	1.250	5.30
2C	100.00	21.14	100.00	1.205	1,689.34	96.30	98.80	0.790	3.70
AVERAGE	**100.00**	**21.71**	**100.00**	**1.09**	**1,912.16**	**96.00**	**98.91**	**0.880**	**4.00**

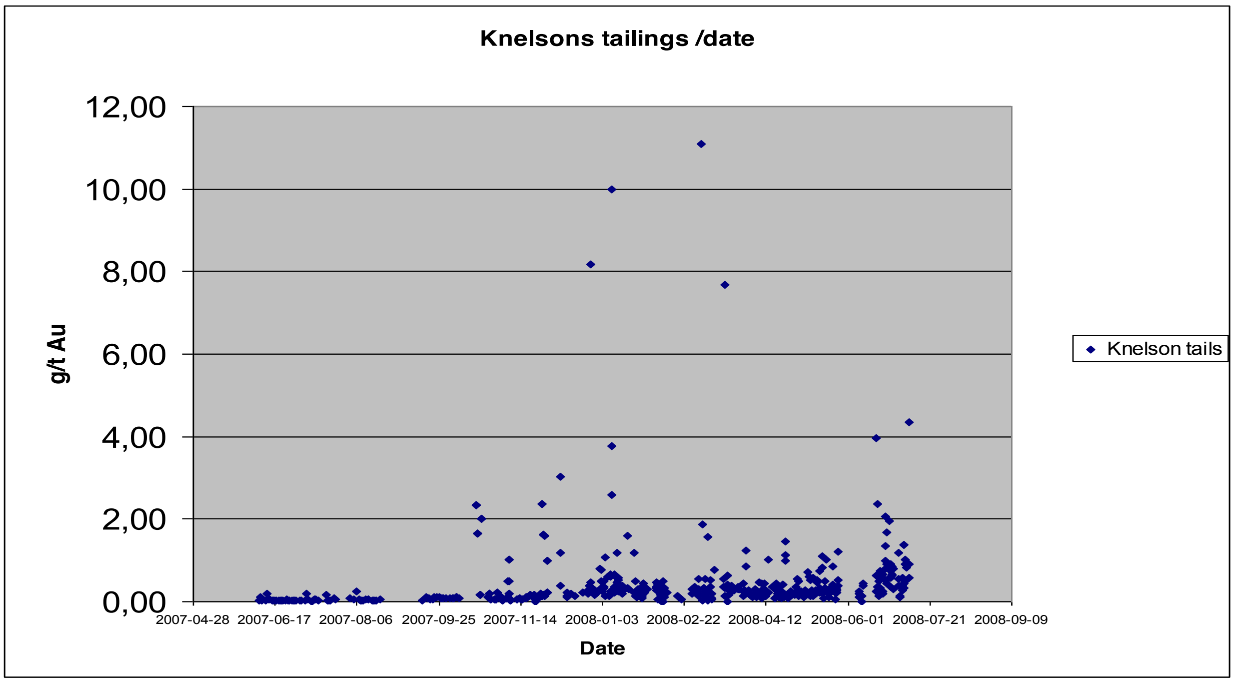
The metallurgical performance of the Knelson concentrator is excellent, given an average gold recovery of 96.0% in a small average weight of concentrate of 1.1% of the feed. It is to note that these metallurgical results of McClelland laboratories are lower than those obtained by the CRM for the same fractions (99.40%).

SELECTION OF THE GOLD EXTRACTION PROCESS

From the two tested processes (gravity and whole ore cyanidation), the gravity separation with Knelson concentrator is by far the process which gives the best metallurgical, economic and incentive results from the environmental point of view.

The gravity separation tests carried out in the laboratories of CRM and McClelland with one Knelson concentrator on the <1.7 mm fraction only has given recoveries of over 95%.

From June 2007 till July 2008, the tailings of the Knelson concentrator of the 1,000 mt/d plant were analyzed by a qualified laboratory and the results compiled in the graph below.



From November 2007, there is a net increase in the grade of the concentrator tailings which has reached values superior to 0.6 g/mt, while the tests at the laboratories of CRM and McClelland indicated recoveries over 95%.

By assuming a grade of the ore of 1.56 g/mt (Roche Report), the tailings should be around 0.08 g/mt.

The possible causes to explain this difference are:

- Ore coming from a zone richer than the average of 1.56 g/mt
- The gold contained in the ore could be finer than the ore tested at CRM and McClelland
- Possibility of various operational problems.

After consultation between the management of Wassoul'Or and Bumigeme, it was decided to send some tailings samples of 3 sources at Met-Solve in Vancouver for testing in the Falcon concentrator. This concentrator with a centrifugal force equivalent to 150 G, is better adapted to recover fine gold contained in an ore.

Three samples were sent to Vancouver, with the following grades:

Table 0-14
Tailings Samples

Sample	Description	Au Grade g/mt	
		Met-Solve	Kodiéran
N° 1	Knelson tails composite	2.29	>1
N° 2	Tailings composite from tailings pond	1.13	0.84
N° 3	Slimes composite (<45 µm)	0.51	0.4

The results obtained by Met-Solve with a Falcon concentrator (see Met-Solve report for details and results in appendix 2) are the following:

Table 0-15
Falcon Concentrator Recoveries

Sample	Recovery (%)
1	94.6
2	87.4
3	83.6

Further to these results, Wassoul'Or and Bumigeme added four (4) Falcon concentrators in the 10,000 mt/day. These concentrators are going to act as secondary circuit to process the tailings of the Knelson concentrators.

TEST WORKS WITH THE IN LEACH REACTOR AT GEKKO

The manipulation of the gold concentrates on shaking tables to enrich the concentrates before the smelting (fusion), bring inevitably some gold losses, even with the maximum of precaution. The management of Wassoul'Or was concerned with these losses and asked Bumigeme to find alternatives to the treatment of the concentrates on shaking tables.

The best alternative today and the one used in several operations, is the reactor of intense leaching (In Leach Reactor) developed and sold by the company Gekko of Australia.

It is a cyanidation leach unit to cyanide the gravity gold concentrates and which incorporates a section of electrolysis, to recover the gold in the cyanide solution. The unit can operate in continuous or in batch process.

This process gives a recovery of the gold in the gravity concentrates, from 98 to 99 %. For these tests, a sample of 3 kg of Knelson concentrate was prepared by an engineer of Bumigeme and shipped to Gekko in Australia.

It is worth mentioning that the sent sample had a grade of 51,000 g/mt Au which is much higher than the average grade of this type of concentrates, which should be between 1,000 and 3,000 g/mt Au and at best 5,000 g/mt Au.

The results of the tests at Gekko were excellent, even if a higher consumption of cyanide was necessary as well as a longer cyanidation time. To finalize and optimize the process, other tests would be required in function of the grinding and cyanide consumption. But we can assume with the current results, that 98 to 99% of the gold contained in the gravity concentrates can be recovered.

The complete results of the tests are described in the Report of Gekko in appendix 3.

PRELIMINARY PROCESS FLOWSHEET

Based on the metallurgical results obtained in the pilot plant of SODINAF and on metallurgical test work conducted at CRM Quebec and McClelland laboratory, Roche and Bumigeme Inc. of Montreal developed a preliminary flowsheet of the Kodiéran ore. The developed flowsheet consists of the following unit process stages:

- Scrubbing
- Screening
- Desliming
- Gravity concentration for the fraction finer than 1.7 mm
- Crushing
- Grinding to <1.7 mm
- Treatment of the Knelson concentrates on shaking tables.
- Fusion of the enriched gold concentrates, in ingots

The flowsheet described above is explained in details in Roche Report.

This original flowsheet elaborated in 1996 has seen many revisions since 2006, and it would be useless to describe it here. This preliminary flowsheet was the basis for the development of the 1,000 mt/d pilot plant.

1,000 MT/DAY PILOT PLANT

HISTORY

At the beginning of 2005, Wassoul'Or mandated the engineering firm, Bumigeme Inc., to realize the detailed engineering of a gravity pilot plant of 1,000 mt/day and to supervise the construction of this plant.

As mentioned in section 9, Bumigeme had collaborated in the study of Roche and was responsible for the supervision of the test works in the CRM and McClelland laboratories and for the development of the flowsheet.

The construction works began in 2006 under the supervision of Bumigeme and the starting of the plant at the beginning of 2007.

Until December 2007, the concentrator operated under the supervision of the staff of Bumigeme assisted by the Malian staff of Wassoul'Or. From January 2008, the staff of Wassoul'Or had acquired the necessary experience to take over of the operations.

On November 25th, 2008, the management of Wassoul'Or stopped the operations.

Operation Control Computer

1,000 mt/day Pilot Plant
General View

1,000 mt/day pilot plant general view

1,000 mt/day pilot plant general view

MODIFICATION TO THE PROCESS

The 1,000 mt/day pilot plant such as built in 2006, differs slightly from the preliminary flowsheet developed by Roche and Bumigeme Inc. Unanimously, with the management of Wassoul'Or, the following modifications were brought:

- Elimination of the desliming before the gravity concentration
- Elimination of the second gravity concentration stage

- Elimination of the grinding section
- Addition of a jig to recover the gold nuggets between 6.25 mm and 1.7 mm.

These modifications were brought with the aim of studying the behavior of the Knelsons for the treatment of the fraction finer than 1.7 mm without desliming and the behavior of a jig for the recovery of the gold nuggets. To these reasons the economics and the construction time schedule were also taken into consideration.

SUMMARY OF THE OPERATION RESULTS OF THE 1,000 MT/DAY PILOT PLANT

This pilot plant of 1,000 mt/day will have finally served to improve the flowsheet for the 10,000 mt/day concentrator. The objectives aimed were reached as follows:

- Treatment of big volumes of ore to refine the parameters of operation of the concentrator of 11,000 mt/day (new concentrator of 10,000 mt/day and the current of 1,000 mt/day)
- Optimize the recovery of the gold by the gravity process method
- Train the Malian staff to master the operations of a mining concentrator.

During that period a total of 234,957 mt of ore where treated to produce 56,755 mt of Knelson concentrates and 76,776 mt of jig concentrates. From the beginning of the operations until December 2007 the mill was operating under the supervision of Bumigeme's personnel. From January 2008 until November 2008 the personnel of Wassoul'Or took over the daily production and reports were sent to Bumigeme's Montreal office. The personnel of Wassoul'Or and Bumigeme were in continuous contact in 2008.

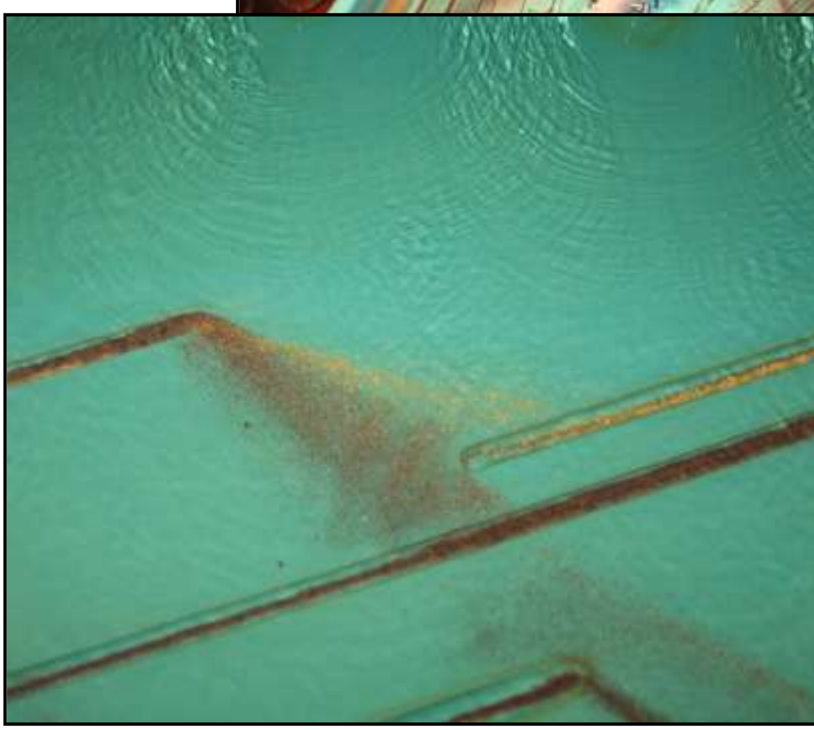
- The Knelson and jig concentrates recovered from the treatment of 234,957 mt of ore from the surface seem to confirm, by calculation, the grade of the ore of the first benches, as calculated by Roche (>4 g/mt) in 1996.
- The data obtained from the small pilot plant in 1996 and the 1,000 mt/day pilot mill are reliable indications of the potential of the Kodiéran deposit, and at the actual gold price of 1,700 US$/oz, this project is still financially attractive at 0.2 g/mt Au, with reserves of 33 million tonnes.

- The operation of the 1,000 mt/day concentrator for almost two years has confirmed the presence of gold on a continuous basis on the Gemini table and we have collected all the data needed to modify the flowsheet and to eliminate most of the problems in the new 10,000 mt/day concentrator. The information obtained from the operation of this pilot plant for two years was very useful in the final design of the 10,000 mt/day concentrator.

Gold concentration on Gemini table

Gold concentration on Gemini table

Gold concentration on Gemini table



Gold concentration on Gemini table


General view of the 1000 mt/day concentrator

10,000 MT/DAY CONCENTRATOR

ACTUAL FLOWSHEET

Further to the obtained information about the treatment of the Kodiéran ore from the 1,000 mt/day pilot plant and the test work program at Met-Solve and Gekko, the flowsheet was revised for the 10,000 mt/day concentrator and the following units were added:

- Addition of a secondary gravity circuit (4 Falcon concentrators).
- Addition of a ball mill to grind the jig tailings to <1.7 mm and treatment of these ground tailings in the gravity circuit, with the fraction <1.7 mm of the scrubbers.
- Addition of an intense cyanidation unit (In Leach Reactor of Gekko) for the cyanidation of the concentrates from the Knelson and Falcon concentrators, as well as from the jigs. At Kodiéran, the In Leach Reactor is used for the treatment of the middlings and rejects of the Wilfley and Gemini tables. The annual weight of these two products represents less than 0.05% of the total feed. The concentrates from the tables go directly to fusion.
- Addition of a thickener to thicken the tailings of the plant, to recover the process water at the exit of the mill and to pump the tailings to the tailings pound, at higher density; so allowing to reduce the diameter of the pipes and the power of the pumps.
- The addition of an electrowinning cell to recover the gold from the ILR.
- A detox unit to chemically destroy the free cyanide in the waste liquor and the tailings.

With these additions, Bumigeme considers that the recovery of the gold in the plant will reach 94%. As the recoveries in the laboratories of CRM and McClelland with one Knelson concentrator on the <1.7 mm fraction only has given recoveries of over 95%. With the treatment of 100% of the ore following the addition of new equipments it is reasonable to forecast a minimum recovery of 94%.

Globally, by taking into account the recovery in the cyanidation circuit at 98% (In Leach Reactor) the recovery is 92.1%. This is the figure retained in the financial analysis.

PROCESS DESCRIPTION

Briefly, the revised gravity process of the 10,000 mt/d concentrator can be described as follows.

- Ore Transportation

  From the pit, the ore is transported by trucks of 85 and 30 tonnes and dumped in two ore bins of approximately 150 tonnes capacity each. The two bins are equipped with a stationary grizzly of 15 cm opening. The +15 cm fractions (rare occurrence) are retained on the bars and broken by sledge hammers.

M

Scrubbing and Gravity Concentration

The ore from each bin is withdrawn by an apron feeder to a belt conveyor that feeds 3 m diam. by 8.8 m long Sepro scrubber. There are two scrubbers in two parallel circuits of a nominal capacity of 5,000 mt per day each.

At the feed end of the scrubbers, the ore is mixed with water to a density of 40-45% solids and the pulp is agitated in the scrubber during three to four minutes which is sufficient to break all the clay balls that could trapped the gold nuggets.

From each scrubber, the pulp falls on a three deck screen that separates it in three fractions: <1.7 mm; <6.25 >1.7 mm; and >6.25 mm.

The fraction <1.7 mm of one of the 5,000 mt circuit is pumped to a 1,219 mm Knelson concentrator which delivers two products: a gold concentrate and tailings that feeds two SB 2 500 SE Falcon concentrators. These tailings (final tailings) are pumped to cyclones where the >200 µm solids are separated and sent to an agitated tank. The overflow of the cyclones is sent to a 28 m diameter thickener which thickens the fines of both lines. The underflow of the thickener is mixed back with the ´>200 µm solids and two tailings lines remove the solids to the tailings pond (1 tailing line per circuit).

The concentrates from the Knelson and Falcon concentrators are pumped to a Sweco screen and separated into three fractions (>500 µm, >180 µm, <1,800 µm). Each fraction is sent to a silo and fed to the Wilfley table. The Wilfley concentrate feeds the Gemini table. The final concentrates are dried and sent to the gold furnace. The table rejects (middlings and tails) are sent to the small ball mill to be ground to 150 µm and sent to the ILR plant.

The <6.25 mm >1.7 mm fraction is sent to pressure jigs (one for each circuit) where gold nuggets are recovered. The jigs are continuously flushed of concentrate which is pumped to one of the two 570 mm Knelsons previously used in the 1,000 t/d plant. The rejects of the Knelsons are sent back to the jigs while the concentrate of these Knelsons is stored in a silo and processed on the tables in the gold concentrator plant.

The tailings from the jigs that could contain some fine gold trapped in the <6.25 mm fractions, will be screened and the oversize fraction grounded to 500 µm (or finer) in a ball mill of 2,743 mm diam. by 3,658 mm long while the undersize fraction is sent back to the scrubbers. The ball mill discharge will be screened and the undersize will be sent to the Falcons.

Crushing

The coarse fraction from the triple deck >6.25 mm and the oversize fraction from the 1,000 mt/d plant screen will be conveyed to the crushing section. The material will be pass through a first screen and the oversize (>50 mm) sent to a jaw crusher and returned back to the crushing section feed, while the screen undersize (<50 mm) will be crushed in an impact crusher and sent back to the scrubber feed.

Intensive Cyanidation

The intensive cyanidation unit consists of a rotating reactor where the concentrate is introduced with a recycled liquor and a cyanide solution of sodium cyanide and sodium hydroxide to obtain a cyanide solution of 2% at pH of 10-11. Oxygen is added and the whole ore is mixed, the reaction is completed if the control sample justifies the end of the reaction. The mother liquor is extracted from the reactor. The solids are washed and mixed with the mother liquor and fed to the electrolytic cell. The weak liquor and the washing out of the electrolysis cell is partly recirculated to the reactor and the surplus is fed with solid wastes to the cyanide destruction system (DETOX)

Cyanide Waste Treatment (Detox System)

The detox process system consists of two batch tanks where sodium or calcium hypochlorite is added and reacts with cyanide ion producing carbon dioxide (CO_2) and nitrogen (N2). Control of the process is simple and aims to maintain the free chlorine ions in the solution equal to 1 ppm or less (1 mg/l) for at least 5 minutes.

The measurement of free chlorine in the solution uses the same tools that we used for drinking water production.

Reagent Preparation

Solutions of sodium cyanide and sodium hydroxide are prepared and transferred to the reactor of cyanidation. Due to the fact that this is a batch process, quantities prepared are exactly the quantities required for the tank. All spills of solutions in this section are pumped to the DETOX system to remove cyanide. Cyanide is available in pellets that remove dust hazards of cyanide and caustic soda is also available in pellets or flakes. Waterproof clothing with eye protection, hard hats, gloves and masks are required in this unit, storage areas in the safety standards are arranged by product type and the working procedures and behavior vis-à-vis the various products chemicals are available for each work area.

View of the conveyor feeding the scrubbers

View of the two Sepro scrubbers

View of the two jigs

WATER SUPPLY

The volume of water needed in the 11,000 mt/d concentrator is estimated at 34,000 m^3/d as make up water. About 70% of this volume will be supplied from the thickener and the over 2,000,000 m^3 large tailings pond (process water) and the balance (30%) from the 26 neighboring wells as clean water. Some 360 m^3/h of clean water peak flow is required in the processing of the gold concentrate and as seal water for the slurry pumps.

No water will be discarded in the environment, except during the rainy season in case of extreme floods.

Tailings pond

Drilling for water sources

Process water lines

POWER SUPPLY

Due to the non-reliability of the national power distribution system (passing over the property), Wassoul'Or has decided to have its own power system. Actually, there are four 850 kVA Caterpillar diesel generators installed to supply the concentrator, offices, shops, garage, villas, etc. But with the modifications to the new concentrators in terms of equipment additions, these generators will not be used and new groups will have to be installed. The power will be supplied from one station of five (+1 back up) diesel generators of 1,500 kVA will supply the power to the whole installation. The budget for this addition is included in the capital investment needed for the construction of the new 10,000 mt/d and the existing 1,000 mt/d concentrators.

Electrical Control Room and MCC

INFRASTRUCTURES

- *Main office*: Already built; furniture to be bought.
- *Warehouse, mill office, furnace room*: Will be built with BTS concrete blocks made with local mine tailings available on site.
- *Shops, garage*: Steel skeleton on a concrete pad with a steel roof, open-type construction, popular in Africa and South America.

Main office

front view

Main office

rear view

Fuel tanks

Mining residential zone

ENVIRONMENT

PERMITS

In its feasibility study in 1996 of the Kodiéran project for SODINAF, Roche Group Conseil has made an environmental impact study on the project. This study has been revised in 2007 by Wassoul'Or with the collaboration of several Malian ministries, departments and local authorities. More than 20 persons representing different social and business groups have participated to the actualization of the Roche study.

Those two documents (in French) can be obtained from Wassoul'Or in Bamako. Bumigeme has a copy of the 2007 actualization study and the permit 08-0018/MEA-SG signed on July 8, 2008.

The project was "Environmentally Correct" in 2007, as the process selected for the treatment of the gold ore was a gravity process and free of chemicals like cyanide, xanthates, acids, etc. Furthermore, due to the scarcity of water in the area, the process water will be re-used at 100% from 28 m diameter Delkor thickener (70%) and the remaining 30% from the tailings pond.

But following the operation of the pilot plant in 2007 and 2008, it was decided to add an In Leach Reactor from Gekko Australia to treat the middlings and tailings of the Wilfley and Gemini concentrating tables, by intensive cyanide leaching.

This new operation, which has been incorporated in the new 11,000 tonnes per day concentrator, has necessitated a revision by the "Ministère de l'Environnement et de l'Assainissement du Mali" of the environmental permit #08-0018/MEA-SG. On November 8, 2011, a revised environmental permit bearing the number 0504/MEA-DNACPN was issued to Wassoul'Or. Bumigeme has a copy (in French) of the 2011 actualization study and the permit (see appendix 5).

ACID MINE DRAINAGE (AMD)

The present study covers the treatment of the laterite zone mainly and the tailings of that zone should not be acid generator. This is confirmed by AMD tests done on similar ores in Mali whose results are negative. However, the possibility of acid mine drainage, as the pit deepens, will have to be addressed appropriately in order to leave no doubt on the subject.

However, it might be probable that under the laterite zone, there is the presence of altered rocks and sulphides. So far, Bumigeme has no indication of the importance of these sulphides resources and cannot elaborate on the possibility of the potential of the AMD when this ore will be treated. So, when the operations will reach that ore zone, AMD tests should be conducted and if results indicate acid generation, corrective measures should be studied at that time.

REHABILITATION

The topography of the area is quite flat and the overburden material will be removed and stocked during the construction period to be used as rehabilitation material at the end of the project.

The rehabilitation works will mainly consist in dismantling the buildings and, using the mining equipment, return the area to its original state by filling the pit with the waste (from the mine and rejects of the mill) and the material used to build the dams of the water reservoir and tailings pond. Considerations are also given to maintain the pit and the excavations as water reservoirs for human recreational activities, as a source of water for animals, for fish farming, irrigation, etc.

The rehabilitation costs of the site will be low and will be done by spreading the overburden put aside at the beginning of the project, over the reshaped site and planting bushes or trees. Wassoul'Or will make provisions during the operation years to cover those costs.

COSTS OF INVESTMENT AND OPERATION

CAPITAL COSTS

Capital costs to date which include all the geological works done so far, all the studies, the mining city, the mining equipments, the tailings pond; generating sets, the concentrator of 1,000 mt/day, the concentrator of 10,000 mt/day, etc.; amount to 140 M US$. To this sum, it is necessary to foresee 20,202,609 US$ for the addition of another module of 10,000 mt/day which will be built during the 2nd year of production, plus other related expenses of 16,948,843 US$ (sections 2.1, 2.2, 3.1 and 3.2 of Table 14.1), for a total of $177,151,452 US$. (Capex).

Table 0-16
Assets (1 US$ = 500 CFA)

			US$
1.0		**CAPEX COMMITTED**	140,000
Note:		Wassoul'Or has informed Bumigeme that the CAPEX to date amounts to 140,000,000 US$. Bumigeme retains this sum for the financial analysis of the present study, but has not received details of this investment from Wassoul'Or and no verification on the allocation of the funds was made by Bumigeme. But this CAPEX does not represent the total investment required to increase the capacity to 21,000 mt/d at year 3.	
2.0 CAPEX NEEDED FOR THE 11 000 MT/DAY PLANT			
2.1		**Infrastructures**	
	-	Tailings pond, phase II	2, 218, 843
	-	Warehouse	250, 000
	-	Showers, toilet, etc (concentrator)	30,000
	-	Garage + overhead crane	1,160,000
	-	Offices furniture	40,000
	-	Medical dispensary	50,000
	-	Spare parts (shovels, loaders, trucks, etc.)	600,000
	-	Open pit engineering and design	100,000
		Sub-Total	**4,448,843**
2.2		**Working Capital**	6,000,000
		Sub-Total	**6,000,000**
3.0 CAPEX NEEDED TO INCREASE PRODUCTION TO 21 000 MT/DAY			
3.1		**10 000 mt Concentrator**	
	-	New equipments for concentrator	5,327,160
	-	Metallic structures	428,669
	-	Civil, concrete	1,491,860
	-	Piping	2,026,844
	-	Instrumentation	1,700,000
	-	Electrical	3,400,000
	-	Equipments installation	1,002,133
	-	Transportation to mine site	1,432,529

3.1	**10 000 mt Concentrator (cont'd)**	
	- Engineering, procurement, construction, supervision	1,535,142
	- Spare parts	309,388
	- Miscellaneous	1,548,884
	Sub-Total	**20,202,609**
3.2	**New Mining Equipments**	6,500,000
	Sub-Total	**6,500,000**
	Total (2.0 + 3.0)	**37,151,452**
	GRAND TOTAL - CAPEX	**177,151,452**

OPERATING COSTS

With the experience and the information obtained during the period of production with the 1,000 mt/day pilot plant, Bumigeme established the operating costs as follows.

