

Zusammenfassung

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Information an die zuständige Behörde über den Aufschub der Offenlegung gemäß Artikel 17 MAR Abs. 4, Unterabs. 3, Satz 1:

Die Information über den Aufschub wird ausschließlich an die FMA/BaFin übermittelt und nicht veröffentlicht.

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Business news for the stock market

PEARL GOLD AG: Letter to the Shareholders of Pearl Gold AG

Frankfurt, June 15, 2016 (pta033/15.06.2016/21:36) - Dear shareholders of PEARL GOLD AG,

Further to the ad-hoc notice dated 10 June 2016, I would like to provide the following background information to you regarding the reasons that led to the application to file for insolvency:

In the past, PEARL GOLD AG generated cash to finance its operations by selling some of its gold delivery rights against WASSOUL'OR SA to a business partner. As published by PEARL GOLD AG via ad-hoc notification on 11 May 2016, I have taken the view that following a site visit at WASSOUL'OR SA and an interrogation of witnesses performed by a bailiff ("huissier") in Mali, and our Malian Lawyer's analysis, it is no longer likely that the gold production will start in this year. In light of these developments in Mali, we had to write-down the gold delivery rights in our books and our business partner is no longer willing to purchase any further gold delivery claims from PEARL GOLD AG. Since this was so far PEARL GOLD AG's only source of cash income, the company currently has no means to generate any liquidity to meet its due obligations.

The underlying sales agreement for the gold delivery rights provides for a secondary obligation of PEARL GOLD AG to perform the relevant gold deliveries, should WASSOUL'OR SA not honor its obligations. While the business partner agreed to a moratorium for these secondary obligations of PEARL GOLD AG, the moratorium will end upon my removal from office as management board member of PEARL GOLD AG (unless the removal is made for good cause other than a vote of non-confidence by the general meeting) but in any event in early 2017. In light of the items put on the agenda upon request of Martagon Investments Ltd., Nemo Asset Management Ltd. and Sequoia Diversified Growth Fund Ltd. for the general meeting scheduled for 29 June 2016 and the change in the shareholder base resulting from the acquisition of 5,600,000 shares in PEARL GOLD AG by Mr Aliou Boubacar Diallo as published by PEARL GOLD AG on 29 April 2016, it is my view very likely that the moratorium will terminate soon. As a result of the changed circumstances, our business partner in the last meeting on 25 May 2016 did not seem to be willing to agree to another extension of the moratorium, at least not before getting a clearer picture of the new shareholder majority.

In light of these dramatic developments, I have instructed an independent valuator, The Mineral Corporation with seat in Johannesburg, South Africa, to prepare an independent valuation of the KODIERAN gold mine owned by WASSOUL'OR SA. The valuation report stated an average value of the mine of USD 26 million. Given WASSOUL'OR SA's liabilities of roughly USD 276,656,015.50 (number taken from the application made in the creditor protection proceedings against WASSOUL'OR SA), the participation of PEARL GOLD AG in WASSOUL'OR SA had to be completely written-off which means that PEARL GOLD AG has to be considered to be over-indebted. This came as a surprise given that the estimates provided by WASSOUL'OR SA in connection with the listing of PEARL GOLD AG's shares in 2010 and the uplisting in 2012 showed values of roughly USD 1 billion based on valuations made by BUMIGEME Inc. with seat in Montreal, Canada, in 2009 and 2012.

Following the application for the opening of insolvency proceedings, we expect the court in Frankfurt to appoint a preliminary insolvency administrator in the next days. I still would very much like to invite Mr Diallo to meet and discuss with me in Frankfurt or Paris to identify ways to resolve the current financial crisis of PEARL GOLD AG for the benefit of all creditors and shareholders.

Sincerely,
Michael Reza PACHA
Management Board

(Ende)

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PEARL GOLD AG