	Operating Costs (US$/mt)			
	11, 000 mt/day		**21,000 mt/day**	
	US$/year	**US$/mt**	**US$/year**	**US$/mt**
Mining extraction	8,187,670	2.13	12,734,771	1.73
Concentrator	6,546,400	1.70	7,612,992	1.04
Laboratory	595,342	0.15	1,050,860	0.14
Maintenance	6,133,325	1.59	8,734,111	1.19
Administration and Services	5,825,304	1.51	5,825,304	0.79
Energy	12,986,446	3.37	20,947,047	2.85
Miscellaneous (15%)	5,886,883	1.53	8,195,491	1.12
TOTAL	**46,161,370**	**11.98**	**65,100,576**	**8.86**

Detailed Operating Costs

MINING	11,000 mt/d		21,000 mt/d	
	Number of Employees	**Annual Salary (US$)**	**Number of Employees**	**Annual Salary (US$)**
Local Personnel				
Mine Superintendant	1	32,232	1	32,232
Foreman (Shift)	4	111,264	4	111,264
Shovel Operators	8	148 296	12	222,444
Compactor Operators	2	37,074	3	55,611
Crane Operators	2	37,074	3	55,611
Truck Operators	20	370,740	30	556,110
Payloader Operators	4	74,148	6	111,222
Grader Operators	4	74,148	6	111,222
Bus Drivers	4	74,148	6	111,222
Bulldozer Operators	8	148,296	12	222,444
Geological Engineer	1	27,816	1	27,816
Geological Technicians	5	105,000	8	168,000
Mining engineer	1	27,816	1	27,816
Surveyors	4	74,148	6	111,222
Drivers	2	22,296	3	33,444
Draughtsman	2	37,074	3	55,611
Total	**72**	**1,401,570**	**105**	**2,013,291**
Expatriate Personnel				
Superintendant	1	356,500	1	356,500
Production Foreman	1	232,500	1	232,500
Geologist	1	232,500	1	232,500
Draughtsman	1	186,000	1	186,000
Total	**4**	**1,007,500**	**4**	**1, 007,500**
Expenses				
		Annual Expenses (US$)		**Annual Expenses (US$)**
4 persons x 6 trips/year x US$3,500/trip		84,000		84,000
4 persons x US$50.00 x 350 days/year		70,000		70,000
Insurance, per diem, etc.		15,000		15,000
Total		**169,000**		**169,000**

MINING	11,000 mt/d		21,000 mt/d
	Annual Expenses (US$)		**Annual Expenses (US$)**
Loading and Hauling			
Fuel	1,913,600		3,444,480
Maintenance, spare parts, Miscellaneous	3,696,000		6,100,500
Total	**5,609,600**		**9,544,980**
TOTAL - MINING	**8,187,670**		**12,734,771**
Operating Cost/mt	**2.13**		**1.73**

NOTES

The fuel consumption is based on data obtained from suppliers for the type of equipments on site, and data collected by Bumigeme over the years with this type of equipments.

The maintenance costs represent the costs associated to normal care of those equipments (spare parts, greasing, welding, major repairs, etc).

Costs to buy major spare parts and or equipments like tires, motors, transmissions, truck boxes, water pumps in pit, etc.

The financial analysis by Bumigeme is based on a mine life of 6.5 years and for that reason the mine fleet of trucks, shovels, etc. is not entirely replaced. Normally the fleet is replaced every 5 to 6 years.

For this reason, a sum of 6.5 M US$ has been added in the budget of the 10,000 mt/d expansion to buy a few trucks and loaders, but this budget would be too small to replace the whole fleet. However, if new reserves are discovered and mine life extended, additional money would be required at this item.

CONCENTRATOR	11,000 mt/d		21,000 mt/d	
	Number of Employees	Annual Salary (US$)	Number of Employees	Annual Salary (US$)
Local Personnel				
Plant Operators	20	370,740	30	556,110
Tailing Operators	8	148,296	8	148,296
Gold Smelting Foreman	1	40,080	1	40,080
Table Operators	8	148,296	8	148,296
Laborer	8	148,296	12	222,444
Relief Operators	4	74,148	6	111,222
Metallurgist	1	40,080	1	40,080
Refiners and cell Operators	4	74,148	4	74,148
Secretary	1	10,020	1	10,020
Plant Operators (Water Supply)	8	148,296	8	148,296
Total	**63**	**1,202,400**	**79**	**1,498,992**
Expatriate Personnel				
Project Manager	1	387,500	1	387,500
Superintendent	1	356,500	1	356,500
Metallurgist	1	325,500	1	325,500
Production Foreman	4	930,000	4	930,000
Plant Operators	4	744,000	4	744,000
Control Room Operators	4	744,000	4	744,000
Relief Operators	2	372,000	2	372,000
Total	**17**	**3,859,500**	**17**	**3,859,500**
Expenses				
		Annual Expenses (US$)		**Annual Expenses (US$)**
17 persons x 6 trips/year x US$3,500/trip		357,000		357,000
17 persons x US$50.00 x 350 days/year		297,500		297,500
Insurance, per diem, etc.		60,000		60,000
Total		**714,500**		**714,500**
Mill Supplies				
Reagents (flocculent, lime, cyanide, hypochlorite, caustic sodium)		770,000		1,540,000
Total		**770,000**		**1,540,000**
TOTAL - CONCENTRATOR		**6.546.400**		**7.612.992**
Operating Cost/mt		**1.70**		**1.04**

LABORATORY	11,000 mt/d		21,000 mt/d	
	Number of Employees	Annual Salary (US$)	Number of Employees	Annual Salary (US$)
Local Personnel				
Chief Chemist	1	32,232	1	32,232
AA Technician	2	37,074	3	55,611
Laboratory Technician	3	55,611	4	74,148
Accounting Clerk	1	18,537	1	18,537
Sample Man	4	44,592	6	66,888
Laborer	1	11,148	2	22,296
Secretary	1	11,148	1	11,148
Total	**13**	**210,342**	**18**	**280,860**
Expenses				
		Annual Expenses (US$)		**Annual Expenses (US$)**
Laboratory chemicals		385,000		770,000
Total		**385,000**		**770,000**
TOTAL -LABORATORY		**595,342**		**1,050.860**
Operating Cost/mt		**0.15**		**0.14**

ENERGY	11,000 mt/d		21,000 mt/d	
	Number of Employees	Annual Salary (US$)	Number of Employees	Annual Salary (US$)
Energy Cost				
		Annual Expenses (US$)		**Annual Expenses (US$)**
Fuel - 10,500,000 liters x US$1.196		12,558,000		20,193,264
Oil - 204 barrels x US$640.42/barrel		130,646		217,743
Maintenance and spare parts				
SDMO Powerhouse				
1. Technician cost US$1,300/day x 14 days x 4 shutdowns/year		72 800		131,040
2. Spare cost US$45,000 x 5 generators		225,000		405,000
TOTAL –ANNUAL ENERGY COST		**12,986,446**		**20,947.047**
Operating Cost/mt		**3.37**		**2.85**

NOTES

Energy

The power will be produced by diesel generators and the annual operating costs are detailed below.

11 000 mt/day operation

- **Power supply and distribution**

  The power will be supplied from one station of five (+1 back up) diesel generators of 1,500 kVA will supply the power to the whole installation.

- **Gas oil consumption**

  SDMO Powerhouse

  At full capacity of the concentrator, the 5 generators will work at 75% of their capacity. At that rate, each one will consume 250 liters/hour or 1,250 liters/hour for the five groups (data given by the suppliers).

  1,250 X 24 X 350 X 1.196 US$ = **12,558,000 US$**

- **Motor oil**

  Based on a consumption of 1 g/kWh

  SDMO Powerhouse 1 g x 5 x 1500 x 0.8 x 0.75 = 4.5 kg/hr

  Annual consumption:

  SDMO Powerhouse: 4.5 x 24 x 350 = 37,800 kg

  Total: **37,800 kg/year or 204 barrels**

  Annual cost: 204 barrels x 640.42 US$ = **130,646 US$**

21 000 mt/day operation

To reach that level of production we estimate that the necessary power will be the equivalent of the 11,000 mt/day unit less the power of the ball mill (665 hp); the two jigs (115 hp) and the 1,000 mt/day unit (255 hp), which represents about 970 kVA.

The power needs for this section are approximately 3,905 kVA (4,875-970 kVA) or 4 generators of 1,250 kVA.

- **Gas oil consumption**

  According to the supplier, those generators will consume 190 liters per hour. The annual consumption will cost:

  4 x 190 x 24 x 350 = 6 384 000 liters

  6 384 000 liters x 1.196 $ = 7,635,264 US$ + 12,558,000 US$ = **20,193,264 US$**

- **Motor oil**

  Based on a consumption of 1 g/hr.

  1 g x 4 x 1,250 x 0.8 x 0.75 = 3 kg/hr

  Annual consumption:

  3 x 24 x 350 = 25,200 kg = 136 barrels

  Annual cost: 136 barrels x 640.42 = 87,097 + 130,606 = **21,743 US$**

MAINTENANCE	11,000 mt/d		21,000 mt/d	
	Number of Employees	Annual Salary (US$)	Number of Employees	Annual Salary (US$)
Local Personnel				
Maintenance Superintendant	1	32,232	2	64,464
Mechanic Foreman	1	27,816	2	55,632
Mechanics and Apprentices	12	222,444	18	333,666
Rubber Specialists	2	37,074	3	55,611
Electrician	2	37,074	3	55,611
Lubricating Labor	4	74,148	6	111,222
Shop Foreman	1	18,537	2	37,074
Lathe machinist	2	37,074	3	55,611
Milling machine Machinist	2	37,074	3	55,611
Motor rewinding Technician	2	37,074	3	55,611
Welders	4	74,148	6	111,222
Services Planning	1	12,321	2	24,642
Store Manager	1	12,321	2	24,642
Clerks and Drivers	6	66,888	9	100,332
Secretary	1	10,020	2	20,040
Housekeeping Personnel	4	40,080	6	60,120
Total	**46**	**776,325**	**72**	**1,221,111**
Expatriate Personnel				
Maintenance shop				
Supervisor	1	232,500	1	232,500
Foreman	1	232,500	1	232,500
Machinist	2	372,000	2	372,000
Mechanics	2	372,000	2	372,000
Electrical shop				
Supervisor	1	232,500	1	232,500
Electrician	1	186 000	1	186,000
Garage				
Supervisor	1	232,500	1	232,500
Foreman	1	232,500	1	232,500
Hydraulic Mechanic	1	186,000	1	186,000
Maintenance Mechanics	2	372,000	2	372,000
Total	**13**	**2,650,500**	**13**	**2,650,500**

MAINTENANCE	11,000 mt/d		21,000 mt/d	
	Number of Employees	Annual Salary (US$)	Number of Employees	Annual Salary (US$)
Expenses				
		Annual Expenses (US$)		Annual Expenses (US$)
13 persons x 6 trips/year x US$3,500/trip		273,000		273,000
13 persons x US$50.00 x 350 days/year		227,500		227,500
Insurance, per diem, etc.		50,000		50,000
Total		**550,500**		**550,500**
Wearing parts		693 000		1 386 000
Maintenance (5%)		924 000		1 848 000
Miscellaneous		539 000		1 078 000
Total		**156 000**		**4 312 000**
TOTAL -MAINTENANCE		**6,133,325**		**8,734,111**
Operating Cost/mt		**1.59**		**1.19**

ADMINISTRATION AND SERVICES	11,000 mt/d		21,000 mt/d	
	Number of Employees	Annual Salary (US$)	Number of Employees	Annual Salary (US$)
Local Personnel				
Administration				
CEO, General Manager, Assistants	4	708 156	4	708 156
Assistant Director	1	34 451	1	34 451
Operation Director	1	32 722	1	32 722
Human Resources Director	1	31 740	1	31 740
Assistant -DHR	1	13 660	1	13 660
Personnel Manager	1	15 948	1	15 948
Accounting Manager	1	25 354	1	25 354
Accountant	1	12 268	1	12 268
Accountant Technician	1	10 020	1	10 020
Logistic and Purchasing	1	10 020	1	10 020
Purchasing Clerk	3	30 060	3	30 060
Pay Manager	2	24 642	2	24 642
Store Keeper	1	10 020	1	10 020
Store Clerk	2	22 360	2	22 360
General Controller	1	15 781	1	15 781
Environment Director	1	25 512	1	25 512
Environment Personnel	1	16 960	1	16 960
PC Technician	1	27 141	1	27 141
Maintenance	6	60 120	6	60 120
Mining City				
Personnel M manager	1	15,949	1	15,949
Head Doctor	1	24,692	1	24,692
Nurses	3	43,545	3	43,545
Midwife	1	14,515	1	14,515
Human Resources	1	16,454	1	16,454
Health and Safety	1	14,515	1	14,515
Pay Roll	1	14,887	1	14,887
Secretary	1	10,020	1	10,020
Head Cook	1	14,515	1	14,515
Cook and Apprentices	4	40,792	4	40,792
Building Maintenance	1	14,887	1	14,887
Cleaning Services	4	30,000	4	30,000
Total	**51**	**1,381,706**	**51**	**1,381,706**

ADMINISTRATION AND SERVICES	11,000 mt/d		21,000 mt/d	
	Number of Employees	Annual Salary (US$)	Number of Employees	Annual Salary (US$)
Expatriate Personnel				
Administration				
Bamako				
Logistic Manager	1	186,000	1	186,000
Secretary	1	115,000	1	115,000
Administration				
General Manager	1	387,500	1	387,500
Secretary	1	115,000	1	115,000
Chief Accountant	1	232,500	1	232,500
Purchasing Agent	1	232,500	1	232,500
Warehouse clerk	1	186,000	1	186,000
Mining city				
Director	1	232,500	1	232,500
Head cook	1	186,000	1	186,000
Supplies Clerk	1	186,000	1	186,000
Logistic clerk	1	186,000	1	186,000
Total	**11**	**2,245,000**	**11**	**2,245,000**
Expenses				
		Annual Expenses (US$)		**Annual Expenses (US$)**
11 persons x 6 trips/year x US$3,500/trip		231,000		231,000
11 persons x US$50.00 x 350 days/year		192,500		192,500
Insurance, per diem, etc.		40,000		40,000
Total		**463,500**		**463,500**
Operating Costs for Services				
Ingot transportation, insurance, gold refining		288,750		288,750
Local taxes, fire insurance, canteen		500,500		500,500
Communication, travelling expenses, office supplies		580,098		580,098
Miscellaneous		365,750		365,750
Total		**1,735,098**		**1,735,098**
TOTAL –ADMINISTRATION AND SERVICES		**5 825 304**		**5 825 304**
Operating Cost/mt		**1.51**		**0.79**

1.1.1.4 *Qualified personnel*

Bumigeme has estimated that about 45 expatriates will be required when the production at 11,000 mt/day will start and these expatriates will remain on site for 2 or 3 years. After that period, the expatriates will be reduced gradually, and replaced by Malian staff. Furthermore, Wassoul'Or has maintained on site the entire crew that was trained during the operation of the pilot plant (2007-2008).

So there will be sufficient trained peoples on site to start the operations. It is recommended to Wassoul'Or to initiate a training programme at the beginning of the operations to build up a group of well-qualified employees for years to come.

GOLD MARKET

GOLD DEMAND

The total global demand in the world has remained quite steady since 2000 until 2009 (3,553 tonnes average). In 2010, it recorded a net improvement with a growth of 20% between 2009 and 2010. 2011 is the highest year value on record (see table 15-1 below).

The main sources of the gold supply during that period are:

- Mine production
- Gold sales from central banks
- Recycling

Table 0-17
Historical Data for Identifiable Gold Demand[4]

Year	Total (tonnes)
2000	3,822
2001	3,727
2002	3,361
2003	3,206
2004	3,512
2005	3,745
2006	3,423
2007	3,552
2008	3,805
2009	3,386
2010	4,050
2011	4,067

[4], Gold demand trends, World Gold Council investment research files, Second Quarter 2009. August 2009, page 21.
www.gold.org/investment/statistics/demand_and_supply_statistics

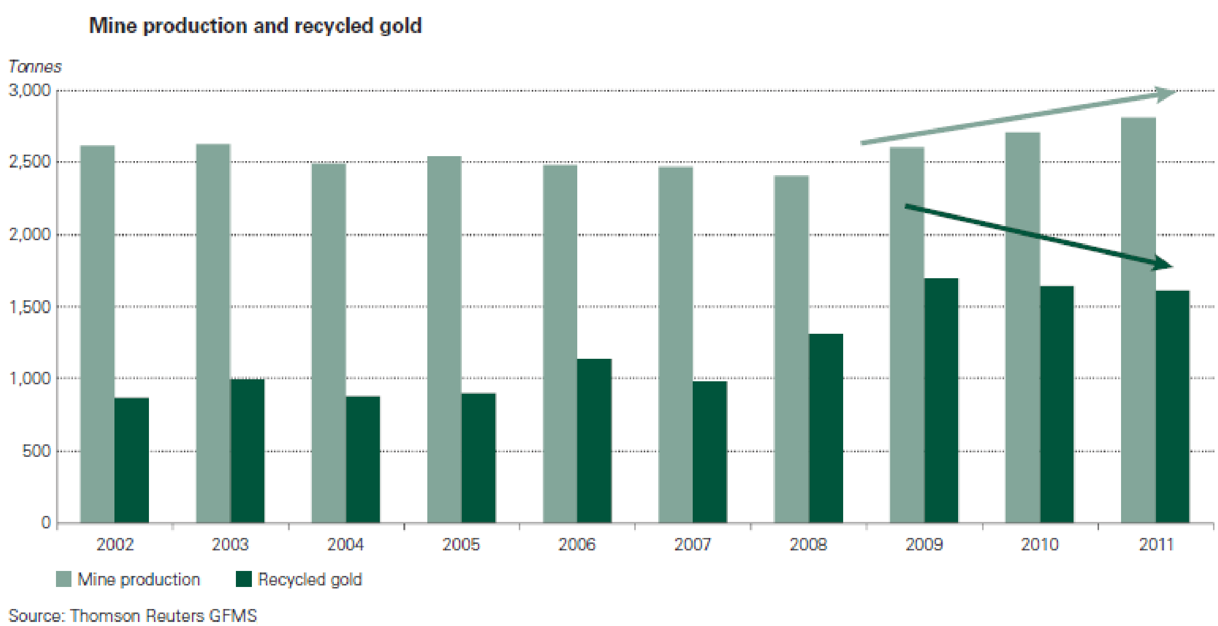
GOLD MINE PRODUCTION

Mine production of gold has been stable since 2004 with a small drop in 2008, this production has become increasingly important since 2009.

2011 marked another impressive year for global gold production, with investment demand showing strong growth.

Mine production increased slightly, to a record annual level, but this was counterbalanced by a small decline in recycling and considerable net purchases by central banks.

Gold Mine Production - 2002 to 2011[5]



[5] World Gold Council, *Gold demand Trends*, Full year 2011, page 7

GOLD PRICE

Gold Price from 2003 to 2011[6]

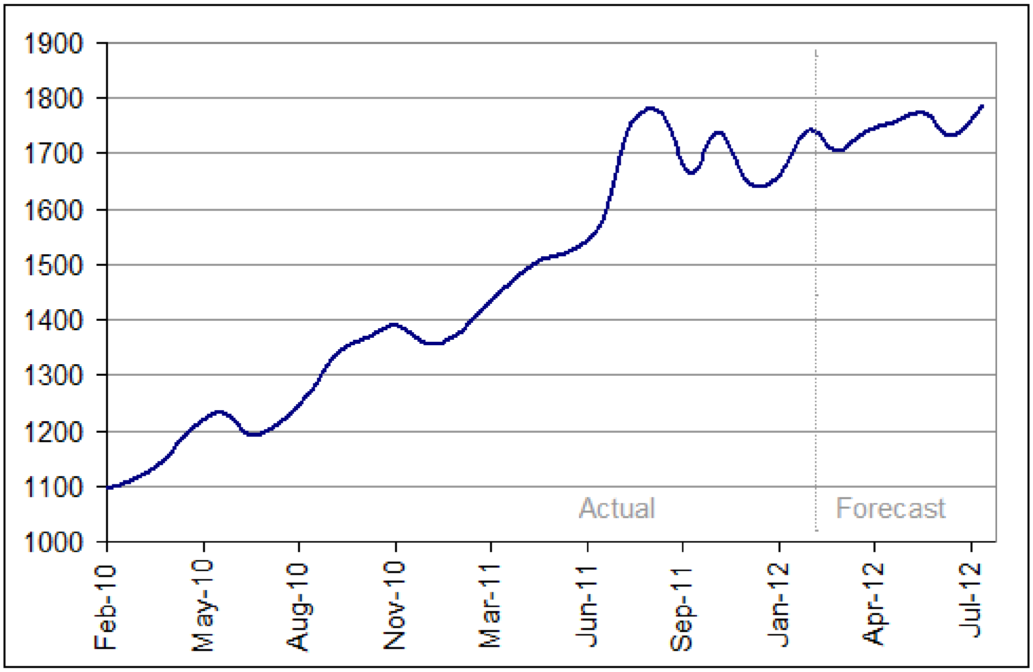
CURRENT AND FORECASTED GOLD PRICES

According to serious analysts, in 2012 the price of gold could vary between 1,700 US$ and 1,800 US$.

The following figure, obtained from "Financial Forecast Center", seems to confirm these forecasts.

[6] www.goldprice.org/gold-price-history.html

US Dollars per Troy Ounce 7



[7] www.forecasts.org/gold.htm

FINANCIAL ANALYSIS

Parameters of the Analysis

The analysis of the profitability of the Kodiéran project is based on the following parameters:

▪ Mining reserves of the lateritic zone	33,078,400 mt
▪ Average grade (Au)	1.78 g/mt
▪ Minimum recovery of the gold	92.1%
▪ Initial investment (mining equipments, infrastructures, concentrators, etc.)	140,000,000 US$
▪ Additional investment in the second year	37,151,452 US$
▪ Daily production (first 2 years)	11,000 mt
▪ Daily production (from 3rd year)	21,000 mt
▪ Costs of operation (first 2 years)	11.98 US$/mt
▪ Costs of operation(from 3rd year)	8.86 US$/mt
▪ Investment equity	100%
▪ Actualization rate	18%
▪ Years of operation	6.5 years

RESULTS OF THE FINANCIAL ANALYSIS

The project is extremely robust with an internal rate of return **(IRR)** of **174.17%** and a net present value **(NPV)** of **924,267,663 US$** for **assumed average price of gold of 1,350 US$** an ounce, and a **discount rate at 18%.**

The used parameters are conservative and were taken from data collected in the Report of Roche Ltée Groupe Conseil (very renowned firm in Canada and abroad) as well as data taken by Bumigeme, from the operation of the 1,000 mt/day pilot plant.

The price of gold at 1,350 US$/ounce is not exaggerated and has already exceeded 1,700 US$/ounce. According to the best financial gold market analysis, the price of gold is likely to rise to 1,800 US$/oz (and more) in 2012.

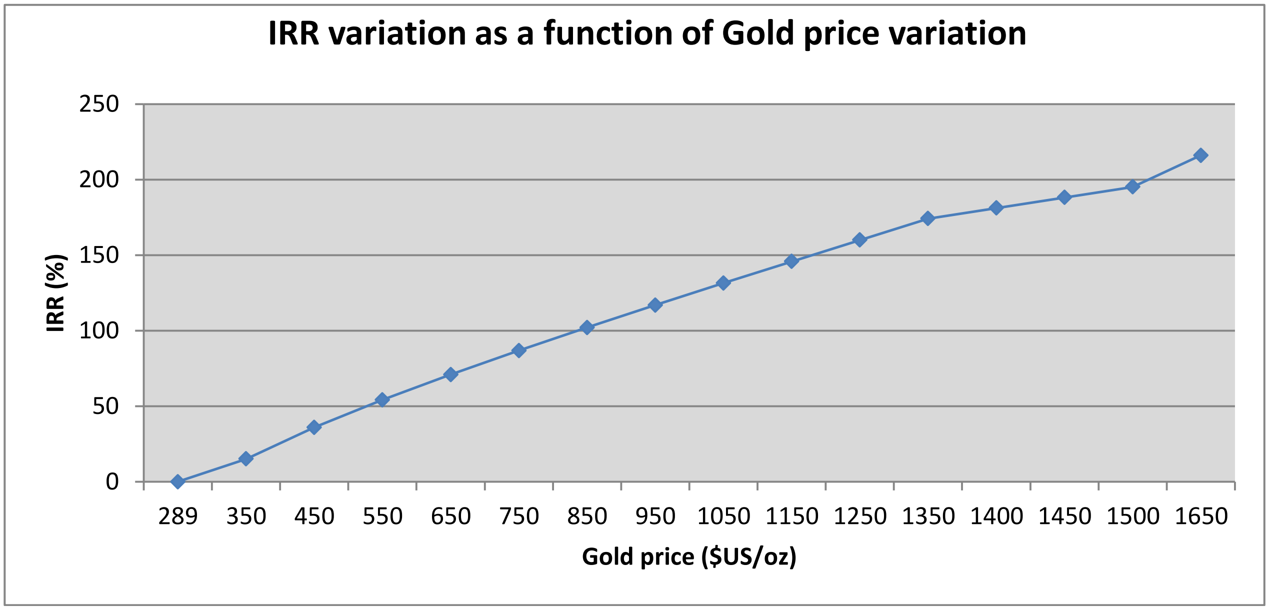
Furthermore, the ore milled in the pilot plant allows us to believe that the grade of 1.78 g/mt Au is not over evaluated.

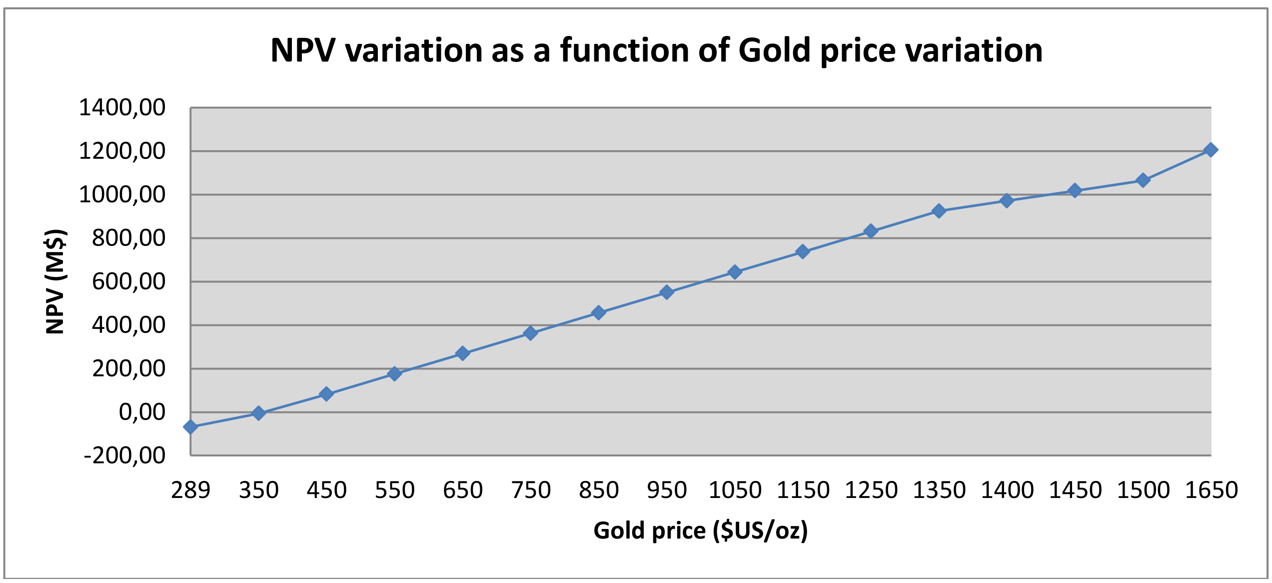
The operating cost at 11.98 US/mt reflects the current costs. Nevertheless this cost at 11.98 US$/mt is low compared with other similar operations due to the fact that the mining extraction does not require drilling nor blasting.

The operating costs are low if we compare with Canadian mining operations. In Canada, most of the gold is in hard rocks that require drilling, blasting, primary crushing, secondary crushing, grinding, flotation, cyanidation, etc. Also the gold is normally concentrated in small veins, where in some cases it is necessary to mine 5 to 10 tons of waste ore for each ton of mineral (gold ore). At Kodiéran the gold is in the saprolite layer and there is no need for drilling and blasting.

Furthermore, at the actual gold price of 1,350 US$/ounce, one gram of gold has a value of 43.41 US$. At 11.98 $/mt of operating costs (11,000 mt/day) it takes less than 0.30 grams of gold to cover the operating costs.

At the beginning of the third year the costs of operation will fall to 8.86 $US/mt because of the addition of a module of 10,000 mt/day which has a positive effect on the fixed costs.


IRR variation as a function of Gold price variation
250
200
150
100
50
0
IRR (%)
289 350 450 550 650 750 850 950 1050 1150 1250 1350 1400 1450 1500 1650
Gold price ($US/oz)


NPV variation as a function of Gold price variation
1400,00
1200,00
1000,00
800,00
600,00
400,00
200,00
0,00
-200,00
NPV (M$)
289 350 450 550 650 750 850 950 1050 1150 1250 1350 1400 1450 1500 1650
Gold price ($US/oz)

**IRR and NPV Variation
as Function of Gold Price**

Gold $US/oz	NPV (M$)	IRR (%)
289	(68,868,242)	0
350	6,396,358	15.15
450	81,833,813	36.05
550	175,437,574	54.26
650	269,041,335	71.01
750	362,645,096	86.85
850	456,248,858	102.11
950	549,852,619	116.96
1050	643,456,380	131.52
1150	737,060,141	145.87
1250	830,663,902	160.08
1350	924,267,663	174.17
1400	971,069,544	181.18
1450	1,017,871,424	188.18
1500	1,064,673,305	195.16
1650	1,205,078,946	216.02

BASE CASE

FINANCIAL ANALYSIS (Base case-Gold Price at $1,350)
Kodieran Project

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Investment cost ($CND)		140 000 000 $						
Equity		100%						
	New 10,000t/d plus Infrastructures				37 151 452 $			
Production	Recovery for 5.5 years	92,10%						
	Ore grade (g/mt)	1,78						
	Resources (mt)	33 078 400						
	Period (years)	6,00						
	Price ($CND/oz)	1 350,00 $						
	Annual production (mt)		3 850 000	3 850 000	7 350 000	7 350 000	7 350 000	3 328 400
	Annual production (g)		6 853 000	6 853 000	13 083 000	13 083 000	13 083 000	5 924 552
	Recovered gold (g)		6 311 613	6 311 613	12 049 443	12 049 443	12 049 443	5 456 512
	Recovered gold (oz)		202 946	202 946	387 442	387 442	387 442	175 451
Net sales before royalties			273 976 770 $	273 976 770 $	523 046 561 $	523 046 561 $	523 046 561 $	236 858 255 $
Royalties		3,0%	8 219 303 $	8 219 303 $	15 691 397 $	15 691 397 $	15 691 397 $	7 105 748 $
Net sales			265 757 467 $	265 757 467 $	507 355 164 $	507 355 164 $	507 355 164 $	229 752 507 $
Operating cost			46 123 000 $	46 123 000 $	65 121 000 $	65 121 000 $	65 121 000 $	29 489 624 $
	Annual production		3 850 000	3 850 000	7 350 000	7 350 000	7 350 000	3 328 400
	Operation cost ($CND/mt)	1	11,98 $	11,98 $	8,86 $	8,86 $	8,86 $	8,86 $
EBITDA (Earning before interest, tax depreciation)			219 634 467 $	219 634 467 $	442 234 164 $	442 234 164 $	442 234 164 $	200 262 883 $
	Depreciation (5 years)		$ 23 333 333	$ 23 333 333	$ 32 621 196,00	$ 32 621 196,00	$ 32 621 196,00	$ 32 621 198,00
Earning before tax			196 301 134 $	196 301 134 $	409 612 968 $	409 612 968 $	409 612 968 $	167 641 685 $
Income tax		35%						58 674 590 $
Net income			196 301 134 $	196 301 134 $	409 612 968 $	409 612 968 $	409 612 968 $	108 967 095 $
Depreciation			23 333 333 $	23 333 333 $	32 621 196 $	32 621 196 $	32 621 196 $	32 621 198 $
Debt refunding			0 $	0 $	37 151 452 $	0 $	0 $	- $
CASH FLOW		140 000 000,00 $-	219 634 467 $	219 634 467 $	405 082 712 $	442 234 164 $	442 234 164 $	141 588 293 $
DISCOUNTED CASH FLOW		140 000 000,00 $-	186 130 904 $	157 738 054 $	246 545 845 $	228 099 462 $	193 304 629 $	52 448 769 $
IRR(TRI)		174,17%						
NPV (actualization rate: (18%)		924 267 663 $						

Project financial and technical risks

FINANCIAL RISKS

Financial investment will always be a risky business and it is not possible for anybody to pretend that financial risks on any mining venture are non existent. Whether there is an act of God, war, act of terrorism or political and currency instability, nobody can guaranty the price of gold or even its demand. This is the inherent financial risk of any development project. However, even if the mine operator has no control over the metal price, there are many factors that mitigate the financial risks of this Kodiéran project:

- The political stability of the country.
- The low investment costs in comparison with similar mining projects in the world. In most cases the investment needed exceeds half a billion US dollars and more.
- Low operating costs and the availability of well-trained local personnel.
- The infrastructures needed are available (mining city, offices, excellent access road, landing strip, communications, etc.).
- The experience gained by the senior staff over the years in the management of this project. Less expatriates well be needed for the operations.
- The payback period is less than a year (base case at 1,350 US$ an ounce) and all the forecasts in the world indicate that the price of gold will continue to increase at least for the next year. The zero return of the project is set at 289 US/oz and nobody sees the gold at this level.

TECHNICAL RISKS

The technical risks of this project are minimal. Very few mining projects have the possibility to start their operation, with the technical information's available on this project. The campaign done by Roche in 1996 and the operation of the 1000 mt/day concentrator in 2007 and 2008, have permit to finalize the flowsheet in every details and to forecast the gold recovery.

The mining is done by open pit with no needs for drilling and blasting.

Water and power are available to fulfill all the needs.

Sensitivity analysis

Although, Bumigeme is confident in its figures, due to the simplicity of the process and the experience gained with the 1,000 mt/day pilot plant, some sensitivity analyses of the project are also included, with 10% and 20% increase of the operating costs at 18% discount rates. Even at a 20% cost increase, the project is still very robust at 888,067,471 US$ for a discount rate of 18%. See tables in Appendix 6.

Conclusions

The Kodiéran gold deposit is extremely robust with an internal rate of return (IRR) of 174.17% and a net present value (NPV) of 924,267,663 US$ for the gold at 1,350 US$ an ounce and the discount rate of 18%.

Those figures are based on 2% of the property only and do not take into account the three others sites (Traorela, Daoulila and Koboda) where the potential is high, as well as at Kodiéran where the full potential is far from being known. The potential of the extension in the lateritic zone, as well as in the hard rock under the lateritic zone, is not considered in the present financial analysis.

APPENDIX 1

Legal Act by Dramane Dembele (Exploitation Permit)

MINISTERE DES MINES

REPUBLIQUE DU MALI
Un Peuple-Un But-Une Foi

DIRECTION NATIONALE DE
LA GEOLOGIE ET DES MINES

REPONSE A LA DEMANDE DE CONFIRMATION DE TITRE MINIER DE WASSOUL'OR FORMULEE PAR LE CABINET JURI-PARTNER.

Le périmètre de Faboula, repertorié dans le registre des titres miniers de la Direction Nationale de la Géologie et des Mines sous le N°PR/34 a été attribué à la Société pour le Dévéloppement des Investissement en Afrique « SODINAF » en permis de recherche pour l'or, l'argent, les substances connexes et platinoïdes.

Les travaux effectués sur le permis de recherche de Faboula ont abouti à la découverte du gisement de mine d'or de Kodiéran sur lequel un permis d'exploitation a été accordé par Décret N°97-179/PM-RM du 30 Mai 1997.

Conformément aux exigences du Code Minier du Mali, notamment, son article 42 A1, 4 et 5 relatif à la participation de l'Etat dans le capital social de toute société minière en phase d'exploitation, il a été créée une Société Anonyme dénommée « WASSOUL'OR S.A » pour méner les activités d'exploitation.

A titre de rappele, au Mali, le permis d'exploitation minière est accordé au bénéficiaire pour une période de 30 ans renouvelable par tranche de 10 ans jusqu'à épuisement des réserves et confère à son titulaire un droit exclusif pour les substances pour lesquelles il a été accordé.

Il (permis d'exploitation) confère également à son titulaire, des avantages et autres garanties prévus par le Titre VII et suivant du Code Minier.

BAMAKO,LE 11 SEPT 2009
LE DIRECTEUR NATIONAL DE
LA GEOLOGIE ET DES MINES

REPUBLIQUE DU MALI
DIRECTION NATIONALE DE LA GEOLOGIE ET DES MINES
UN PEUPLE - UN BUT - UNE FOI
DIRECTEUR NATIONAL

Dramane DEMBELE

PRIMATURE

SECRETARIAT GENERAL DU GOUVERNEMENT

REPUBLIQUE DU MALI
Peuple - Un But - Une Foi

DECRET N°97 179 /PM-RM

PORTANT ATTRIBUTION A LA SOCIETE POUR LE DEVELOPPEMENT DES INVESTISSEMENTS EN AFRIQUE "SODINAF" D'UN PERMIS D'EXPLOITATION D'OR, D'ARGENT, DE SUBSTANCES CONNEXES ET PLATINOIDES

LE PREMIER MINISTRE,

Vu la Constitution;

Vu l'Ordonnance N°91-065/P-CTSP du 19 Septembre 1991 portant organisation de la recherche, de l'exploitation, de la possession, du transport, de la transformation et de la commercialisation des substances minérales ou fossiles et carrières, autres que les hydrocarbures liquides ou gazeux sur le territoire de la République du Mali;

Vu le Décret N°91-277/PM-RM du 19 Septembre 1991 fixant les modalités d'application de l'Ordonnance N°91-065/P-CTSP du 19 Septembre 1991;

Vu le Décret N°91-278/PM-RM du 19 Septembre 1991 portant approbation de la Convention d'établissement-type pour la recherche et l'exploitation des substances minières en République du Mali;

Vu le Décret N°94-065/P-RM du 4 Février 1994 portant nomination d'un Premier Ministre;

Vu le Décret N°96-206/P-RM du 22 Juillet 1996 portant nomination des membres du Gouvernement;

Vu la demande du 05 Février 1996 de Monsieur Aliou Boubacar DIALLO, en sa qualité de Président de la Société;

Vu le Récépissé de versement N°026/96/D.SMEC du 07 Février 1996 du droit fixe de délivrance d'un permis d'exploitation;

DECRETE :

ARTICLE 1ER : Il est accordé à la Société pour le Développement des Investissements en Afrique "SODINAF" un permis d'exploitation valable pour l'or, l'argent, les substances connexes et platinoïdes dans les conditions déterminées au présent décret.

ARTICLE 2 : Le périmètre de la surface concernée par ce permis est défini de la façon suivante et inscrit au registre de la Direction Nationale de la Géologie et des Mines sous le numero : PE 97/009 PERMIS KODIERAN (Cercle de Yanfolila).

Coordonnées du périmètre : A1, B, C, D, D1, D2, E1, E2, F1, G, H, I, J, K

- Point A1 : Intersection du parallèle 10°52'15" Nord et du méridien 8°16'00" Ouest
  Du point A1 au point B suivant le parallèle 10°52'15" Nord

- Point B : Intersection du parallèle 10°52'15" Nord et du méridien 8°10'00" Ouest
  Du point B au point C suivant le méridien 8°10'00" Ouest

- Point C : Intersection du méridien 8°10'00" Ouest et du parallèle 10°49'47" Nord
  Du point C au point D suivant le parallèle 10°49'47" Nord

- Point D : Intersection du parallèle 10°49'47" Nord et du méridien 8°12'00" Ouest
  Du point D au point D1 suivant le méridien 8°12'00" Ouest

- Point D1 : Intersection du méridien 8°12'00" Ouest et du parallèle 10°48'30" Nord
  Du point D1 au point D2 suivant le parallèle 10°48'30" Nord

- Point D2 : Intersection du parallèle 10°48'30" Nord et du méridien 8°13'30" Ouest
  Du point D2 au point E1 suivant le méridien 8°13'30" Ouest

- Point E1 : Intersection du méridien 8°13'30" Ouest et du parallèle 10°44'00" Nord
  Du point E1 au point E2 suivant le parallèle 10°44'00" Nord

- Point E2 : Intersection du parallèle 10°44'00" Nord et du méridien 8°15'55" Ouest
  Du point E2 au point F1 suivant le méridien 8°15'55" Ouest

- Point F1 : Intersection du méridien 8°15'55" Ouest et du parallèle 10°46'00" Nord
  Du point F1 au point G suivant le parallèle 10°46'00" Nord

- Point G : Intersection du parallèle 10°46'00" Nord et du méridien 8°16'00" Ouest
  Du point G au point H suivant le méridien 8°16'00" Ouest

- Point H : Intersection du méridien 8°16'00" Ouest et du parallèle 10°47'00" Nord
  Du point H au point I suivant le parallèle 10°47'00" Nord

- Point I : Intersection du parallèle 10°47'00" Nord et du méridien 8°17'00" Ouest
  Du point I au point J suivant le méridien 8°17'00" Ouest

- Point J : Intersection du méridien 8°17'00" Ouest et du parallèle 10°48'00" Nord
  Du point J au point K suivant le parallèle 10°48'00" Nord

- Point K : Intersection du parallèle 10°48'00" Nord et du méridien 8°16'00" Ouest
  Du point K au point A1 suivant le méridien 8°16'00" Ouest

<u>POINT REPERE</u> : Il est constitué par une borne astronomique située à Dalagoué, 400m à l'extrémité Sud du permis.

SUPERFICIE :100 Km2

<u>ARTICLE 3</u> : La durée de la validité du permis est de trente (30) ans à compter de la date de signature du présent décret.

<u>ARTICLE 4</u> : En application des dispositions de l'article 81 du décret N°91-277/PM-RM du 19 Septembre 1991, le titulaire du permis devra tenir sur ses chantiers :

- un plan des travaux effectués, établi à une échelle adaptée à la nature des travaux;

- un registre d'avancement des travaux;

- un registre de contrôle journalier de la main d'oeuvre;

- un registre d'extraction, de stockage, de vente et d'expédition;

- un registre d'employeur conforme aux dispositions de la réglementation du travail;

- un état des dépenses consacrées aux travaux de recherche.

ARTICLE 5 : Conformément aux dispositions de l'article 83 du décret N°91-277/PM-RM du 19 Septembre 1991, le titulaire du permis doit fournir à la Direction Nationale de la Géologie et des Mines les documents suivants :

a) dans la première quinzaine de chaque mois, un rapport succinct de l'activité du mois précédent;

b) dans le premier mois de chaque année, un état statistique de l'année précédente;

c) dans le premier trimestre de chaque année, un rapport exposant de façon détaillée les travaux effectués et les résultats obtenus au cours de l'année précédente.

ARTICLE 6 : L'annulation du présent permis d'exploitation sera prononcée par décret en cas de non exécution des engagements souscrits conformément à la législation en vigueur.

ARTICLE 7 : Le présent décret qui prend effet à compter de sa date de signature sera enregistré et publié au Journal Officiel.

Bamako, le 30 MAI 1997

LE PREMIER MINISTRE,

Ibrahim Boubacar KEITA

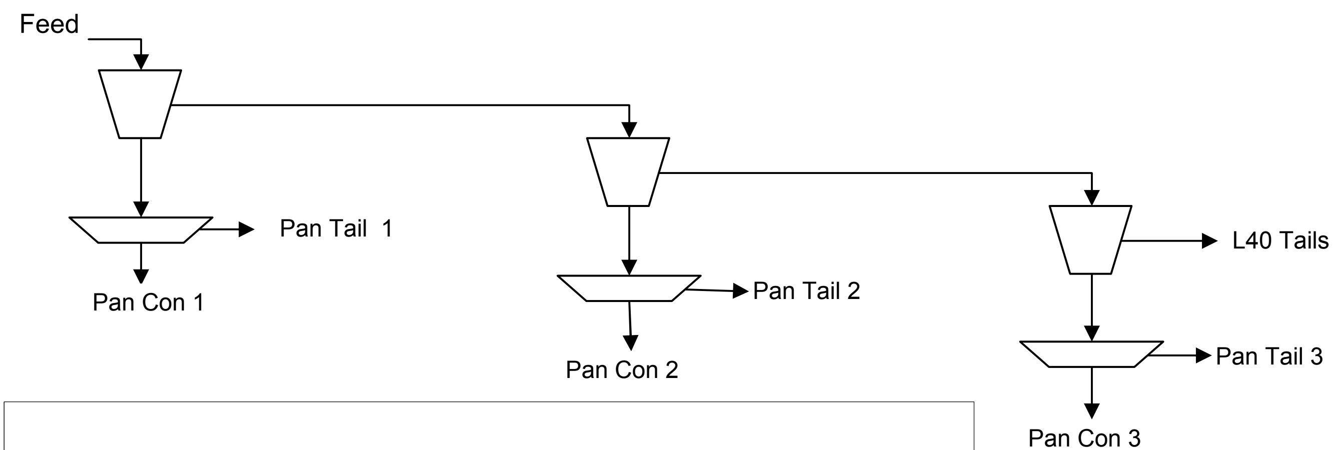
APPENDIX 2

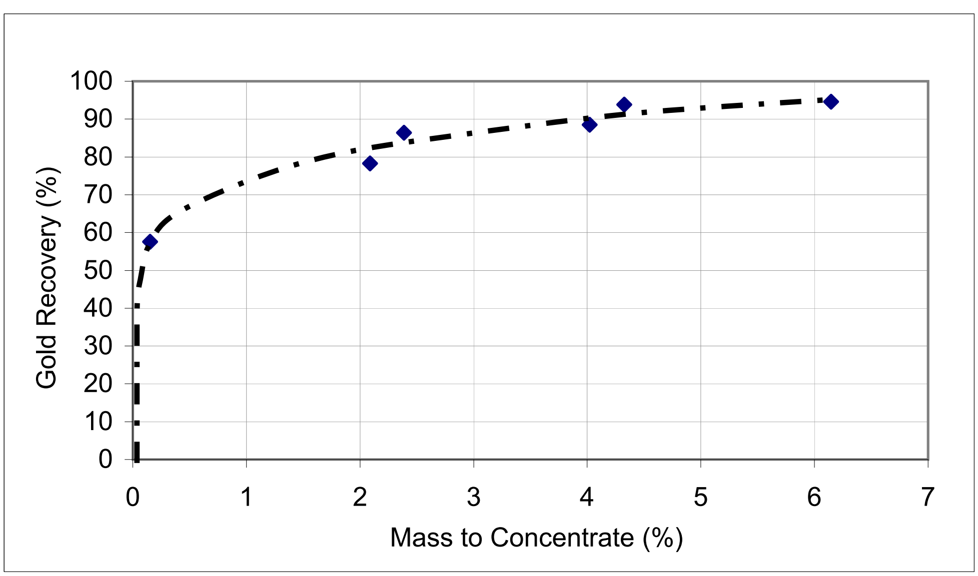
Results of Met Solve Laboratory Tests with a Falcon Concentrator

GRAVITY CONCENTRATION TEST REPORT

Client: Bumigeme **Date:** 22-Jul-08
Test: FF101 **Project:** MS1111
Sample: 2-2: echantillon temoin de rejeta teneur superieure a 1g/t

Products	Weight (g)	Weight (%)	Assay (g/t) Au	Distribution (%) Au
Pan Concentrate 1	9.20	0.15	525.8	57.6
Pan Tail 1	117.2	1.94	14.9	20.7
L40 Concentrate 1	**126.4**	**2.09**	**52.1**	**78.3**
Pan Concentrate 2	18.2	0.30	37.3	8.07
Pan Tail 2	99.0	1.63	1.80	2.12
L40 Concentrate 2	**117.2**	**1.94**	**7.31**	**10.2**
Pan Concentrate 3	18.4	0.30	24.2	5.30
Pan Tail 3	110.2	1.82	0.61	0.80
L40 Concentrate 3	**128.6**	**2.12**	**3.99**	**6.10**
Total L40 Concentrate	**372.2**	**6.15**	**21.4**	**94.6**
L40 Tails	5684.0	93.9	0.08	5.41
Calculated Head	**6056.2**	**100.0**	**1.39**	**100.0**
Assayed Head			**2.29**	





Test Conditions	
Pulp Density:	25%
Bowl:	1/32 holes
Fluid'n Pressure:	3 psi
G-Force:	150 g
Speed:	55.3 Hz

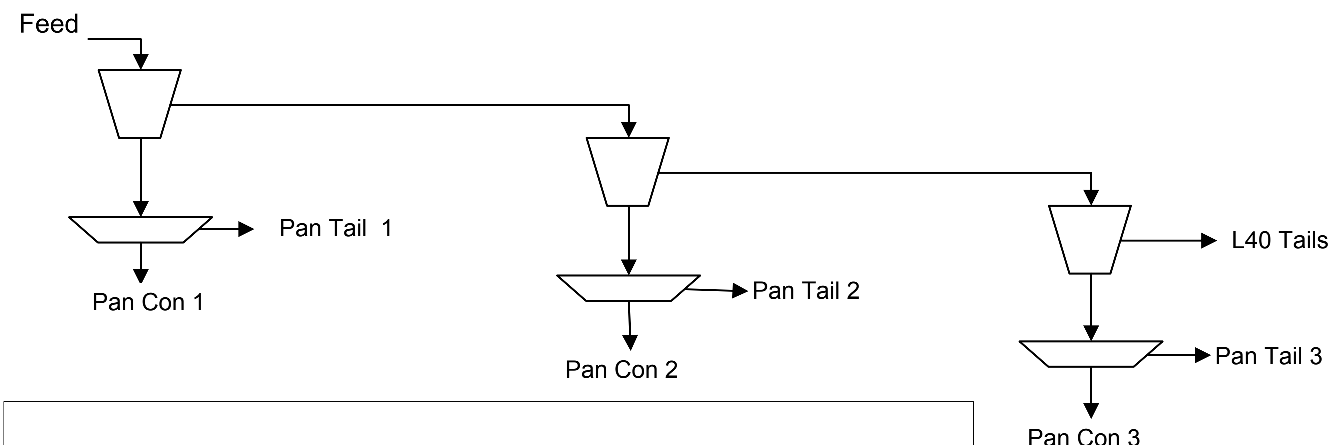
MET-SOLVE LABORATORIES INC.

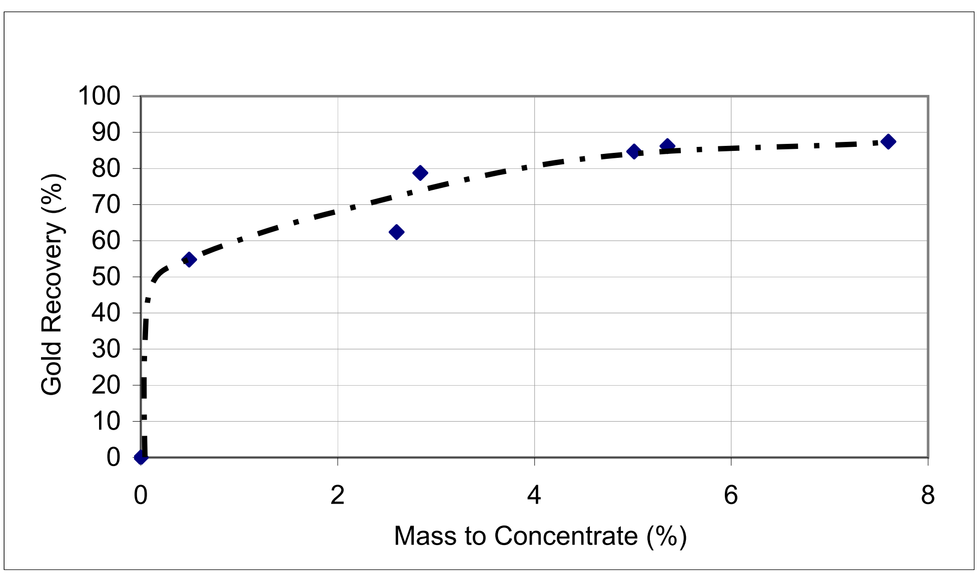
GRAVITY CONCENTRATION TEST REPORT

Client: Bumigeme
Test: FF102
Sample: 2-1: echantillon preleve au parc a rejets

Date: 00-Jan-00
Project: MS1111

Products	Weight		Assay (g/t)	Distribution (%)
	(g)	(%)	Au	Au
Pan Concentrate 1	23.7	0.49	90.3	54.8
Pan Tail 1	102.1	2.11	2.90	7.58
L40 Concentrate 1	**125.8**	**2.60**	**19.4**	**62.4**
Pan Concentrate 2	11.6	0.24	55.3	16.4
Pan Tail 2	105.1	2.17	2.19	5.89
L40 Concentrate 2	**116.7**	**2.41**	**7.47**	**22.3**
Pan Concentrate 3	16.3	0.34	3.56	1.49
Pan Tail 3	108.6	2.25	0.45	1.25
L40 Concentrate 3	**124.9**	**2.58**	**0.86**	**2.74**
Total L40 Concentrate	**367.4**	**7.60**	**9.30**	**87.4**
L40 Tails	4469.2	92.4	0.11	12.6
Calculated Head	**4836.6**	**100.0**	**0.81**	**100.0**
Assayed Head			**1.13**	



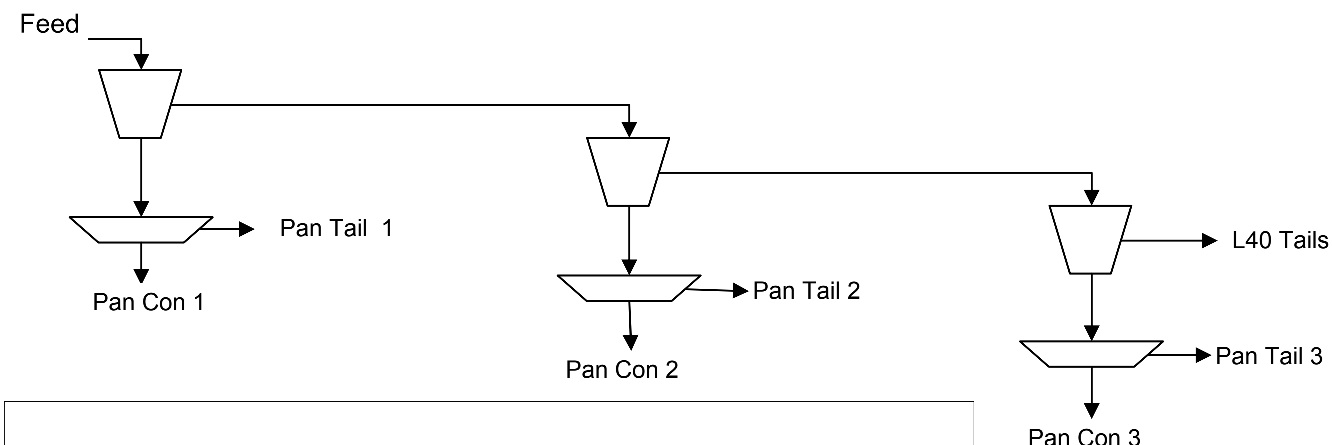


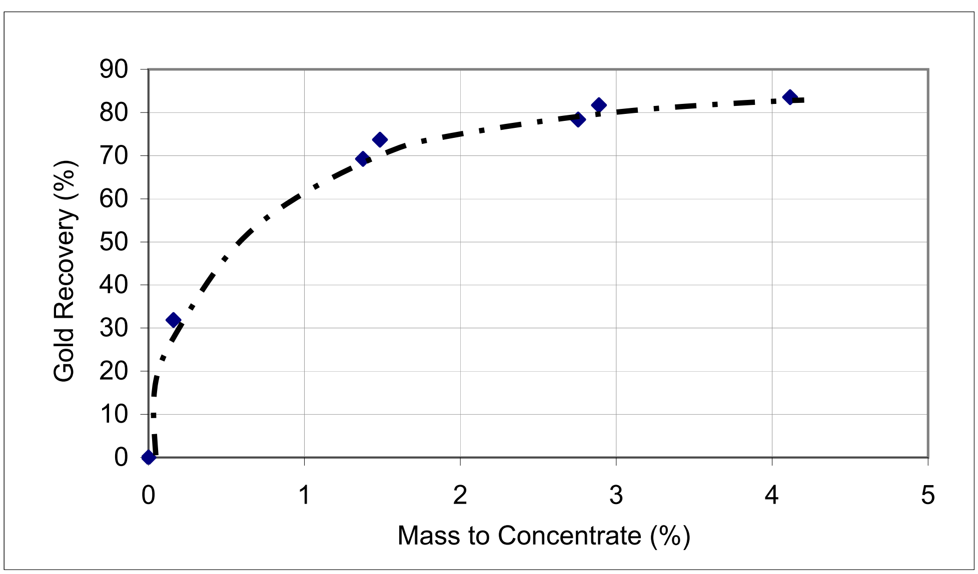
Test Conditions	
Pulp Density:	25%
Bowl:	1/32 holes
Fluid'n Pressure:	3 psi
G-Force:	150 g
Speed:	55.3 Hz

GRAVITY CONCENTRATION TEST REPORT

Client: Bumigeme | **Date:** 00-Jan-00
Test: FF103 | **Project:** MS1111
Sample: 1: Reject du concentrateur Knelson tamise amoins 45 microns

Products	Weight (g)	Weight (%)	Assay (g/t) Au	Distribution (%) Au
Pan Concentrate 1	10.5	0.16	93.3	31.9
Pan Tail 1	80.0	1.22	14.4	37.4
L40 Concentrate 1	**90.5**	**1.38**	**23.5**	**69.2**
Pan Concentrate 2	7.20	0.11	19.0	4.45
Pan Tail 2	83.6	1.27	1.71	4.65
L40 Concentrate 2	**90.8**	**1.38**	**3.08**	**9.10**
Pan Concentrate 3	8.80	0.13	11.8	3.39
Pan Tail 3	80.6	1.22	0.70	1.84
L40 Concentrate 3	**89.4**	**1.36**	**1.80**	**5.23**
Total L40 Concentrate	**270.7**	**4.11**	**9.48**	**83.6**
L40 Tails	6309.3	95.9	0.08	16.4
Calculated Head	**6580.0**	**100.0**	**0.47**	**100.0**
Assayed Head			**0.51**	





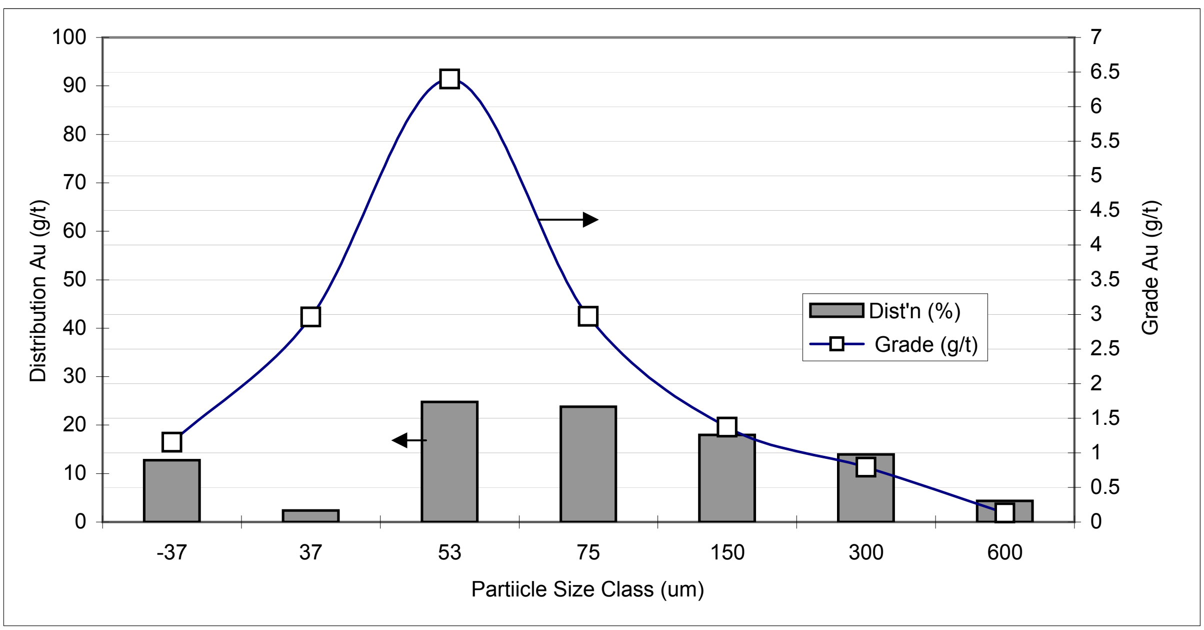
Test Conditions	
Pulp Density:	25%
Bowl:	1/32 holes
Fluid'n Pressure:	3 psi
G-Force:	150 g
Speed:	55.3 Hz

SIZE-BY-SIZE HEAD ASSAY

Client: Bumigeme
Test: FF104
Sample: 2-1 echantillon preleve au parc a rejets - Head Sample

Date: 22-Jul-08
Project: MS1111

Sieve Size		Weight		Au	
Tyler Mesh	Microns	(g)	(%)	(g/t)	Dist'n (%)
8	2380				
10	1680				
14	1190				
20	840				
30	600	177.7	38.25	0.13	4.39
50	300	92.8	19.97	0.79	13.9
100	150	69.0	14.85	1.37	18.0
200	75	42.2	9.08	2.97	23.8
270	53	20.4	4.39	6.40	24.8
400	37	4.20	0.90	2.96	2.36
-400	-37	58.3	12.55	1.15	12.7
	TOTAL:	464.6	100.0	1.13	100.0

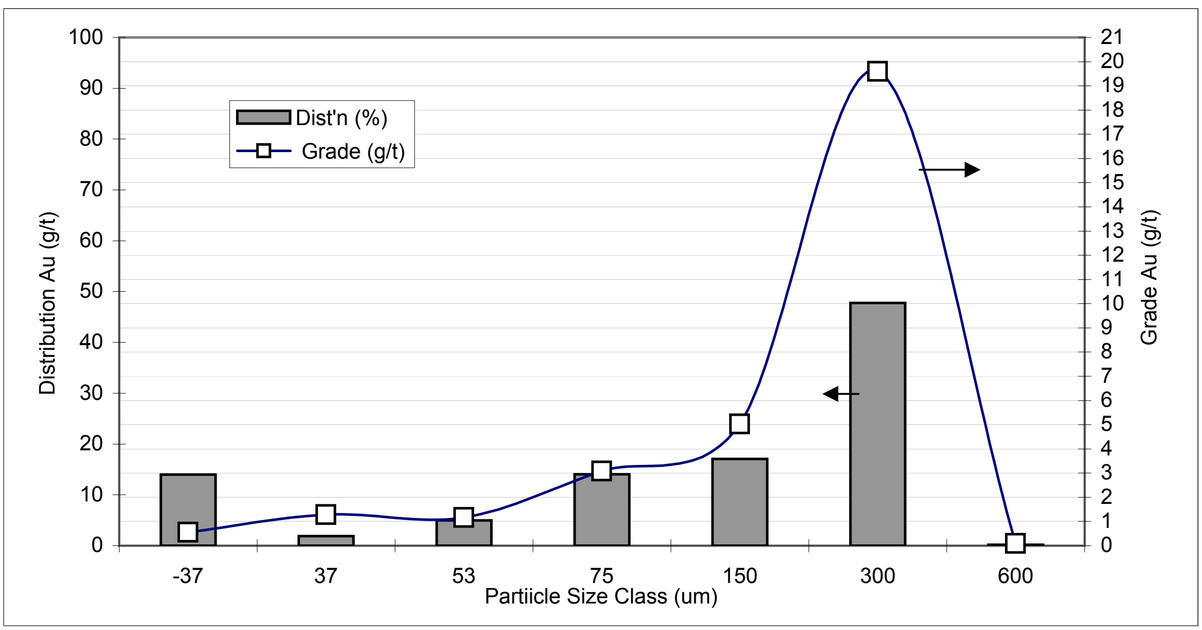


SIZE-BY-SIZE HEAD ASSAY

Client: Bumigeme
Test: FF105
Sample: 2-2 echantillon temoin de rejeta teneur superieure a 1g/t - Head Sample

Date: 22-Jul-08
Project: MS1111

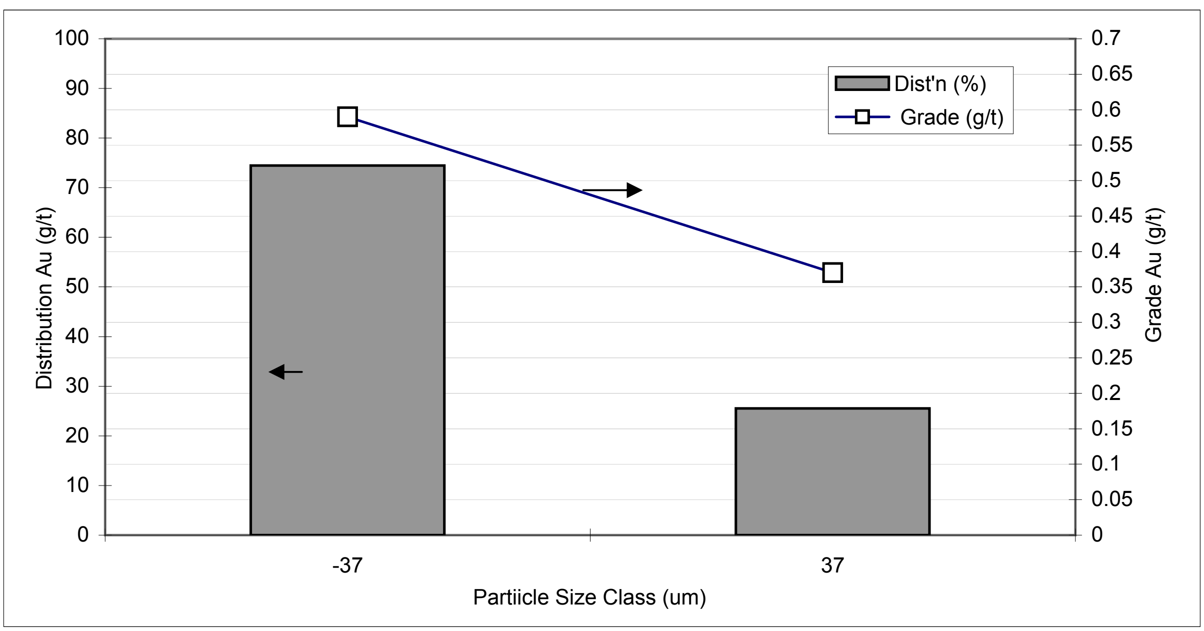
Sieve Size		Weight		Au	
Tyler Mesh	Microns	(g)	(%)	(g/t)	Dist'n (%)
8	2380				
10	1680				
14	1190				
20	840				
30	600	20.3	4.66	0.09	0.18
50	300	24.3	5.58	19.6	47.8
100	150	33.9	7.79	5.03	17.1
200	75	45.6	10.47	3.08	14.1
270	53	42.7	9.81	1.17	5.01
400	37	14.5	3.33	1.28	1.86
-400	-37	254.1	58.36	0.55	14.0
	TOTAL:	435.4	100.0	2.29	100.0



SIZE-BY-SIZE HEAD ASSAY

Client: Bumigeme **Date:** 22-Jul-08
Test: FF106 **Project:** MS1111
Sample: 1 - Reject du concentrateur Knelson tamise amoins 45 microns - Head Sample

Sieve Size		Weight		Au	
Tyler Mesh	Microns	(g)	(%)	(g/t)	Dist'n (%)
8	2380				
10	1680				
14	1190				
20	840				
30	600				
40	425				
50	300				
70	212				
100	150				
140	106				
200	75				
270	53				
400	37	168.4	35.37	0.37	25.6
-400	-37	307.7	64.63	0.59	74.4
	TOTAL:	476.1	100.0	0.51	100.0



APPENDIX 3

Results of the Tests of Gravity Concentrator with Gekko Leach Reactor

Quote: T0500 – Wassalour-IL-091019

Wassoulor

Laboratory Testwork Report

Bumigeme Inc

Approved by:
Michael Braaksma
Technical Coordinator
Accepted by:
Phil Macoun

Version: 2.0
Date: 2009/05/19
Status: Final

For more information

Gekko contact

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Revision History

Version	Date	Author	Description
1.0	31/03/2009	Nick Katsikaros	Final Testwork Report
2.0	19/05/2009	Tad Crowie	Amended Final Testwork Report

Executive Summary

This report describes the testwork performed and the results received on Wassoulor Concentrate samples.

The head grade of the sample was very high at 51,000g/t and the particle size was coarse with large amounts of free gold readily visible. The sample is the product of feed material being passed through a Knelson concentrator. This sample may be a higher grade than the proposed jig circuit can achieve.

The size distribution showed that the gold size distribution was much narrower than the overall particle size distribution.

The testwork shows at least 99% of the gold can be recovered in an InLine Leach reactor. The leaching behaviour was dominated by the very high grade and coarse particle size of the gold.

The sample was readily leached to 98% recovery in a single step using standard test conditions of 2% NaCN and 10% solids.

At higher NaCN concentrations (4% NaCN) or higher solids (30% Solids) the recovery was reduced to about 80%. We believe this is due to reaching the solubility limit of $NaAu(CN)_2$, which appears to precipitate from solution at high concentrations of gold and sodium.

The testwork indicates that the leaching kinetics are increased with increasing slurry density. The test run at high solids was also run with 4% NaCN. The result was a very fast initial leach with a maximum recovery of 80% (far below the results from other leach tests). The poor leach results have already been discussed, previously. This suggests that higher percent solids may allow for lower cyanide concentrations and possibly reduced consumption.

The tailings from the 4% NaCN leach was reground and releached to obtain an overall recovery of 99% from the concentrate.

Leaching is comparatively slow, most likely due to the coarse particle sizes. The initial leaching rate increased when using high sodium cyanide levels however precipitation of the gold occurred at higher gold grades.

A leaching test with 5% solids and the use of peroxide did not appear to have problems with gold solubility although the kinetics were significantly slower than previous leaches with higher solids levels.

This testwork has demonstrated that very high recoveries are achievable in the ILR however the optimum leach conditions have not been finalised.

The ILR process can be optimised to deal with either or both of the main characteristics of the sample: very coarse gold particle size and very high grade. These are described in the recommendations section. The best approach will be finalised when we can predict the concentrate tonnage and grade more closely.

Table of Contents

1. Introduction

Scope

The purpose of the testwork was to establish the amenability of the concentrate to intensive cyanidation in an ILR.

Four leaching tests were conducted corresponding to standard test and typical plant operating conditions. These were carried out on the as received concentrate sample.

A fifth test was carried out on the tailings of leach test #2 to confirm that the remaining gold was soluble at standard test conditions (the belief is that sodium aurocyanide precipitated out of solution in tests number 2 and 3 which caused the high tailings gold assays).

2. Sample Receipt and Preparation

Sample Receipt

The Wassoulor gold concentrate sample was received by the Gekko lab on 12 February 2009.

The assigned name for the sample was: LWAS.

Sample Preparation

The sample was prepared by drying at 60°C. All the material was combined, homogenised and working samples split out using a laboratory scale rotary splitter.

2.1. Sample Remaining

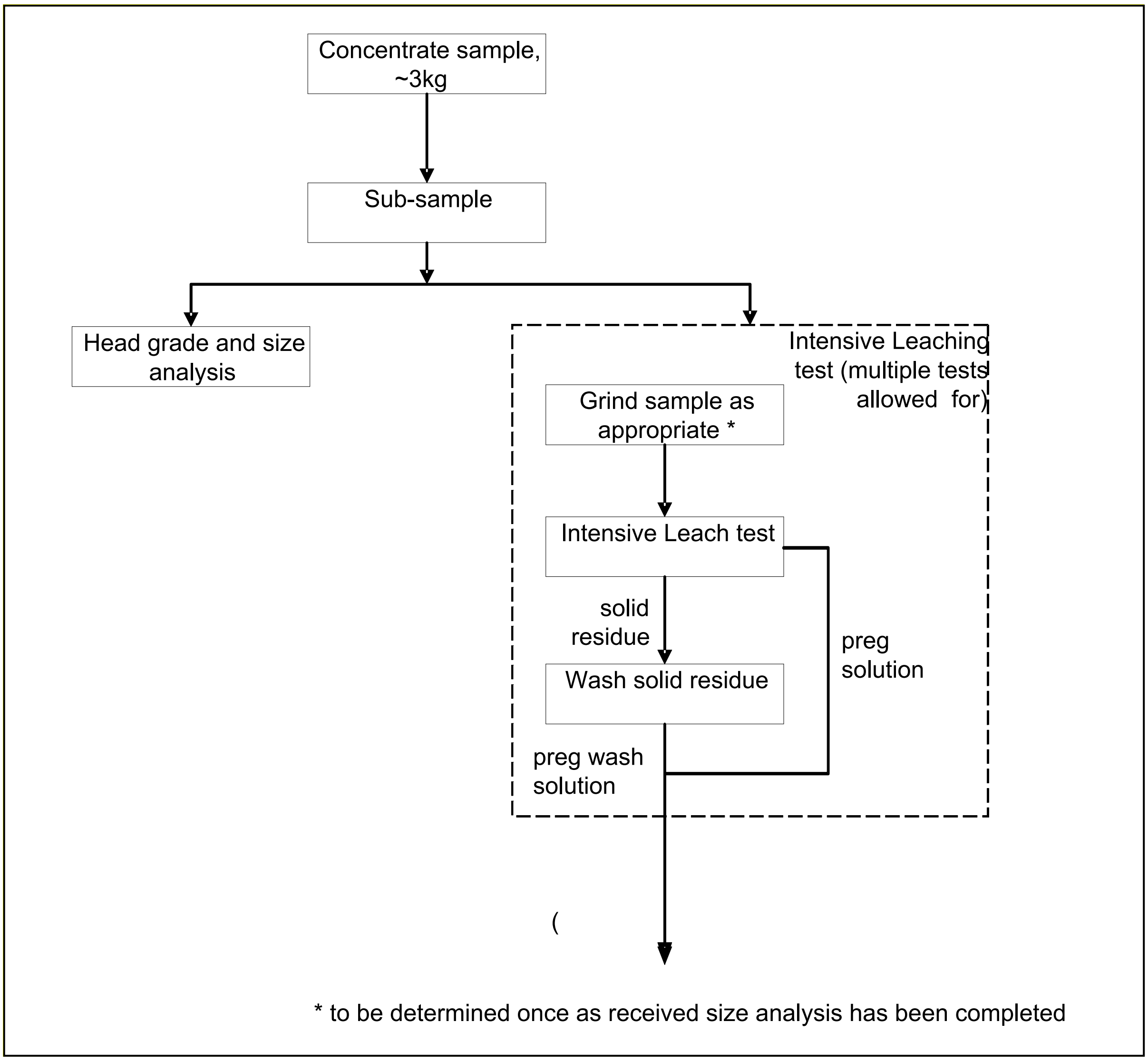
At the completion of the testwork there is approximately **1800 g** of sample remaining.

3. Metallurgical Tests

3.1. Testwork Flowsheet

The testwork flowsheet outlining all steps of the program is shown in Figure 1 below.

Figure 1: Test work program.



3.2. Sizing Analysis Method

The as-received sample was subjected to a size by grade distribution analysis. The sieve sizes used were 1180µm, 850µm, 600µm, 300µm, and 106µm.

The +75µm fraction was dried in a low (50 ºC) temperature oven and subsequently dry sieved through the nest of sieves using an electric shaker for 20 minutes.

The weight of each sample fraction was recorded and each size fraction was sent for assay.

3.3. Intensive Cyanidation Test Method

The intensive cyanidation tests are conducted in rolling bottles with samples taken at regular intervals to determine leach kinetics. Under standard conditions bottled oxygen is added to the leach to provide a high oxygen environment for leaching and lead nitrate is added to minimise the effects of sulphides on the leach. The leaching conditions used are shown Table 1 below.

After the completion of these tests a fourth test was performed on the leach tails of LWAS(02) after they had been ground to a p80 of 75um.

Table 1: Intensive Cyanidation Conditions

Conditions	LWAS(01)	LWAS(02)	LWAS(03)	LWAS(05)	LWAS(04)
	standard	high NaCN	high solids	Low Solids	Re-leach tails
Start Solids	Concentrate	Concentrate	Concentrate	Concentrate	LWAS(02) Tail reground to -75um
% NaCN	2	4	2	2	4
% Solids	10	10	30	5	10
Oxidant	Oxygen	Oxygen	Oxygen	Peroxide	Oxygen
Lead Nitrate	2 kg/t	0	0	0	0
Duration	24 hours	24 hours	24 hours	24 hours	24 hours

4. Results

4.1. Sample Receipt and Visual Inspection

When the dried sample was received it was examined and found to contain large amounts of visible gold, often in what appeared to be friable cemented agglomerates with gangue mineral. Gold nuggets above 1mm were easily identifiable.

This observation indicates it will be very difficult to get a precise head grade due to sampling issues.

Figure 2: Gold is easily visible in the +780um fraction of the supplied sample.

4.2. Head Grade Determination

Due to the coarseness of the sample and the difficulty in sampling no head grade sample was taken. The head grade was calculated from the grade by size

The calculated head grade from the Size Distribution Analysis was 50,798 ppm.

The silver, iron and copper grades in the sample provided were measured by taking 2 feed sub-samples of 50g each. The results are shown in table 2.

Table 2: Feed Assays

	Size (g)	Ag ppm	Fe %	Cu ppm
Head Assay 1	50.66	6366	17.7	1056
Head Assay 2	48.26	6765	17.2	317
Average		**6565.5**	**17.45**	**686.5**

4.3. Size by Grade Analysis

The particle size distribution and the gold size distribution are shown in Figure 3 with full details in Appendix A.

The top size screen used for the PSD analysis was 850 µm which was later found to be below the p80 of the sample. Therefore there was some extrapolation required to find the p80. This extrapolation is shown as the dashed lines in Figure 3.

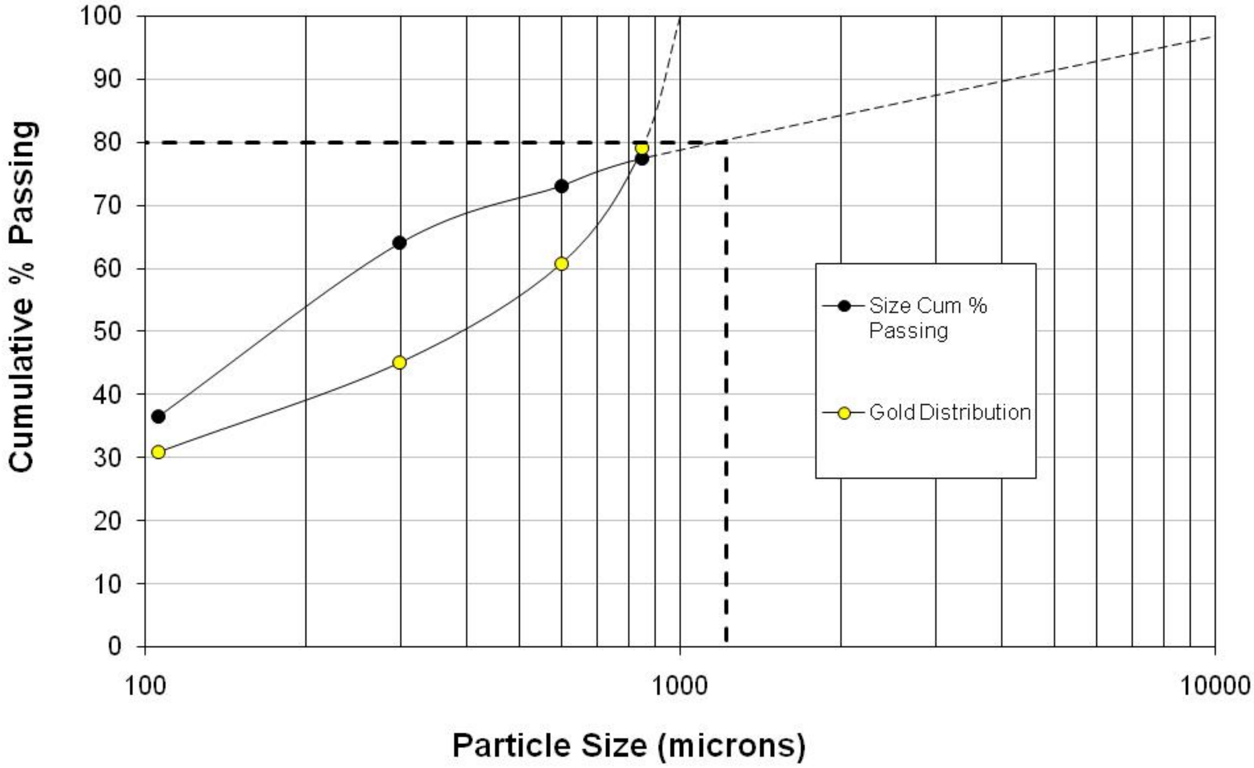
The resulting p80 and p50 results are shown in Table 3 below.

Table 3: Mass and Gold Size Distribution of Supplied Concentrate

	p50	**p80**
Mass Distribution	190 µm	1200 µm
Gold Distribution	380 µm	860 µm

The gold size distribution appears to be significantly narrower than the mass distribution based on the shape of the curves and the measured p50 and p80.

Figure 3: Concentrate Size Analysis



4.4. Intensive Cyanidation Leach Test

The supplied concentrate was subjected to four intensive cyanidation leach tests with no further preparation. The leach conditions used and the results obtained are shown in the table below with the results summarised.

The tails from the second test LWAS (02) was ground to -75um then leached in test LWAS(04) with results as summarised below. Total recovery from the feed was 99%.

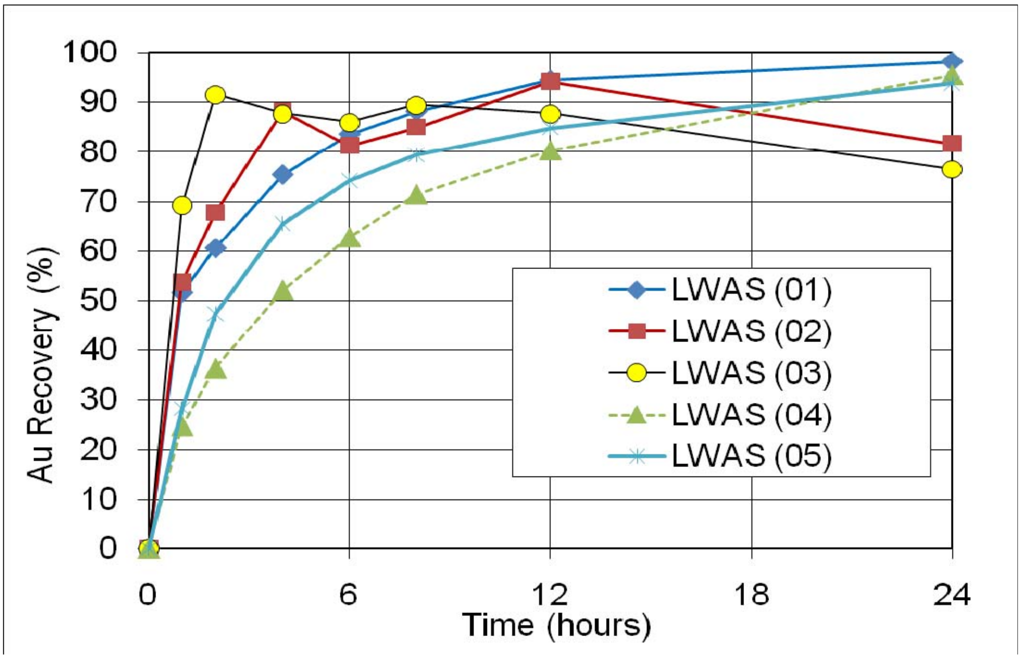
The results are shown in Table 4 and Figure 4 and full details can be referred to in Appendix F.

Table 4: Intensive Cyanidation Conditions

Conditions	LWAS(01)	LWAS(02)	LWAS(03)	LWAS(05)	LWAS(04)
	standard	high NaCN	high solids	Low Solids	releach tails
Start Solids	Concentrate	Concentrate	Concentrate	Concentrate	LWAS(02) Tail reground to -75um
% NaCN	2	4	2	2	4
% Solids	10	10	30	5	10
Oxidant	Oxygen	Oxygen	Oxygen	Peroxide	Oxygen
Lead Nitrate	2 kg/t	0	0	0	0
Duration	24 hours	24 hours	24 hours	24 hours	24 hours
Residue g/t	1185	8870	6230	2910	581
Final Recovery %	98.1	81.7	76.5	93.7	95.4
Assay Head g/t	50798	50798	50798	50798	8870
Calc'd head g/t	58126	44236	24463	42357	11485
NaCN use kg/t	113	167	46	70.3	190
Overall Recovery	98.1	81.7	76.5	93.7	99.2
Max Recovery %	98.1	94.1	91.6	93.7	95.4
Max Recovery h	24	12	2	24	24
Max Au in Soln ppm	4918	4000	9080	1898	545

The calculated head grades show significant deviation from the assayed head grades. This is most likely due to the difficulties in sampling coarse gold however in the case of LWAS(03) it is possible that some precipitation of gold may have occurred on the wall of the bottle and so was not included in the mass balance.

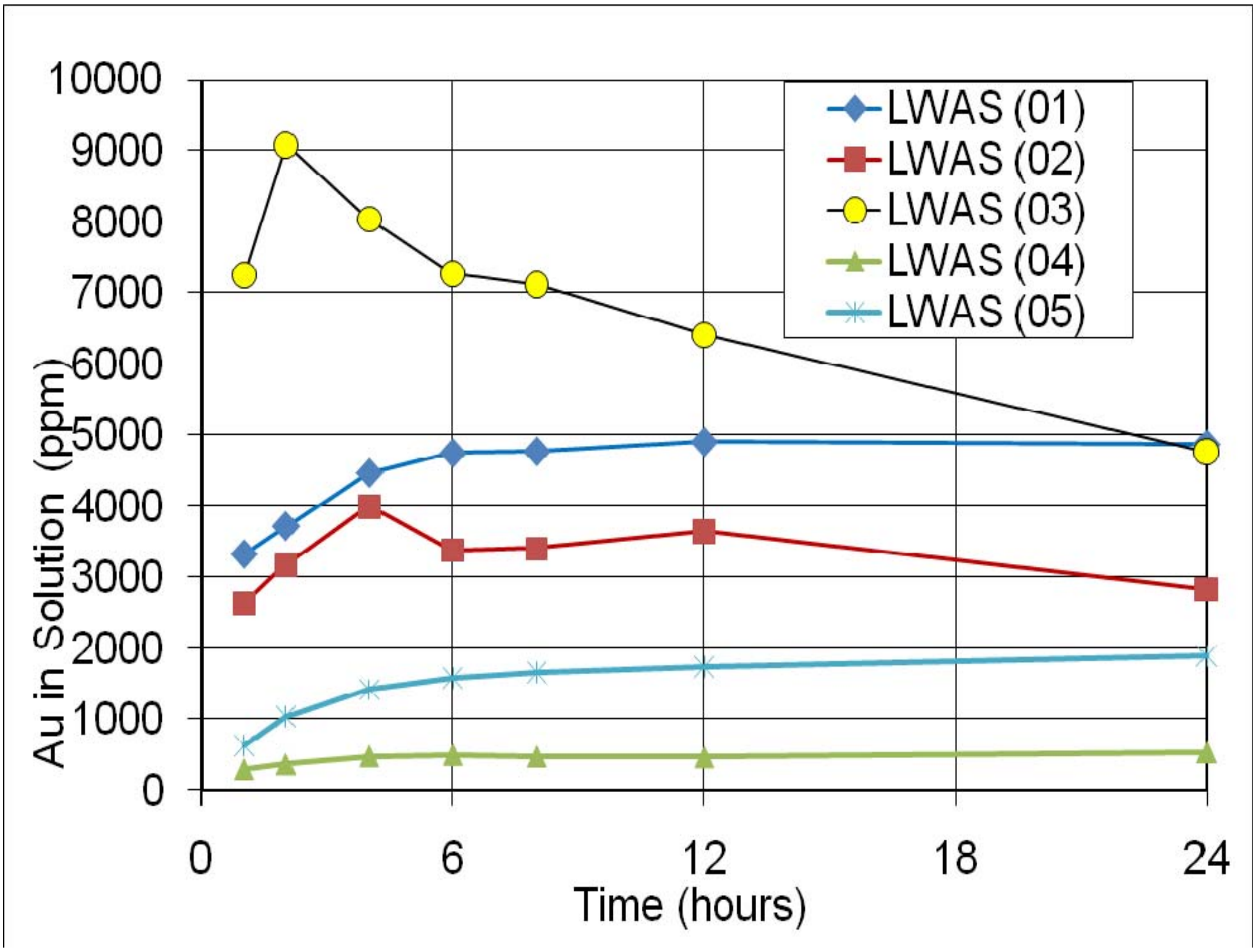
Figure 4: Au Recovery Kinetics



The solution grades in the first three tests are very high (due to the high leach feed grade). The grades in LWAS(03) are to the point of being exceptionally high with a maximum of over 9000ppm. The gold concentration in solution is shown in figure 5. This shows that the levels in solution drop significantly – especially in LWAS(03) where the solution grades reach the highest maximum; indicating that gold is precipitating out of solution (tests 1, 4 and 5 would also show a drop in solution gold levels if this drop were due to carbon in the sample). It is believed the precipitating species is sodium aurocyanide – therefore the solubility of gold is reduced by the high sodium levels in LWAS(02), which had 4% NaCN, compared to LWAS(01), which had 2% NaCN.

The effect of increased NaCN concentration and % solids is to increase kinetics but to reduce the solubility of gold, therefore limiting recovery.

Figure 5: Soluble Gold Concentration limited Recovery in Tests LWAS(02) and (03)



The normal practice in ILR design is to restrict the maximum gold concentration by increasing the leach solution volume. Some ILRs do run reliably at up to 4000ppm however 3000ppm is normally used for design to allow for feed fluctuations. To maintain solution levels below 3000ppm the leach should be carried out at a L/S approximately 5% solids density.

Table 5 below shows the final solution grades for gold, silver, copper and iron.

Table 5: Final solution grades

	LWAS (01)	LWAS (02)	LWAS (03)	LWAS (04)
Au	4883	2842	4769	544.9
Ag	740	660	2300	68.7
Cu	30	60	120	1.9
Fe	600	400	400	89

An alternative to reducing the % solids is to use potassium cyanide instead of sodium cyanide in the leach solution which will greatly increase solubility however this will depend entirely on the cost and availability of KCN at your site.

The use of hydrogen peroxide (instead of oxygen) was tested. Increased kinetics were anticipated, but were not seen in the test. It is most likely that decreased kinetics due to the lower solids content outweighed the increased kinetics from the use of peroxide.

Cyanide consumption is relatively high however not excessive considering the very high grade of the concentrate. The silver in the sample generally leached very well

5. Conclusions

The gold concentrate can be leached in an ILR to recover at least 99% of the contained gold.

Leach conditions must be selected to deal with the very high grade coarse gold in the concentrate.

6. Recommendations

The concentrate should be treated using an InLine Leach Reactor to improve recovery, security and manual handling.

It is likely that the actual concentrate produced by the plant will be at a lower grade than the sample that has been tested. However it is likely that it will have significant coarse gold.

To deal with the very coarse gold particles there are a number of options including:

Leach accelerants eg Leachwell

Remove coarse gold into a smeltable concentrate using an InLine Spinner

Extended leaching time

If the high concentrate grade of the sample is seen in the plant then it may be necessary to leach in two steps with the pregnant solution being recovered after about 2 hour then the leach resuming with fresh solution. This will prevent the solution grades reaching gold saturation levels while maintaining fast kinetics.

7. Appendices

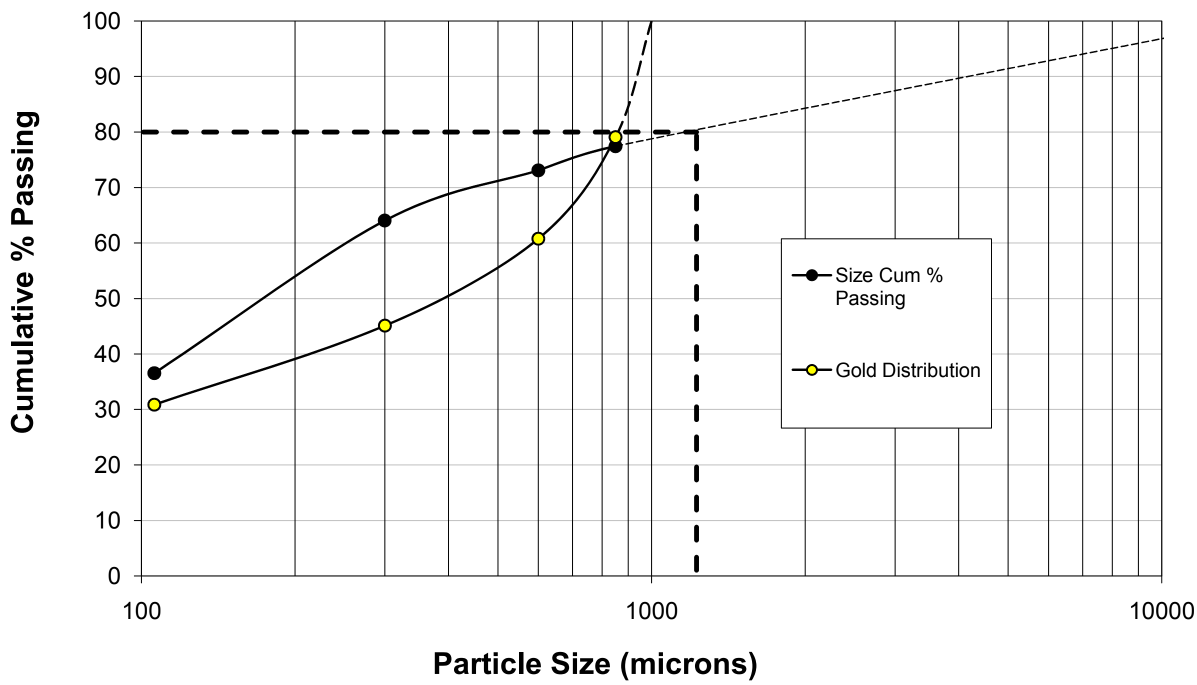
Appendix A – Ore Size Distribution Results

GEKKO SYSTEMS ABORATORY TEST WORK RESULTS

Particle Size Analysis
Project: **Wassoulor**
Stream: **As Received**
Date: 16/02/2009
Results Date: 25/02/2009

	Particle Size Distribution			Gold Distribution			
Size	Wt Retained (g)	Wt %	Size Cum %	Assay	Mass	Wt%	Cum %
(microns)	Sizing 1	Retained	Passing	(g/t)	(Units)	Retained	Passing
	0.00	0.00	100.00	0.00	0.00	0.00	100.00
850	101.43	22.56	77.44	47100	10625	20.92	79.08
600	19.56	4.35	73.09	213700	9297	18.30	60.78
300	40.73	9.06	64.03	88000	7972	15.69	45.09
106	123.65	27.50	36.53	26300	7233	14.24	30.85
0	164.25	36.53	0.00	42900	15672	30.85	0.00
Total	450	100.00		Head Grade	50798	100.00	
Initial Wt	452	Reconcile	100%				

D80	**1224**	**D50**	**190**	**D80**	**857**	**D50**	**381**



Appendix B – Intensive Cyanidation Tests

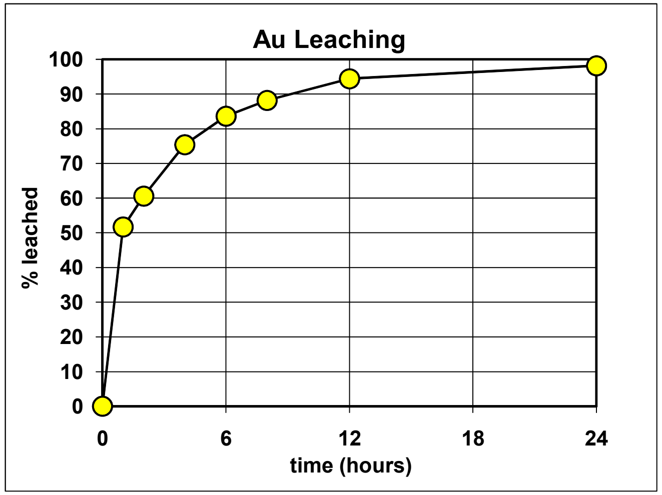
Intensive Cyanidation Test

Project: Wassoulor
Stream: As Received Sample
Test: LWAS (01)
Date: 18/02/2009

Grind p80 = NA

Conditions: **2% NaCN, 2g/kg Pb(NO3)2 and Bottled Oxygen Addition**

Wt % Solids	**10.0%**	**NaCN**	**11.55 g**
		consumed	**113.4 kg/t**
Leachwell	0.00 **g**		
addition	0.00 **kg/t**	Net NaCN	28.09 g
		added	275.7 kg/t
Pb(NO3)2	0.20 **g**		
addition	1.96 **kg/t**	NaCN	1.80 %
		residual	16.54 g
pH natural	8.12		
initial	12.11	**NaOH**	0.36 **g**
final	11.55	addition	3.53 **kg/t**



SAMPLE NAME	Wt. OR VOLUME	SOLUTION SUB/ADD		ASSAYS	**Recovery**	**DO2**	**pH**	**Sodium Cyanide**			sample	leached
				Au	**Au**			**level**	**added**	**removed**	Au	Au
	g	g	g	ppm	**%**	**ppm**		**%w/v**	**g**	**g**	ug	ug
Sampled Head	101.89			50798								
Solutions hours						initial	8.12					
0	917				**0.00**		11.45	2.00	18.30	0.00		
1	917	51	50	3336	**51.7**	28.1	12.09	1.76	3.08	0.89	168902	3059145
2	917	51	51	3728	**60.6**	27.9	12.10	1.65	4.03	0.83	188600	3586583
4	917	51	51	4478	**75.4**	25.2	11.99	2.04	0.00	1.04	227438	4464141
6	917	51	52	4760	**83.6**	26.8	11.93	1.84	2.38	0.95	244474	4951287
8	918	51	52	4784	**88.1**	24.9	11.91	1.80	2.73	0.93	246280	5220120
12	918	51	51	4918	**94.4**	23.4	12.03	1.65	4.03	0.84	250129	5591843
24	919	55	0	4883	**98.1**	31.1	12.29	1.80	0.00	0.98	267051	5812469
Leach residue	92.80			1185			Total		34.55	6.46		109968
Calculated Head	101.89			**58126**								5922437

LABORATORY TEST WORK RESULTS

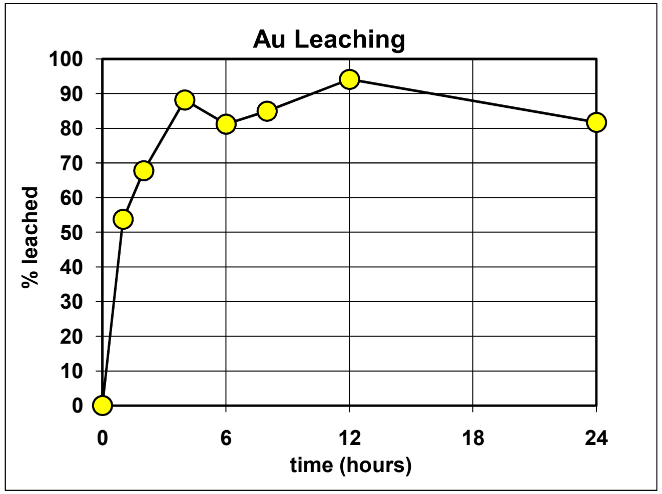
Intensive Cyanidation Test

Project: Wassoulor
Stream: As Received Sample
Test: LWAS (02)
Date: 18/02/2009

Grind p80 = NA

Conditions: **4% NaCN and Bottled Oxygen Addition**

Wt % Solids		**10.0%**	**NaCN** consumed	**16.44 g** **167.0 kg/t**
Leachwell addition		0.00 **g** 0.00 **kg/t**	Net NaCN added	47.73 g 484.7 kg/t
Pb(NO3)2 addition		0.00 **g** 0.00 **kg/t**	NaCN residual	3.53 % 31.29 g
pH	natural	8.69 8.12		
	initial	12.11	**NaOH** addition	0.20 **g** 2.03 **kg/t**
	final	11.55		



SAMPLE NAME	Wt. OR VOLUME	SOLUTION SUB/ADD		ASSAYS Au	**Recovery Au**	**DO2**	**pH**	**Sodium Cyanide level**	**Sodium Cyanide added**	**Sodium Cyanide removed**	sample Au	leached Au
	g	g	g	ppm	**%**	**ppm**		**%w/v**	**g**	**g**	ug	ug
Sampled Head	98.48			50798								
Solutions hours						initial	8.12					
0	886				**0.00**		11.46	4.01	35.50	0.00		
1	886	51	51	2639	**53.7**	31.5	12.01	3.45	6.60	1.76	134457	2338998
2	886	51	51	3176	**67.7**	34.0	11.95	3.41	6.93	1.73	160706	2949663
4	886	51	62	4000	**88.2**	28.2	11.90	3.53	5.93	1.81	204960	3841123
6	897	52	42	3385	**81.2**	24.6	11.90	3.68	3.54	1.91	175749	3537686
8	888	52	53	3408	**84.9**	25.1	11.87	4.12	0.00	2.13	176296	3700506
12	889	51	48	3652	**94.1**	23.1	12.02	3.96	2.33	2.02	186581	4099015
24	886	49	0	2842	**81.7**	29.4	12.27	3.53	0.00	1.74	140054	3558039
Leach residue	90.00			8870			Total		60.83	13.10		798300
Calculated Head	98.48			**44236**								4356339

LABORATORY TEST WORK RESULTS

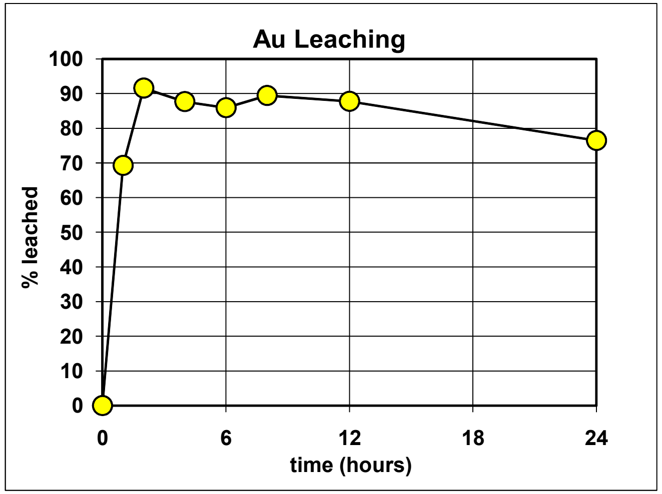
Intensive Cyanidation Test

Project: Wassoulor
Stream: As Received Sample
Test: LWAS (03)
Date: 18/02/2009

Grind p80 = NA

Conditions: **2% NaCN and Bottled Oxygen Addition**

Wt % Solids	**30.0%**		**NaCN** consumed	**13.92 g** **45.7 kg/t**
Leachwell addition	0.00 **g** 0.00 **kg/t**		Net NaCN added	27.85 g 91.5 kg/t
Pb(NO3)2 addition	0.00 **g** 0.00 **kg/t**		NaCN residual	1.96 % 13.93 g
pH natural	8.69	8.12		
initial	12.11		**NaOH** addition	0.20 **g** 0.66 **kg/t**
final	11.55			



SAMPLE NAME	Wt. OR VOLUME	SOLUTION SUB/ADD		ASSAYS Au	**Recovery Au**	**DO2**	**pH**	**Sodium Cyanide level**	**added**	**removed**	sample Au	leached Au
	g	g	g	ppm	**%**	**ppm**		**%w/v**	**g**	**g**	ug	ug
Sampled Head	304.38			50798								
Solutions hours						initial	7.60					
0	710				**0.00**		11.55	2.00	14.20	0.00		
1	710	51	51	7260	**69.2**	25.9	12.43	1.53	4.10	0.77	366848	5156197
2	710	50	50	9080	**91.6**	23.6	12.39	1.61	3.57	0.81	458449	6817643
4	709	51	51	8040	**87.7**	25.5	12.36	1.65	3.31	0.84	408432	6529275
6	710	51	52	7280	**85.9**	22.4	12.34	1.92	1.52	0.99	374847	6399253
8	710	52	53	7120	**89.5**	22.1	12.27	1.49	4.36	0.78	370881	6661071
12	710	51	51	6410	**87.7**	22.9	12.45	1.72	2.85	0.88	326654	6532224
24	710	51	0	4769	**76.5**	28.7	12.75	1.96	0.00	1.00	243124	5694294
Leach residue	281.20			6230			Total		33.91	6.06		1751876
Calculated Head	304.38			**24463**								7446170

LABORATORY TEST WORK RESULTS

Intensive Cyanidation Test

Project: Wassoulor
Stream: Leach Residue (02) Regrind -75um
Test: LWAS (04)
Date: 3/03/2009

Grind p100 = -75um

Conditions: **4% NaCN and Bottled Oxygen Addition**

Wt % Solids **10.0%**

Leachwell addition 0.00 **g** / 0.00 **kg/t**

Pb(NO3)2 addition 0.00 **g** / 0.00 **kg/t**

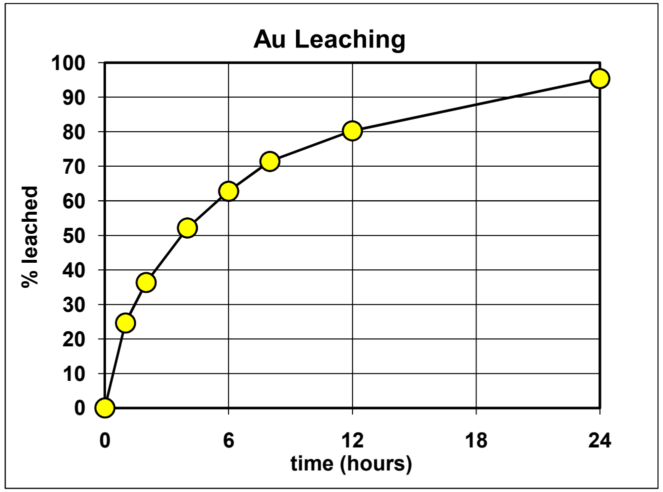
pH natural 8.80, initial 12.11, final 11.55

NaCN consumed **4.21 g** / **189.5 kg/t**

Net NaCN added 11.18 g / 503.6 kg/t

NaCN residual 3.48 % / 6.97 g

NaOH addition **0.00 g** / **0.00 kg/t**



SAMPLE NAME	Wt. OR VOLUME	SOLUTION SUB/ADD		ASSAYS	**Recovery**	**DO2**	**pH**	**Sodium Cyanide**			sample	leached
				Au	**Au**			**level**	**added**	**removed**	Au	Au
	g	g	g	ppm	**%**	**ppm**		**%w/v**	**g**	**g**	ug	ug
Sampled Head	22.20			8870								
Solutions hours						initial	8.80					
0	200				**0.00**		11.15	4.00	8.00	0.00		
1	200	51	52	314	**24.6**	34.9	11.37	3.17	3.24	1.63	16177	62797
2	200	47	47	382	**36.3**	28.7	11.50	3.29	3.06	1.55	17973	92596
4	200	48	48	495	**52.1**	29.0	11.52	3.17	3.24	1.53	23849	132882
6	199	50	52	512	**62.8**	28.6	11.51	4.04	0.00	2.03	25774	160062
8	201	51	50	488	**71.4**	20.7	11.29	2.90	3.64	1.49	25021	182054
12	200	53	53	479	**80.3**	19.7	11.48	3.92	2.12	2.07	25282	204676
24	200	52	0	545	**95.4**	30.1	11.85	3.48	0.00	1.82	28575	243285
Leach residue	20.10			581			Total		23.30	12.12		11678
Calculated Head	22.20			**11485**								254963

GEKKO SYSTEMS

LABORATORY TEST WORK RESULTS

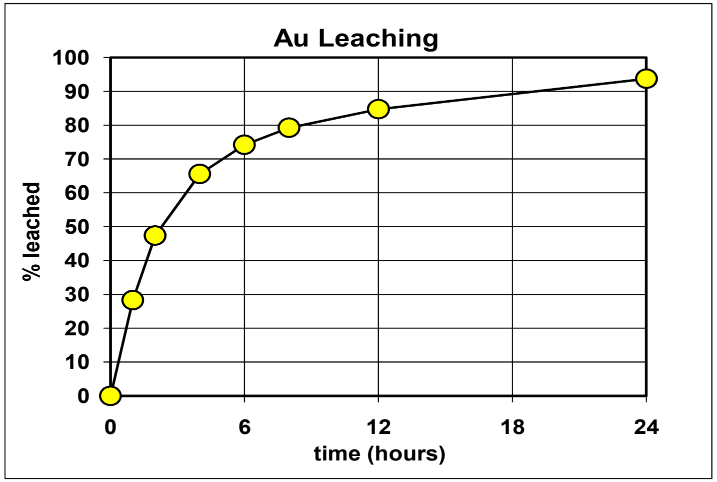
Intensive Cyanidation Test

Project: Wassoulor
Stream: As Received Sample
Test: LWAS (05)
Date: 7/04/2009

Grind p80 = NA as recevied

Conditions: **2% NaCN, 0g/kg Pb(NO3)2, 5% solids, Peroxide addition**
initial pH kept to 9<pH<10.5

Wt % Solids	**5.0%**	**NaCN**	**8.06 g**
		consumed	**70.3 kg/t**
Leachwell	**0.00 g**		
addition	0.00 **kg/t**	Net NaCN	55.06 g
		added	479.9 kg/t
Pb(NO3)2	**0.00 g**		
addition	0.00 **kg/t**	NaCN	2.15 %
		residual	47.00 g
pH	natural 8.15		
	initial **8.15**	**NaOH**	0.00 **g**
	final 11.88	addition	0.00 **kg/t**



SAMPLE NAME	Wt. OR VOLUME	SOLUTION SUB/ADD		ASSAYS	**Recovery**	**DO2**	**pH**	**Sodium Cyanide**			sample	leached
				Au	**Au**			**level**	**added**	**removed**	Au	Au
	g	g	g	ppm	**%**	**ppm**		**%w/v**	**g**	**g**	ug	ug
Sampled Head	114.73			50798								
Solutions hours						initial	8.15					
0	2180				**0.00**		11.23	2.00	43.60	0.00		
1	2180	51	52	631	**28.3**	14.0	11.70	1.84	4.41	0.93	31891	1375498
2	2181	51	51	1042	**47.4**	15.3	11.83	1.76	6.11	0.90	52971	2303621
4	2182	51	52	1422	**65.6**	12.7	11.88	2.08	0.00	1.05	72098	3186247
6	2183	50	51	1580	**74.2**	12.6	11.79	1.88	3.56	0.94	79165	3605103
8	2184	47	57	1657	**79.3**	11.6	11.80	1.84	4.40	0.87	78634	3853125
12	2193	53	45	1735	**84.8**	12.3	11.75	2.27	0.00	1.19	91252	4119176
24	2186	52	0	1898	**93.7**	12.9	11.88	2.15	0.00	1.13	99360	4555266
Leach residue	104.60			2910			Total		62.08	7.02		304386
Calculated Head	114.73			**42357**								4859652

Appendix C - Disclaimer.

Gekko has undertaken test work to characterize the response of your ore to certain separation techniques and/or to help your own experts make a decision as to whether you wish to purchase our product and, if so, the number and type.

It is important that you understand that:

- *Our testing is preliminary only.*
- *You should obtain, independent advice from all relevant specialists, including a metallurgist, before acquiring any equipment and before committing to and proceeding with your project.*
- *You must have your own experts examine the detailed analysis in our report to decide its applicability to your project.*
- *We analyse only the sample you provide. Any one of a number of factors may cause that sample inaccurately to reflect the ore body. You must determine the extent to which the sample represents the ore body. That includes the detection limits and confidence intervals relevant to our results.*

At all times we endeavour to provide accurate test work outcomes but you should not use our results as a basis for your broader business decisions about your project.

If we have not exercised due care with our tests, the limit of our liability, both at common law and under any statute, will be to provide a further set of test results to you free of charge. You indemnify us with respect to all other loss and damage of every kind, including, without limitation:

- *damage to or loss of property;*
- *injury to or death of any person; and*
- *economic and consequential loss arising from the negligent act or omission of us or any one else in connection with our test*

APPENDIX 5

Revised Environmental Permit

MINISTERE DE L'ENVIRONNEMENT
ET DE L'ASSAINISSEMENT

REPUBLIQUE DU MALI
Un Peuple - Un But - Une Foi

DIRECTION NATIONALE DE L'ASSAINISSEMENT ET
DU CONTRÔLE DES POLLUTIONS ET DES NUISANCES

Bamako, le 08 NOV 2011

N° 0584 /MEA-DNACPN

Le Directeur National de l'Assainissement et du Contrôle des Pollutions et des Nuisances

A

Monsieur le Président Directeur Général de Wassoul' Or S.A.

Objet : Approbation du Rapport de Notice d'Impact Environnemental et Social du projet : Construction d'une Unité de cyanuration de la mine d'or de Kodieran dans le cercle de Yanfolila.

Faisant suite au dépôt du rapport cité en objet, j'ai l'honneur de vous informer que la Direction Nationale de l'Assainissement et du Contrôle des Pollutions et des Nuisances a approuvé ledit rapport. Le projet peut être mis en œuvre. Toutefois, conformément à l'article 28 du décret N°08-346/P-RM du 26/06/08, le promoteur doit mettre en œuvre le plan de suivi et de surveillance environnementale de son projet conformément au Plan de Gestion Environnementale et Social indiqué, en collaboration avec le Service de l'Assainissement et du Contrôle des Pollutions et des Nuisances de Yanfolila, les services techniques et la mairie des communes concernées. Les interactions de votre projet avec l'environnement biophysique et humain doivent être suivies et contrôlées périodiquement.

Vous en souhaitant bonne réception, acceptez, Monsieur le Président Directeur Général, l'expression de ma franche collaboration.

Félix DAKOUO
Officier de l'Ordre du Mérite Agricole

SOCIETE D'EXPLOITATION ET DE PRODUCTION DE LA MINE D'OR DE KODIERAN

RAPPORT DE LA NOTICE D'IMPACT ENVIRONNEMTAL & SOCIAL

DE L'UNITE DE CYANURATION DE LA MINE DE KODIERAN

OCTOBRE 2011

SOCIETE D'EXPLOITATION ET DE PRODUCTION DE LA MINE : D'OR DE KODIERAN
Quartier du Fleuve, Av. de l'Yser Porte 345, BP : 8012, Bamako, République du Mali
Tél (00223) 222 54 25/20223786 Fax (00223) 223 06 74, E-mail : info@wassoulor.com
R.C 2002.B.03.74 Capital : 2 200 000 000 F.CFA

Table de matières

1.0 Contexte et justification

Au terme de la phase d'exploration du gisement minier de Kodiéran, la société **Wassoul'Or-SA**, pour mieux gérer la phase d'exploitation, avait mis sur place une usine pilote de 1000t/jour de minerai. Cette unité expérimentale a fonctionné sur une période de deux ans (2006-2008) et avait pour objectif de préciser et d'affiner les paramètres d'exploitation de la grande usine 10 000 t/jour en projet.

Le procédé de traitement du minerai pendant toute cette phase d'essai était exclusivement un procédé gravimétrique simple, utilisant uniquement de l'eau, sans produits chimiques, ce qui représente un grand avantage sur le plan environnemental. La mise à jour de l'Étude d'Impact Environnemental et Social, élaborée au cours de cette période a été sanctionnée par l'obtention du permis environnemental **N*8-0018/MEA-SG du 08 Juillet 2008.**

L'usine pilote a permis de cerner plusieurs facteurs dans le processus de production. Ainsi, les tests effectués dans différents laboratoires sur le minerai extrait ont révélé une quantité d'or non négligeable contenue dans les rejets. Pour optimiser la récupération de l'or, la société **Wassoul'Or-SA** a jugé utile d'inclure dans le processus de traitement de la nouvelle usine (11 000 t/jour de minerai) une petite unité de cyanuration en complément de la gravimétrie.

Aussi, Roche Ltée, Groupe-Conseil dans son étude de faisabilité technique et financière pour le compte de la **SODINAF-Mali** (Novembre 1996) avait procédé à des essais de cyanuration sur les échantillons de différentes granulométries (grosses particules, broyées à 54µm, schlamms du minerai) reçus des différentes zones du gisement. Les résultats de cyanuration sur les échantillons broyés à 45µm et les schlamms du minerai indiquent qu'il est possible d'optimiser la récupération jusqu'à 97,5%. Par contre avec les particules grossières, le degré de dissolution de l'or après un temps donné est moindre car il y a beaucoup moins de surface disponible pour la réaction à partir d'une particule plus grossière.

C'est dans cette dynamique que la société **Wassoul'Or-SA**, pour optimiser la récupération de l'or au niveau des rejets des tables gravitaires, projette de se doter d'une unité de cyanuration développée par **Gekko Systems**, une société australienne.

2.0 Description sommaire du projet

Le projet de l'unité de cyanuration prévue est composé des modules suivants :

a) Réacteur Inline leach (ILR) de Gekko, Systems

b) Cellules d'électrolyse pour l'or

c) DETOX (destruction du cyanure par l'hypochlorite de calcium)

Ces modules opérés sous forme de cuvée sont contrôlés individuellement ce qui donne la chance d'obtenir les résultats désirés et seront corroborés par des analyses chimiques.

La capacité de l'unité est de 12 tonnes par cuvée ce qui représente une cuvée tous les trois jours. **Gekko Systems**, une société australienne, qui est le fournisseur du réacteur, a basé sa conception sur une alimentation en concentré à forte teneur de 2000 grammes par tonne et d'une récupération de l'or dans le concentré de 98%.

a) Réacteur Inline leach (ILR) de Gekko

Le réacteur ILR de GEKKO est alimenté avec les rejets des tables gravitaires de la raffinerie ainsi que par la scorie de la fonderie broyée par le broyeur à boulet et pompée au système ILR à un taux de 50% solides. Ce concentré est mélangé avec du cyanure de sodium, de la soude caustique et de la liqueur faible de cyanure (Barren solution) pour finalement être ajusté afin d'obtenir une charge de cyanure de 2%. Il est prévu d'injecter de l'oxygène pour effectuer l'oxydation de l'or. Le réacteur est opéré sur une période de 8 à 12 heures ce qui permet la récupération d'environ 98% de l'or présent dans la solution (vérification par échantillon en laboratoire). Lorsque la récupération de l'or est au maximum, le réacteur est arrêté et la liqueur mère est retirée. Les solides se trouvant dans le réacteur sont lavés avec de la liqueur faible (Barren). Cette liqueur est également envoyée avec la liqueur mère vers la cellule d'électrolyse. Un autre lavage avec la liqueur faible retire une quantité importante de la liqueur aurifère des solides et cette liqueur est éventuellement retournée au réacteur pour la prochaine cuvée. Entre temps, les solides sont lavés avec de l'eau propre pour éliminer le maximum du complexe aurifère.

b) Cellules d'électrolyse

Les cellules d'électrolyse consistent en des réservoirs rectangulaires peu profonds qui contiennent des anodes en acier inoxydable de type 304 perforées et des cathodes en laine d'acier inoxydable de type 304 tricotées pour permettre à la liqueur de les traverser avec un minimum de résistance. Les cellules sont alimentées avec du courant continue d'environ 3 volts et de 1000 à 2000 ampères. L'or se dépose sur les cathodes et le cyanure se décompose en azote et dioxyde de carbone pour se combiner immédiatement avec la soude caustique pour former du carbonate de soude. On peut retourner la liqueur faible pour une deuxième passe si la teneur en or n'est pas assez faible. Quand le cycle d'électrolyse est complet, on lave les cathodes avec de l'eau sous pression pour déloger l'or et l'acheminer à un décanteur et à un filtre à pression. Le gâteau d'or est ensuite séché et prêt pour la fusion. La liqueur faible est réutilisée pour le lavage des solides dans le réacteur ILR et le surplus est acheminé vers les colonnes de cémentation.

c) DETOX (destruction du cyanure)

Les effluents de la colonne de cémentation et les solides du réacteur ILR sont mélangés ensemble dans le réacteur DETOX pour détruire les cyanures contenus dans la liqueur excédante. De l'hypochlorite de calcium solide est ajoutée au mélange des solides et des liqueurs pour effectuer l'oxydation du cyanure dans l'eau. L'hypochlorite de calcium est un oxydant très puissant qui mis en contact avec les ions de cyanure, se décompose en azote gazeux et du gaz carbonique va réagir immédiatement avec les ions de calcium pour produire un précipité de carbonate de calcium. En même temps ce gaz carbonique agit comme agent neutralisant et réduit le pH de l'eau. Lorsqu'il y a une teneur de 1 ppm de chlore libre dans l'eau pendant au moins 5 minutes, on est certain que tous les ions de cyanure ont été transformés. Un simple test utilisé pour déterminer le chlore libre dans une piscine peut aussi être utilisé comme test de chlore libre dans le DETOX. Ce test est très facile et rapide à réaliser.

2.1 Élimination des rejets traités par l'unité de cyanuration.

Les solides ainsi que les surplus de liqueur de cyanure après traitement au DETOX sont acheminés vers un parc à rejets d'une capacité de 6 300 m^3 dans un périmètre sécurisé de l’usine. Les rejets et les liqueurs de surplus sont traités par le système DETOX et les cyanures sont entièrement détruits par l’hypochlorite de calcium.

Ainsi, les eaux associées au rejet à un niveau acceptable sur l’environnement et, elles sont réutilisées dans le circuit de l’unité.

Pour éviter l’infiltration des eaux de rejet dans le sol, le fond du parc à rejet sera couvert d’une membrane PEHD de 15 mm et d'un géotextile de protection de 400 grs m². Ceci permet d’éviter l’échange des eaux avec le milieu extérieur : ***« aucune eau ne sort de l’unité »***

3.0 Directive de la gestion du cyanure

Le cyanure est un élément chimique qui est à ce jour le lixiviant majeur utilisé dans le traitement des minerais aurifères lorsque l'or est finement disséminé et non récupérable par des procédés physiques (gravimétrie). Il est aussi connu pour être un poison extrêmement toxique qui agit rapidement sur l'homme et son environnement.

Bien que la société **Wassoul'Or-SA** n'ait pas encore ratifiée le code international de gestion du cyanure, les principes et les normes pratiques du code seront appliqués sur la mine de Kodiéran en plus des lois, règlements et ordonnances du Mali (*Décret N°. 90-355/ P-RM portant fixation de la liste des déchets toxique).*

L'application des directives permettra de mieux cerner les obligations de la société en matière de gestion du cyanure sur un site minier et évaluer la conformité par rapport à ce code. Selon le Code, les systèmes et les procédures de gestion doivent prouver que l'exploitation intègre les pratiques nécessaires à la gestion du cyanure d'une manière qui prévienne et contrôle les rejets dans l'environnement et les expositions des employés et de la communauté.

3.1 Protocole de conformité :

Conformément aux directives de l'Institut International de gestion du cyanure et des textes en vigueurs en République du Mali, la société **Wassoul'Or-SA** se propose d'appliquer le protocole de conformité ci-dessous sur la mine de Kodiéran afin de minimiser les impacts négatifs du cyanure sur son site minier et sur la communauté.

1. **Norme n°1 : Achat du cyanure**
   - *Acheter du cyanure auprès de distributeurs fournissant la preuve que le cyanure expédié à l'exploitation provient d'un fabricant certifié conforme, en vertu du Code.*

Pour être en conformité avec la norme, la société Wassoul'Or-SA en tiendra compte dans son contrat d'achat avec les fournisseurs.

2. **Norme n°2 : Transport du cyanure**
   - *Protéger les communautés et l'environnement pendant le transport du cyanure. Les responsabilités au sujet de la sécurité, de la sûreté et de l'intervention d'urgence seront définies dans des accords écrits entre le fournisseur et le transporteur.*

   Pour être en pleine conformité avec la norme, Wassoul'Or-SA veillera à ce que les responsabilités par rapport à la sécurité, la sûreté et à l'intervention d'urgence soient bien définies dans les accords écrits entre le fournisseur et le transporteur. Un protocole de sécurité sera établi en conséquence. En plus, la société exigera du fournisseur une copie des accords écrits entre les deux parties afin de veiller à l'application du protocole de sécurité et de la sûreté.

3. **Norme n°3 : Manutention et stockage**
   - *Concevoir et construire des installations de déchargement, de stockage et de mélange dans le respect des pratiques d'ingénierie saines et acceptées, des procédures de contrôle de qualité et d'assurance de qualité, et des mesures de prévention et de confinement des déversements. Ces dispositions ont pour but de réduire les risques auxquels sont exposés les employés et les collectivités locales adjacentes, ainsi que la qualité des eaux de surface en cas de rejet de cyanure pendant les activités de déchargement, de stockage et de mélange.*

   Pour être en pleine conformité avec la norme, le bureau d'étude (BUMIGEME INC) de la société fera l'ingénierie de la plate forme de l'entreposage des produits chimiques. Pour la protection et la facilité de manutention seront utilisés des chariots élévateurs. Il est souhaitable que la plate forme soit en béton. Les conteneurs seront utilisés pour l'entreposage des réactifs. Les portes des conteneurs seront munies de cadenas et l'accès aux conteneurs sera strictement contrôlé. L'accès à

l'entreposage sera conditionné par une procédure de sécurité écrite (port d'équipement de protection personnel (EPP), respect des consignes de sécurité etc.)

4. **Norme n°4: Exploitation, gestion des solutions de traitement contenant du cyanure et la production de déchets afin de protéger la santé du personnel et de l'environnement.**
   - *Mettre en œuvre la gestion et l'exploitation de systèmes conçus pour protéger la santé des hommes et l'environnement y compris la planification d'urgence, ainsi que les procédures d'inspection et de maintenance préventive.*
   - *Mettre en œuvre un programme complet de gestion d'eau afin de prévenir tout rejet involontaire (construction du bassin dans une zone non inondable et étanche à l'infiltration).*
   - *Mettre en œuvre des mesures pour protéger les oiseaux, les autres espèces de la faune et du bétail des effets nocifs des solutions de traitement contenant du Cyanure (protection du parc par un filet et une membrane géotextile pour éviter la contamination des eaux de surface et de la nappe phréatique). Les déversements dans le parc de rejet ne doivent pas dépasser 0.5 mg/l de cyanure WAD et ne doivent pas résulter en une concentration de cyanure libre supérieure à 0.022 mg/l dans la masse d'eau de surface réceptrice et en aval de toute zone de mélange approuvée par la juridiction applicable.*
   - *Mettre en œuvre des mesures destinées à gérer les infiltrations des unités de cyanuration afin de protéger les usages de l'eau souterraine. (Des mesures destinées à gérer les infiltrations des solutions de lixiviation et de résidus doivent être incorporées dans la conception et la construction des installations afin de protéger les usages existants de l'eau souterraine. Pour les bassins, ceci signifie l'obligation d'un revêtement avec au minimum une membrane synthétique, telle que du polyéthylène à base ou haute densité (PEHD), placé sur un revêtement de terre compacté et préparé).*
   - *Offrir des méthodes de prévention ou de confinement des déversements pour les réservoirs de traitement et des pipelines (les réservoirs et les pipelines de traitement de cyanure doivent être construits ou revêtus de matières compatibles avec le cyanure et des pH élevés. Les réservoirs et les pipelines doivent être clairement identifiés comme contenant du cyanure. Le sens du débit doit être indiqué sur les pipelines. Les réservoirs contenant des solutions de traitement*

comme les cuves de lavage, les réservoirs de CIL et de CIP et les réservoirs de cyanure associés à la régénération du cyanure doivent être placés sur du béton ou une matière imperméable. Le confinement secondaire doit être prévu en cas de défaillance des réservoirs de solution de traitement contenant du cyanure).

- *Mettre en œuvre des programmes de surveillance afin d'évaluer les effets de l'utilisation du cyanure sur la faune, ainsi que la qualité de l'eau de surface et de l'eau souterraine. Les exploitations doivent surveiller le niveau de cyanure des déversements dans l'eau de surface, et souterraine en amont et en aval du site afin de déterminer l'efficacité des systèmes de gestion actuels et de prendre les mesures correctives nécessaires. Les protocoles d'échantillonnage et d'analyse doivent être élaborés par un personnel qualifié et doivent spécifier, dans la mesure du possible, comment et où les échantillons doivent être prélevés, les techniques de conservation des échantillons, les procédures de la chaîne de possession et les espèces de cyanure à déterminer. Les conditions et les procédures d'échantillonnage doivent être documentées sur des formulaires standards écrits, dans des registres ou d'autres moyens.*

Pour être en pleine conformité avec les différents points énoncés ci-dessus, la société a pris des dispositifs dans l'ensemble des points énumérés afin quelle soit respectueuse de l'environnement. La technologie utilisée par la société est en cycle fermé et le procédé de lixiviation est automatiquement contrôlé par ordinateur. Ce qui permet d'assurer que son utilisation dans le traitement des minéraux est sans danger et que les risques pour la santé des individus et pour l'environnement sont contrôlés. Toute décharge contenant du cyanure est traitée dans une unité de destruction.

5. **Norme n°5 : Sécurité des employés, protéger les employés contre l'exposition au cyanure**
   - *Identifier les scénarios d'exposition potentielle au cyanure et prendre les mesures nécessaires pour les éliminer, les atténuer et les contrôler.*
   - *Surveiller les installations dédiées au cyanure afin de protéger la santé et la sécurité des employés et d'évaluer à intervalles réguliers l'efficacité des mesures liées à la santé et à la sécurité.*

- *Développer et mettre en œuvre des plans et des procédures d'intervention d'urgence afin de répondre à l'exposition des employés au cyanure.*

Pour être en pleine conformité avec les différents points relatifs à la sécurité des employés, la société Wassoul'Or-SA intégrera point par point lesdits aspects dans son programme de sécurité.

6. **Norme n°6 : Déclassement, protéger les communautés et l'environnement du cyanure par le développement et la mise en œuvre de plans de déclassement pour les unités de cyanuration.**
   - *Planifier et mettre en œuvre des procédures pour le déclassement efficace des unités de cyanuration afin de protéger la vie humaine, la faune et la flore.*

Pour être en pleine conformité avec la norme, la société a souscrit auprès de la Caisse Nationale d'Assurance et de Réassurance du Mali (CNAR), une police d'assurance globale dommage pour couvrir les sinistres liés à l'utilisation du cyanure.
Pour palier au cas d'accident pouvant engendrer la responsabilité de la société à l'égard d'un tiers, Wassoul'Or-SA a souscrit une police d'assurance responsabilité civile.

7. **Norme n°7 : Intervention d'urgence, protéger les communautés et l'environnement par le développement de stratégies et de capacités d'intervention d'urgence.**
   - *Préparer des plans d'intervention d'urgence détaillés en cas de rejets de cyanure.*
   - *Impliquer le personnel du site et les parties prenantes dans le processus de planification.*
   - *Désigner le personnel approprié et dédier l'équipement et les ressources nécessaires à une intervention d'urgence.*
   - *Élaborer des procédures pour l'avertissement et le signalement internes et externes en cas d'urgence.*
   - *Incorporer dans les plans d'intervention et les mesures d'atténuation des éléments de surveillance qui prennent en compte les dangers*

supplémentaires liés à l'utilisation de produits chimiques de traitement du cyanure.

- *Évaluer à intervalles réguliers les procédures et les capacités d'intervention et les réviser selon les besoins.*

Pour être en pleine conformité avec la norme, la société dans le cadre de l'élaboration globale des attentes et des besoins en sécurité sur le site de Kodiéran prendra en compte les mesures énumérées ci-dessus afin d'assurer et de protéger le personnel et les communautés en cas d'exposition au cyanure.

8. **Norme n°8 : Formation, former les employés et le personnel d'intervention d'urgence à la gestion du cyanure d'une manière sûre et respectueuse de l'environnement.**

- *Former les employés à comprendre les dangers liés à l'utilisation du cyanure.*
- *Former le personnel approprié pour exploiter les installations selon des systèmes et procédures qui protègent la santé humaine, la communauté et l'environnement.*
- *Former le personnel et les employés appropriés pour répondre aux expositions des employés et aux rejets du cyanure dans l'environnement.*

Pour être en conformité avec la norme, la société Gekko Systems fournisseur du réacteur Inline leach assurera la formation du personnel de Wassoul'Or-SA au fonctionnement de l'unité et aux différents dangers liés à son fonctionnement.

4.0 Programme de surveillance et de suivi environnemental

4.1 Programme de surveillance

Les différentes mesures proposées conformément aux directives de l'Institut International de gestion du cyanure, et des textes en vigueurs en République du Mali dans le cadre de la gestion du cyanure sur le site de Kodiéran feront l'objet d'une surveillance afin de maitriser les impacts liés à son utilisation sur le milieu physique et social.

Cette surveillance permettra également, le cas échéant, d'identifier les impacts imprévus, et, si requis, d'ajuster les mesures pour les éliminer ou les atténuer.

Les indicateurs et paramètres qui serviront au programme de suivi, seront conformes aux normes Internationales de gestion du cyanure et des textes en vigueurs en République du Mali.

La surveillance s'effectuera durant toute la période de réalisation du projet jusqu'à la fin de l'exploitation, la réhabilitation de la zone exploitée et la fermeture des sites. Le programme de surveillance proposé dans la notice d'impact est regroupé dans le tableau ci-dessous.

Thème	Enjeu/Impact	Indicateur, Paramètres et Eléments à suivre	Surveillance	fréquences	Structures de contrôle
• Qualité du produit (produit certifié)	• Santé du personnel/environnement (physique, biologique et social)	• Certification des installations de production (preuve que les produits proviennent d'un fabriquant certifié)	• Surveillance périodique du statut du producteur de cyanure dans le cadre de son processus de certification complète	• A chaque bon de commande	**• Wassoul'Or-SA**
• Transport du produit	• Les communautés/ l'environnement (physique, biologique et social)	• Un accord écrit entre le producteur, le distributeur et le transporteur	• Vérification de conformité du transport du cyanure sur le site minier	• A chaque transport	**• Wassoul'Or & Direction Générale de la Protection Civile (DGPC)**
• Manutention et stockage du produit	• Santé des employés/environnement (physique, biologique et social)	• Mesures de prévention et de confinement de déversement; • Installation de déchargement et stockage en conformité avec le code.	• Vérification de conformité des installations d'entreposage; • Equipements de protection conforme à la norme internationale	• Tous les 6 mois	• **Direction Nationale de la Géologie et des Mines (DNGM**) & **• Wassoul'Or-SA**
• Exploitation du produit	• Santé des employés; • faune; • Eaux de surface et souterraine	•Visite médicale des opérateurs de l'unité de cyanuration ; • Analyse physico-chimique des eaux de surface, des eaux de rejet et des eaux	• Equipement de protection conforme; • Etanchéité du parc à rejet et les talus; • Contrôle les pipelines; • Protection de la	• Tous les 6 mois	**• Wassoul'Or-SA** **• Laboratoire National des Eaux (LNE) pour le contrôle mensuel des**

Thème	Enjeu/Impact	Indicateur, Paramètres et Eléments à suivre	Surveillance	fréquences	Structures de contrôle
		souterraines; • Taux de mortalité des oiseaux et du bétail	faune aviaire et du bétail; • Contrôle physique - chimique des eaux de rejet		**eaux**
• Sécurité des employés	• Risque d'accident	• Nombre de sensibilisation et de scénario effectués en cas d'accident	• Respect des procédures de sécurité	•Tous les jours	**• Wassoul'Or-SA**
• Communautés	• Exposition au cyanure	• Nombre de sensibilisation et de scénario effectués en cas d'exposition au cyanure	• Mise en œuvre d'un plan de déclassement efficace de l'unité de cyanuration afin de protéger la vie humaine, la faune et le bétail.	• Mensuel	**• Wassoul'Or-SA/ La Mairie**
• Formation continue du personnel	• Exposition au cyanure/risque d'accident	• Nombre d'employés et de personnels d'intervention d'urgence formés	• Formation appropriée pour répondre à l'exposition du cyanure • Stimulation au cas d'accident	• Tous les 3 à 4 mois	**• Wassoul'Or & Direction Générale de la Protection Civile (DGPC)**

4.2 Suivi environnemental

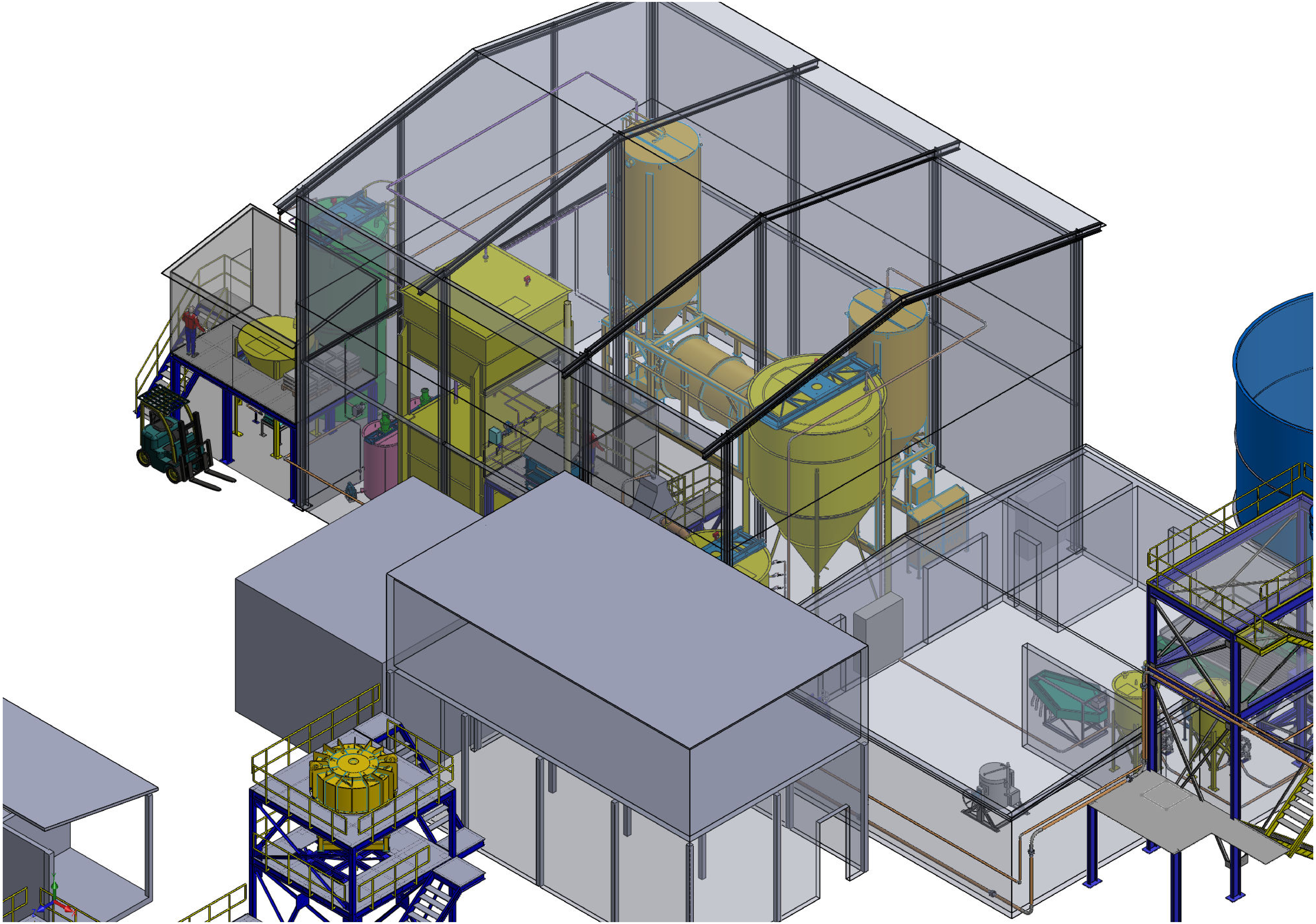
Le suivi environnemental consiste à observer l'évolution des composantes des milieux naturel et humain potentiellement affectées par le projet, afin de vérifier que les mesures environnementales prises (mesures de surveillance) sont effectivement efficaces. Le suivi environnemental permettra de suivre l'évolution de l'état de l'environnement, notamment les éléments environnementaux sensibles, à partir d'indicateurs environnementaux et ce, pendant la durée du projet. Ce dernier constitue une démarche scientifique qui permet de suivre l'évolution de certaines composantes des milieux naturel et humain affectées par la réalisation du projet. Ainsi, les éléments du suivi identifiés sont mesurables par des méthodes reconnues et les résultats du suivi reflèteront les changements survenus.

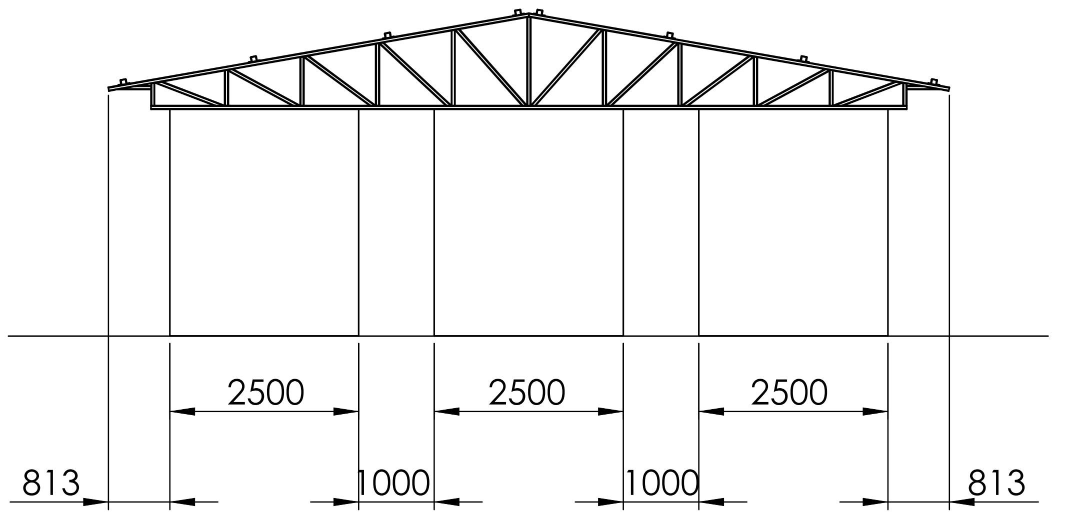
5.0 Conclusion

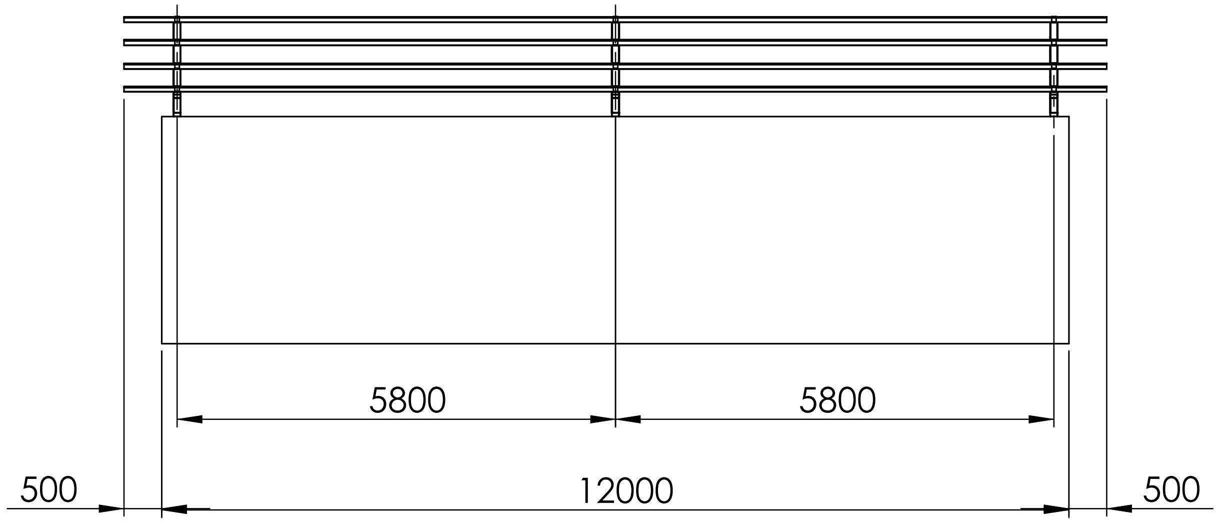
La technologie moderne (Réacteur Inline leach (ILR) de Gekko, Systems) choisie par **Wassoul'Or-SA** dans le cadre de récupération de l'or au niveau des rejets de concentrés de la grande usine 11000 T/jour de minerai, n'utilise le cyanure qu'en cycle fermé et le procédé de lixiviation est automatiquement contrôlé par ordinateur, ce qui assure que l'utilisation du cyanure dans le traitement des minéraux est sans danger et que les risques pour la santé des individus et pour l'environnement sont contrôlés.

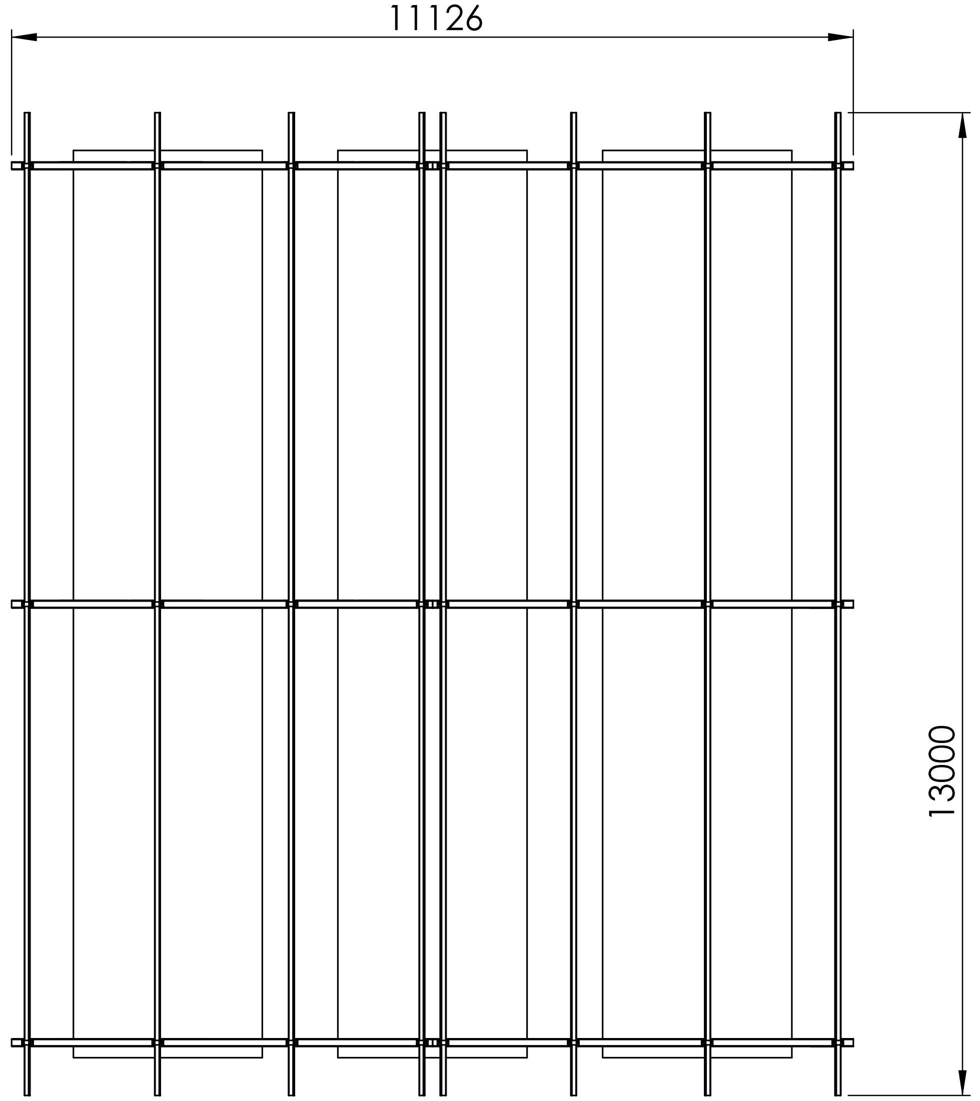
Toute décharge contenant du cyanure est traitée dans une unité de destruction de cyanure avant de l'envoyer dans le parc à rejet.

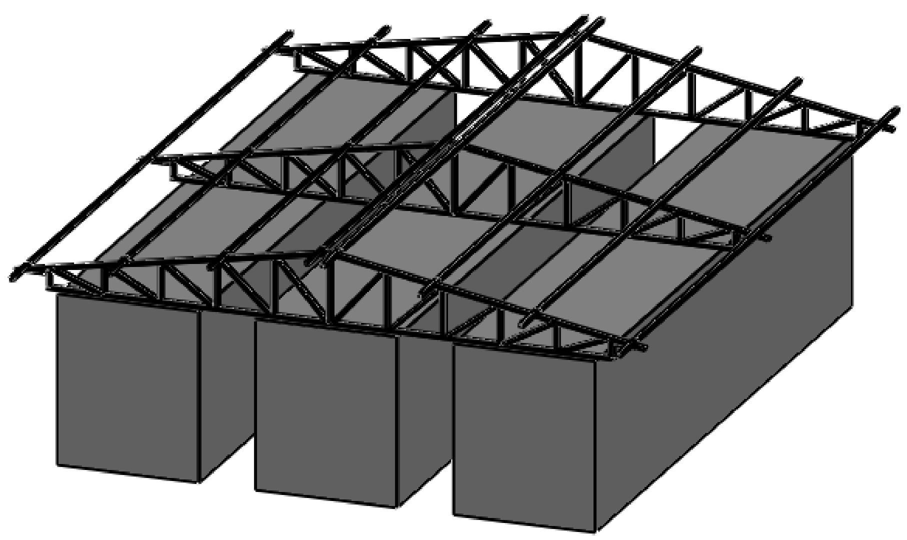
En outre, la conformité au code internationale de gestion du cyanure permettra à la société **Wassoul'Or-SA** de répondre aux exigences des normes internationales en matière de Management environnemental. C'est un engagement auquel **Wassoul'Or-SA** fera face sans aucune compromission et avec responsabilité.



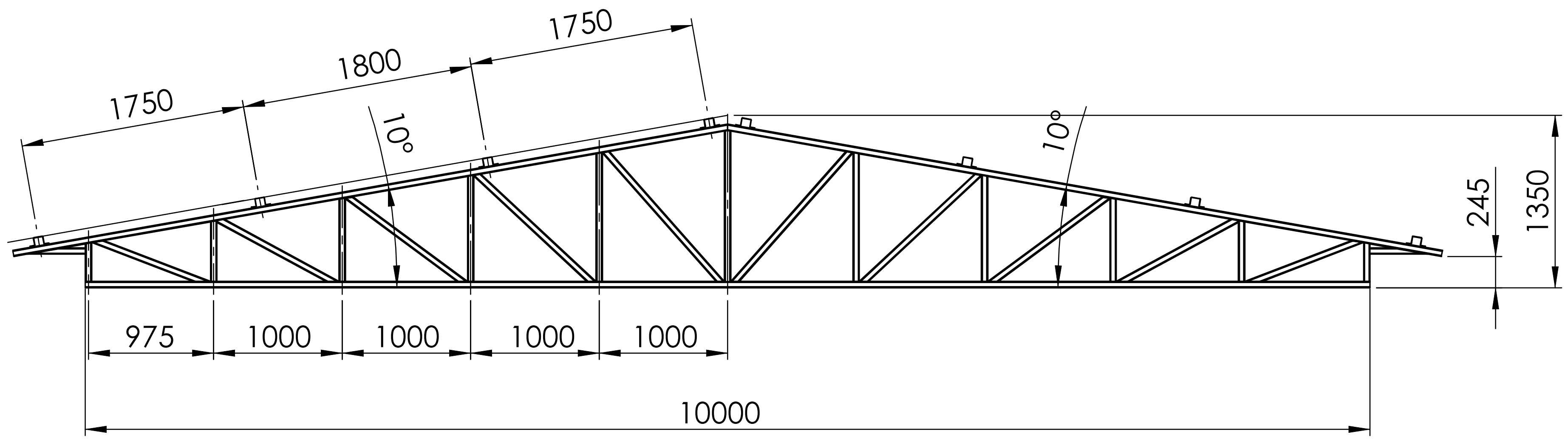


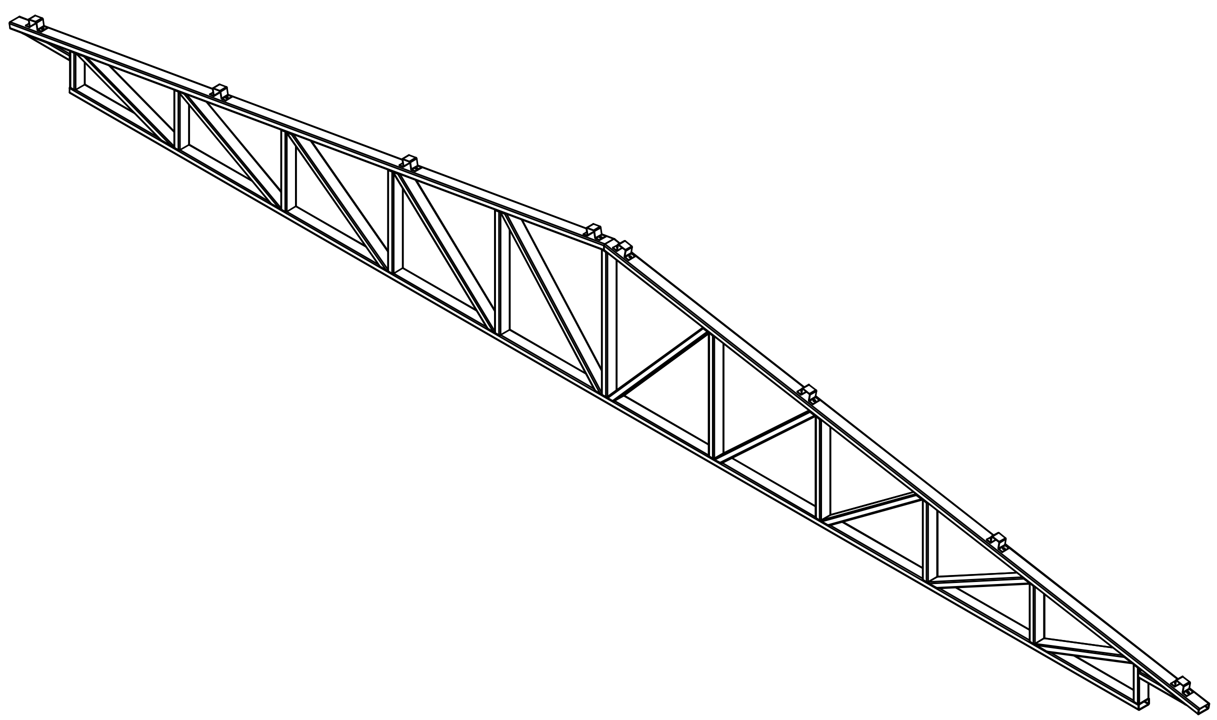




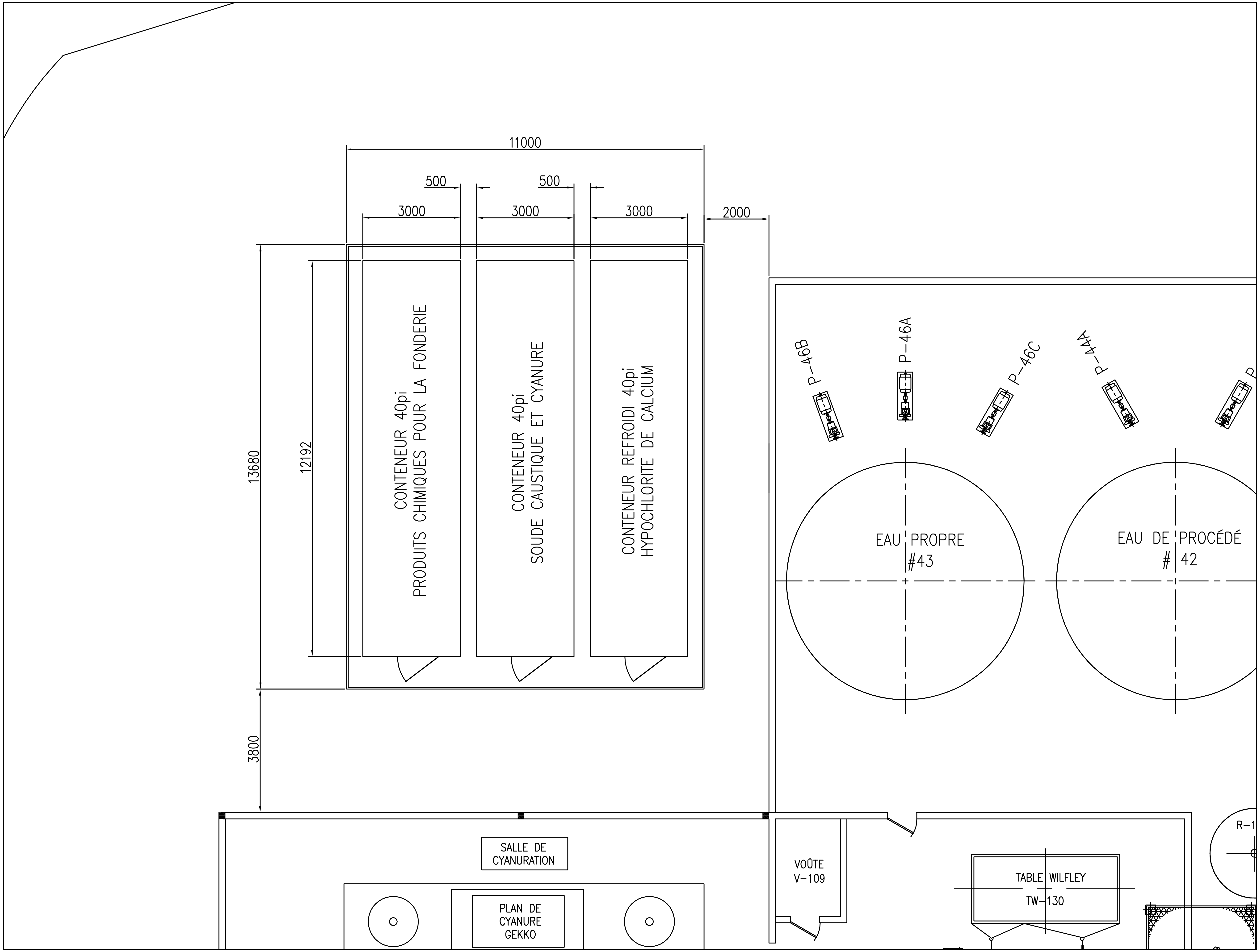


SAUF INDICATION CONTRAIRE: LES COTES SONT EN MILLIMETRES ETAT DE SURFACE: TOLERANCES: LINEAIRES: ANGULAIRES:	ce document est la propriété de: **IMAGRI Sarl** Tabakoro BP: E1947 BAMAKO			CASSER LES ANGLES VIFS	NE PAS CHANGER L'ECHELLE	ind: A
	NOM	SIGNATURE	DATE		OT: WAS----	
AUTEUR	f. LABAT		16/09/2011		PROJET : **WASSOULOR** **COUVERTURE 3 CONTENAIRS**	
VERIF.						
APPR.						
FAB.						
SPEC : MASSE TOTALE: 1 700Kg		MATERIAUX:			TITRE : Ens COUVERTURE CONTENAIR X3	REP:
		Qté: 1			ECHELLE: 1:100	FEUILLE 1 SUR 1 — A3





SAUF INDICATION CONTRAIRE: LES COTES SONT EN MILLIMETRES ETAT DE SURFACE: TOLERANCES: LINEAIRES: ANGULAIRES:	ce document est la propriété de: **IMAGRI Sarl** Tabakoro BP: E1947 BAMAKO	CASSER LES ANGLES VIFS	NE PAS CHANGER L'ECHELLE	ind: A		
	NOM	SIGNATURE	DATE	OT: WAS---		
AUTEUR	f. LABAT		16/09/2011	PROJET : **WASSOULOR** **COUVERTURE CONTENAIR**		
VERIF.						
APPR.						
FAB.						
SPEC : MASSE : 430Kg		MATERIAUX:		TITRE : Ens COUVERTURE CONTENAIR X3	REP:	
		Qté: 3		ECHELLE: 1:50	FEUILLE 1 SUR 1	A3



0	11-09-01	ÉMIS POUR CONSTRUCTION	L.T.
REV.	DATE	DESCRIPTION	PAR

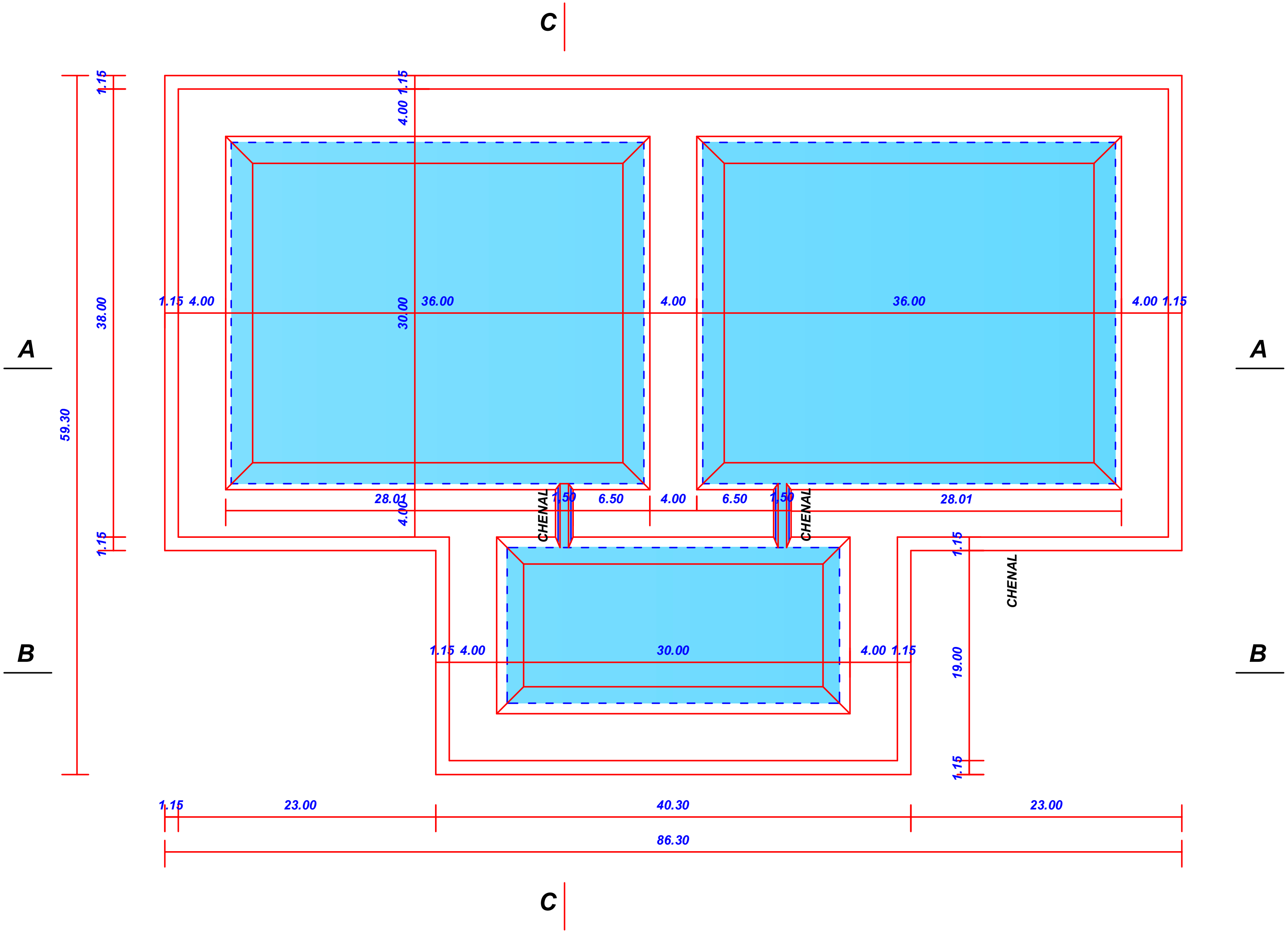
BUMIGEME INC.
Bureau de Mines, Géologie et Métallurgie
615, bl. René-Lévesque O., Suite 750
Montréal, Québec, H3B 1P5, Canada

PROJET: WASSOULOR
PROJET KODIERAN, MALI
11000T/J

TITRE: EMPLACEMENT PRODUITS CHIMIQUES

DATE: 11-09-01	CONÇU: L. TOWNSHEND	DESSINÉ: A. CRISTEA	UNITÉ: –
ÉCHELLE: SANS ÉCHELLE	VÉRIFIÉ: L. TOWNSHEND	APPROUVÉ: F. BARIL, ing.	FORMAT: A3
PROJET: C12704	DESSIN: C12704-14-DG-013	FEUILLE: 1/1	RÉV. 0

BASSIN DE CYANURATION



VUE EN PLAN

APPENDIX 6

Sensitivity Analysis

Spreadsheets

FINANCIAL ANALYSIS (Base case-Gold Price at $1,250)
Kodieran Project (Operation cost -10%)

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Investment cost ($CND)	140 000 000 $						
Equity	100%						
New 10,000t/d				37 151 452 $			
Production Recovery for 5.5 years	92.10%						
Ore grade (g/mt)	1.78						
Resources (mt)	33 078 400						
Period (years)	6.00						
Price ($CND/oz)	1 250.00 $						
Annual production (mt)		3 850 000	3 850 000	7 350 000	7 350 000	7 350 000	3 328 400
Annual production (g)		6 853 000	6 853 000	13 083 000	13 083 000	13 083 000	5 924 552
Recovered gold (g)		6 311 613	6 311 613	12 049 443	12 049 443	12 049 443	5 456 512
Recovered gold (oz)		202 946	202 946	387 442	387 442	387 442	175 451
Net sales before royalties		253 682 195 $	253 682 195 $	484 302 371 $	484 302 371 $	484 302 371 $	219 313 199 $
Royalties	3.0%	7 610 466 $	7 610 466 $	14 529 071 $	14 529 071 $	14 529 071 $	6 579 396 $
Net sales		246 071 729 $	246 071 729 $	469 773 300 $	469 773 300 $	469 773 300 $	212 733 803 $
Operating cost		40 579 000 $	40 579 000 $	56 521 500 $	56 521 500 $	56 521 500 $	25 595 396 $
Annual production		3 850 000	3 850 000	7 350 000	7 350 000	7 350 000	3 328 400
Operation cost ($CND/mt)	1	10.54 $	10.54 $	7.69 $	7.69 $	7.69 $	7.69 $
EBITDA (Earning before interest, tax depreciation)		205 492 729 $	205 492 729 $	413 251 800 $	413 251 800 $	413 251 800 $	187 138 407 $
Depreciation (5 years)		$ 23 333 333	$ 23 333 333	$ 32 621 196.00	$ 32 621 196.00	$ 32 621 196.00	$ 32 621 198.00
Earning before tax		182 159 396 $	182 159 396 $	380 630 604 $	380 630 604 $	380 630 604 $	154 517 209 $
Income tax	35%						54 081 023 $
Net income		182 159 396 $	182 159 396 $	380 630 604 $	380 630 604 $	380 630 604 $	100 436 186 $
Depreciation		23 333 333 $	23 333 333 $	32 621 196 $	32 621 196 $	32 621 196 $	32 621 198 $
Debt refunding		0 $	0 $	37 151 452 $	0 $	0 $	- $
CASH FLOW	139 999 999.00 $-	205 492 728 $	205 492 728 $	376 100 348 $	413 251 800 $	413 251 800 $	133 057 384 $
DISCOUNTED CASH FLOW	139 999 999.00 $-	174 146 380 $	147 581 678 $	228 906 283 $	213 150 681 $	180 636 170 $	49 288 652 $

IRR(TRI)	163.88%
NPV (actualization rate: (18%)	853 709 845 $

FINANCIAL ANALYSIS (Base case-Gold Price at $1,250)
Kodieran Project (Operation cost -20%)

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Investment cost ($CND)	140 000 000 $						
Equity	100%						
New 10,000t/d				37 151 452 $			
Production Recovery for 5.5 years	92.10%						
Ore grade (g/mt)	1.78						
Resources (mt)	33 078 400						
Period (years)	6.00						
Price ($CND/oz)	1 250.00 $						
Annual production (mt)		3 850 000	3 850 000	7 350 000	7 350 000	7 350 000	3 328 400
Annual production (g)		6 853 000	6 853 000	13 083 000	13 083 000	13 083 000	5 924 552
Recovered gold (g)		6 311 613	6 311 613	12 049 443	12 049 443	12 049 443	5 456 512
Recovered gold (oz)		202 946	202 946	387 442	387 442	387 442	175 451
Net sales before royalties		253 682 195 $	253 682 195 $	484 302 371 $	484 302 371 $	484 302 371 $	219 313 199 $
Royalties	3.0%	7 610 466 $	7 610 466 $	14 529 071 $	14 529 071 $	14 529 071 $	6 579 396 $
Net sales		246 071 729 $	246 071 729 $	469 773 300 $	469 773 300 $	469 773 300 $	212 733 803 $
Operating cost		36 074 500 $	36 074 500 $	50 274 000 $	50 274 000 $	50 274 000 $	22 766 256 $
Annual production		3 850 000	3 850 000	7 350 000	7 350 000	7 350 000	3 328 400
Operation cost ($CND/mt)	1	9.37 $	9.37 $	6.84 $	6.84 $	6.84 $	6.84 $
EBITDA (Earning before interest, tax depreciation)		209 997 229 $	209 997 229 $	419 499 300 $	419 499 300 $	419 499 300 $	189 967 547 $
Depreciation (5 years)		$ 23 333 333	$ 23 333 333	$ 32 621 196.00	$ 32 621 196.00	$ 32 621 196.00	$ 32 621 198.00
Earning before tax		186 663 896 $	186 663 896 $	386 878 104 $	386 878 104 $	386 878 104 $	157 346 349 $
Income tax	35%						55 071 222 $
Net income		186 663 896 $	186 663 896 $	386 878 104 $	386 878 104 $	386 878 104 $	102 275 127 $
Depreciation		23 333 333 $	23 333 333 $	32 621 196 $	32 621 196 $	32 621 196 $	32 621 198 $
Debt refunding		0 $	0 $	37 151 452 $	0 $	0 $	- $
CASH FLOW	139 999 999.00 $-	209 997 228 $	209 997 228 $	382 347 848 $	419 499 300 $	419 499 300 $	134 896 325 $
DISCOUNTED CASH FLOW	139 999 999.00 $-	177 963 753 $	150 816 740 $	232 708 704 $	216 373 072 $	183 367 010 $	49 969 853 $

IRR(TRI)	166.91%
NPV (actualization rate: (18%)	871 199 134 $

FINANCIAL ANALYSIS (Base case-Gold Price at $1,250)
Kodieran Project (Operation cost +10%)

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Investment cost ($CND)		140 000 000 $						
Equity		100%						
	New 10,000t/d				37 151 452 $			
Production	Recovery for 5.5 years	92.10%						
	Ore grade (g/mt)	1.78						
	Resources (mt)	33 078 400						
	Period (years)	6.00						
	Price ($CND/oz)	1 250.00 $						
	Annual production (mt)		3 850 000	3 850 000	7 350 000	7 350 000	7 350 000	3 328 400
	Annual production (g)		6 853 000	6 853 000	13 083 000	13 083 000	13 083 000	5 924 552
	Recovered gold (g)		6 311 613	6 311 613	12 049 443	12 049 443	12 049 443	5 456 512
	Recovered gold (oz)		202 946	202 946	387 442	387 442	387 442	175 451
Net sales before royalties			253 682 195 $	253 682 195 $	484 302 371 $	484 302 371 $	484 302 371 $	219 313 199 $
Royalties		3.0%	7 610 466 $	7 610 466 $	14 529 071 $	14 529 071 $	14 529 071 $	6 579 396 $
Net sales			246 071 729 $	246 071 729 $	469 773 300 $	469 773 300 $	469 773 300 $	212 733 803 $
Operating cost			49 626 500 $	49 626 500 $	69 090 000 $	69 090 000 $	69 090 000 $	31 286 960 $
	Annual production		3 850 000	3 850 000	7 350 000	7 350 000	7 350 000	3 328 400
	Operation cost ($CND/mt)	1	12.89 $	12.89 $	9.40 $	9.40 $	9.40 $	9.40 $
EBITDA (Earning before interest, tax depreciation)			196 445 229 $	196 445 229 $	400 683 300 $	400 683 300 $	400 683 300 $	181 446 843 $
	Depreciation (5 years)		$ 23 333 333	$ 23 333 333	$ 32 621 196.00	$ 32 621 196.00	$ 32 621 196.00	$ 32 621 198.00
Earning before tax			173 111 896 $	173 111 896 $	368 062 104 $	368 062 104 $	368 062 104 $	148 825 645 $
Income tax		35%						52 088 976 $
Net income			173 111 896 $	173 111 896 $	368 062 104 $	368 062 104 $	368 062 104 $	96 736 669 $
Depreciation			23 333 333 $	23 333 333 $	32 621 196 $	32 621 196 $	32 621 196 $	32 621 198 $
Debt refunding			0 $	0 $	37 151 452 $	0 $	0 $	- $
CASH FLOW		139 999 999.00 $-	196 445 228 $	196 445 228 $	363 531 848 $	400 683 300 $	400 683 300 $	129 357 867 $
DISCOUNTED CASH FLOW		139 999 999.00 $-	166 479 007 $	141 083 904 $	221 256 706 $	206 667 989 $	175 142 363 $	47 918 234 $

IRR(TRI)	157.81%
NPV (actualization rate: (18%)	818 548 204 $

FINANCIAL ANALYSIS (Base case-Gold Price at $1,250)
Kodieran Project (Operation cost +20%)

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Investment cost ($CND)		140 000 000 $						
Equity		100%						
	New 10,000t/d				37 151 452 $			
Production	Recovery for 5.5 years	92.10%						
	Ore grade (g/mt)	1.78						
	Resources (mt)	33 078 400						
	Period (years)	6.00						
	Price ($CND/oz)	1 250.00 $						
	Annual production (mt)		3 850 000	3 850 000	7 350 000	7 350 000	7 350 000	3 328 400
	Annual production (g)		6 853 000	6 853 000	13 083 000	13 083 000	13 083 000	5 924 552
	Recovered gold (g)		6 311 613	6 311 613	12 049 443	12 049 443	12 049 443	5 456 512
	Recovered gold (oz)		202 946	202 946	387 442	387 442	387 442	175 451
Net sales before royalties			253 682 195 $	253 682 195 $	484 302 371 $	484 302 371 $	484 302 371 $	219 313 199 $
Royalties		3.0%	7 610 466 $	7 610 466 $	14 529 071 $	14 529 071 $	14 529 071 $	6 579 396 $
Net sales			246 071 729 $	246 071 729 $	469 773 300 $	469 773 300 $	469 773 300 $	212 733 803 $
Operating cost			54 131 000 $	54 131 000 $	75 411 000 $	75 411 000 $	75 411 000 $	34 149 384 $
	Annual production		3 850 000	3 850 000	7 350 000	7 350 000	7 350 000	3 328 400
	Operation cost ($CND/mt)	1	14.06 $	14.06 $	10.26 $	10.26 $	10.26 $	10.26 $
EBITDA (Earning before interest, tax depreciation)			191 940 729 $	191 940 729 $	394 362 300 $	394 362 300 $	394 362 300 $	178 584 419 $
	Depreciation (5 years)		$ 23 333 333	$ 23 333 333	$ 32 621 196.00	$ 32 621 196.00	$ 32 621 196.00	$ 32 621 198.00
Earning before tax			168 607 396 $	168 607 396 $	361 741 104 $	361 741 104 $	361 741 104 $	145 963 221 $
Income tax		35%						51 087 127 $
Net income			168 607 396 $	168 607 396 $	361 741 104 $	361 741 104 $	361 741 104 $	94 876 094 $
Depreciation			23 333 333 $	23 333 333 $	32 621 196 $	32 621 196 $	32 621 196 $	32 621 198 $
Debt refunding			0 $	0 $	37 151 452 $	0 $	0 $	- $
CASH FLOW		139 999 999.00 $-	191 940 728 $	191 940 728 $	357 210 848 $	394 362 300 $	394 362 300 $	127 497 292 $
DISCOUNTED CASH FLOW		139 999 999.00 $-	162 661 634 $	137 848 843 $	217 409 550 $	203 407 687 $	172 379 396 $	47 229 018 $

IRR(TRI)	154.78%
NPV (actualization rate: (18%)	800 936 129 $

FINANCIAL ANALYSIS (Base case-Gold Price at $1,250)
Kodieran Project

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Investment cost ($CND)	140 000 000 $						
Equity	100%						
New 10,000t/d				37 151 452 $			
Production Recovery for 5.5 years	92.10%						
Ore grade (g/mt)	1.78						
Resources (mt)	33 078 400						
Period (years)	6.00						
Price ($CND/oz)	1 250.00 $						
Annual production (mt)		3 850 000	3 850 000	7 350 000	7 350 000	7 350 000	3 328 400
Annual production (g)		6 853 000	6 853 000	13 083 000	13 083 000	13 083 000	5 924 552
Recovered gold (g)		6 311 613	6 311 613	12 049 443	12 049 443	12 049 443	5 456 512
Recovered gold (oz)		202 946	202 946	387 442	387 442	387 442	175 451
Net sales before royalties		253 682 195 $	253 682 195 $	484 302 371 $	484 302 371 $	484 302 371 $	219 313 199 $
Royalties	3.0%	7 610 466 $	7 610 466 $	14 529 071 $	14 529 071 $	14 529 071 $	6 579 396 $
Net sales		246 071 729 $	246 071 729 $	469 773 300 $	469 773 300 $	469 773 300 $	212 733 803 $
Operating cost		45 122 000 $	45 122 000 $	62 842 500 $	62 842 500 $	62 842 500 $	28 457 820 $
Annual production		3 850 000	3 850 000	7 350 000	7 350 000	7 350 000	3 328 400
Operation cost ($CND/mt)	1	11.72 $	11.72 $	8.55 $	8.55 $	8.55 $	8.55 $
EBITDA (Earning before interest, tax depreciation)		200 949 729 $	200 949 729 $	406 930 800 $	406 930 800 $	406 930 800 $	184 275 983 $
Depreciation (5 years)		$ 23 333 333	$ 23 333 333	$ 32 621 196.00	$ 32 621 196.00	$ 32 621 196.00	$ 32 621 198.00
Earning before tax		177 616 396 $	177 616 396 $	374 309 604 $	374 309 604 $	374 309 604 $	151 654 785 $
Income tax	35%						53 079 175 $
Net income		177 616 396 $	177 616 396 $	374 309 604 $	374 309 604 $	374 309 604 $	98 575 610 $
Depreciation		23 333 333 $	23 333 333 $	32 621 196 $	32 621 196 $	32 621 196 $	32 621 198 $
Debt refunding		0 $	0 $	37 151 452 $	0 $	0 $	- $
CASH FLOW	139 999 999.00 $-	200 949 728 $	200 949 728 $	369 779 348 $	406 930 800 $	406 930 800 $	131 196 808 $
DISCOUNTED CASH FLOW	139 999 999.00 $-	170 296 380 $	144 318 966 $	225 059 127 $	209 890 380 $	177 873 203 $	48 599 436 $

IRR(TRI)	160.83%
NPV (actualization rate: (18%)	836 037 493 $

FINANCIAL ANALYSIS (Gold Price at $1,400)
Kodieran Project

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Investment cost ($CND)	140 000 000 $						
Equity	100%						
New 10,000t/d				37 151 452 $			
Production **Recovery for 5.5 years**	92.10%						
Ore grade (g/mt)	1.78						
Resources (mt)	33 078 400						
Period (years)	6.00						
Price ($CND/oz)	1 400.00 $						
Annual production (mt)		3 850 000	3 850 000	7 350 000	7 350 000	7 350 000	3 328 400
Annual production (g)		6 853 000	6 853 000	13 083 000	13 083 000	13 083 000	5 924 552
Recovered gold (g)		6 311 613	6 311 613	12 049 443	12 049 443	12 049 443	5 456 512
Recovered gold (oz)		202 946	202 946	387 442	387 442	387 442	175 451
Net sales before royalties		284 124 058 $	284 124 058 $	542 418 656 $	542 418 656 $	542 418 656 $	245 630 783 $
Royalties	3.0%	8 523 722 $	8 523 722 $	16 272 560 $	16 272 560 $	16 272 560 $	7 368 923 $
Net sales		275 600 336 $	275 600 336 $	526 146 096 $	526 146 096 $	526 146 096 $	238 261 859 $
Operating cost		45 122 000 $	45 122 000 $	62 842 500 $	62 842 500 $	62 842 500 $	28 457 820 $
Annual production		3 850 000	3 850 000	7 350 000	7 350 000	7 350 000	3 328 400
Operation cost ($CND/mt)	1	11.72 $	11.72 $	8.55 $	8.55 $	8.55 $	8.55 $
EBITDA (Earning before interest, tax depreciation)		230 478 336 $	230 478 336 $	463 303 596 $	463 303 596 $	463 303 596 $	209 804 039 $
Depreciation (5 years)		$ 23 333 333	$ 23 333 333	$ 32 621 196.00	$ 32 621 196.00	$ 32 621 196.00	$ 32 621 198.00
Earning before tax		207 145 003 $	207 145 003 $	430 682 400 $	430 682 400 $	430 682 400 $	177 182 841 $
Income tax	35%						62 013 995 $
Net income		207 145 003 $	207 145 003 $	430 682 400 $	430 682 400 $	430 682 400 $	115 168 847 $
Depreciation		23 333 333 $	23 333 333 $	32 621 196 $	32 621 196 $	32 621 196 $	32 621 198 $
Debt refunding		0 $	0 $	37 151 452 $	0 $	0 $	- $
CASH FLOW	139 999 999.00 $-	230 478 336 $	230 478 336 $	426 152 144 $	463 303 596 $	463 303 596 $	147 790 045 $
DISCOUNTED CASH FLOW	139 999 999.00 $-	195 320 624 $	165 525 952 $	259 369 351 $	238 966 841 $	202 514 272 $	54 746 094 $

IRR(TRI)	181.92%
NPV (actualization rate: (18%)	976 443 134 $

FINANCIAL ANALYSIS (Gold Price at $1,500)
Kodieran Project

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Investment cost ($CND)		140 000 000 $						
Equity		100%						
	New 10,000t/d				37 151 452 $			
Production	Recovery for 5.5 years	92.10%						
	Ore grade (g/mt)	1.78						
	Resources (mt)	33 078 400						
	Period (years)	6.00						
	Price ($CND/oz)	1 500.00 $						
	Annual production (mt)		3 850 000	3 850 000	7 350 000	7 350 000	7 350 000	3 328 400
	Annual production (g)		6 853 000	6 853 000	13 083 000	13 083 000	13 083 000	5 924 552
	Recovered gold (g)		6 311 613	6 311 613	12 049 443	12 049 443	12 049 443	5 456 512
	Recovered gold (oz)		202 946	202 946	387 442	387 442	387 442	175 451
Net sales before royalties			304 418 633 $	304 418 633 $	581 162 846 $	581 162 846 $	581 162 846 $	263 175 839 $
Royalties		3.0%	9 132 559 $	9 132 559 $	17 434 885 $	17 434 885 $	17 434 885 $	7 895 275 $
Net sales			295 286 074 $	295 286 074 $	563 727 960 $	563 727 960 $	563 727 960 $	255 280 564 $
Operating cost			45 122 000 $	45 122 000 $	62 842 500 $	62 842 500 $	62 842 500 $	28 457 820 $
	Annual production		3 850 000	3 850 000	7 350 000	7 350 000	7 350 000	3 328 400
	Operation cost ($CND/mt)	1	11.72 $	11.72 $	8.55 $	8.55 $	8.55 $	8.55 $
EBITDA (Earning before interest, tax depreciation)			250 164 074 $	250 164 074 $	500 885 460 $	500 885 460 $	500 885 460 $	226 822 744 $
	Depreciation (5 years)		$ 23 333 333	$ 23 333 333	$ 32 621 196.00	$ 32 621 196.00	$ 32 621 196.00	$ 32 621 198.00
Earning before tax			226 830 741 $	226 830 741 $	468 264 264 $	468 264 264 $	468 264 264 $	194 201 546 $
Income tax		35%						67 970 541 $
Net income			226 830 741 $	226 830 741 $	468 264 264 $	468 264 264 $	468 264 264 $	126 231 005 $
Depreciation			23 333 333 $	23 333 333 $	32 621 196 $	32 621 196 $	32 621 196 $	32 621 198 $
Debt refunding			0 $	0 $	37 151 452 $	0 $	0 $	- $
CASH FLOW		139 999 999.00 $-	250 164 074 $	250 164 074 $	463 734 008 $	500 885 460 $	500 885 460 $	158 852 203 $
DISCOUNTED CASH FLOW		139 999 999.00 $-	212 003 453 $	179 663 943 $	282 242 834 $	258 351 148 $	218 941 651 $	58 843 866 $

IRR(TRI)	195.89%
NPV (actualization rate: (18%)	1 070 046 895 $

FINANCIAL ANALYSIS (Gold Price at $1,650)
Kodieran Project

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Investment cost ($CND)	140 000 000 $						
Equity	100%						
New 10,000t/d				37 151 452 $			
Production Recovery for 5.5 years	92.10%						
Ore grade (g/mt)	1.78						
Resources (mt)	33 078 400						
Period (years)	6.00						
Price ($CND/oz)	1 650.00 $						
Annual production (mt)		3 850 000	3 850 000	7 350 000	7 350 000	7 350 000	3 328 400
Annual production (g)		6 853 000	6 853 000	13 083 000	13 083 000	13 083 000	5 924 552
Recovered gold (g)		6 311 613	6 311 613	12 049 443	12 049 443	12 049 443	5 456 512
Recovered gold (oz)		202 946	202 946	387 442	387 442	387 442	175 451
Net sales before royalties		334 860 497 $	334 860 497 $	639 279 130 $	639 279 130 $	639 279 130 $	289 493 423 $
Royalties	3.0%	10 045 815 $	10 045 815 $	19 178 374 $	19 178 374 $	19 178 374 $	8 684 803 $
Net sales		324 814 682 $	324 814 682 $	620 100 756 $	620 100 756 $	620 100 756 $	280 808 620 $
Operating cost		45 122 000 $	45 122 000 $	62 842 500 $	62 842 500 $	62 842 500 $	28 457 820 $
Annual production		3 850 000	3 850 000	7 350 000	7 350 000	7 350 000	3 328 400
Operation cost ($CND/mt)	1	11.72 $	11.72 $	8.55 $	8.55 $	8.55 $	8.55 $
EBITDA (Earning before interest, tax depreciation)		279 692 682 $	279 692 682 $	557 258 256 $	557 258 256 $	557 258 256 $	252 350 800 $
Depreciation (5 years)		$ 23 333 333	$ 23 333 333	$ 32 621 196.00	$ 32 621 196.00	$ 32 621 196.00	$ 32 621 198.00
Earning before tax		256 359 349 $	256 359 349 $	524 637 060 $	524 637 060 $	524 637 060 $	219 729 602 $
Income tax	35%						76 905 361 $
Net income		256 359 349 $	256 359 349 $	524 637 060 $	524 637 060 $	524 637 060 $	142 824 241 $
Depreciation		23 333 333 $	23 333 333 $	32 621 196 $	32 621 196 $	32 621 196 $	32 621 198 $
Debt refunding		0 $	0 $	37 151 452 $	0 $	0 $	- $
CASH FLOW	139 999 999.00 $-	279 692 682 $	279 692 682 $	520 106 804 $	557 258 256 $	557 258 256 $	175 445 439 $
DISCOUNTED CASH FLOW	139 999 999.00 $-	237 027 696 $	200 870 929 $	316 553 058 $	287 427 609 $	243 582 720 $	64 990 524 $

IRR(TRI)	216.75%
NPV (actualization rate: (18%)	1 210 452 537 $

DEVELOPMENT OF BUSINESS AND OUTLOOK

PEARL GOLD AG plans to start concrete talks in the next several months about further concessions or investments in mining companies. There are currently various projects in Mali; the Ivory Coast and Senegal are under preliminary examinations but no concrete decisions have yet been made. In addition, the continuous expansion of project development and advisory activities is planned for the next several years. For its continued development, the Company also plans to hire employees and build an appropriate structure.

With respect to Wassoul'Or, an extensive drilling programme has now been initiated, which, with over 8,000 meters in 390 drill holes, not only aims to explore the Traoréla region, a resource within the concession that is well-known from preliminary studies, but with 18,420 meters in 246 drill holes also presses ahead with the expansion of the Kodiéran reserve. The Company expects that this drilling programme will allow for the opportunity to develop the Traoréla resource into a reserve and significantly increase the Kodiéran reserve. The first results of this drilling programme are expected in this October.

After the successful start-up of the mine, Wassoul'Or will focus on stabilising production and organisation and will start to increase the production unit of 11,000 tons per day to 21,000 tons per day in order to be able to complete this on time for 2012.

As of 31 August 2012, there have been no material changes in PEARL GOLD AG's financial position that are not presented in the Prospectus.

PEARL GOLD AG

Frankfurt am Main

signed by Jean Louis Dupuy

signed by Lutz Hartmann

biw Bank für Investments und Wertpapier AG, Willich

signed by Michael Heinks

signed by Andreas Wolf