

Supervisory Board Report 2010

The Supervisory Board of PEARL GOLD AG was composed of the following in the fiscal year of 2010:

- Aliou Boubacar Diallo (member of the Supervisory Board and Chairman of the Supervisory Board up to December 15, 2010)
- Robert F. Goninon (member of the Supervisory Board and Chairman of the Supervisory Board as from December 15, 2010)
- Alexandre Davidoff (Vice-Chairman of the Supervisory Board)
- Pierre Roux

The Supervisory Board performed those tasks incumbent upon it by law, the Articles of Association and Rules of Procedure during the year under review. The Supervisory Board was comprehensively engaged in the operative and strategic development of the company and the group.

Mr. Aliou Boubakar Diallo, who was voted a member of the company by the Shareholders' Meeting up to the Annual General Meeting which will pass a resolution approving the actions of the Supervisory Board for the fiscal year 2013, terminated his Supervisory Board mandate in writing on November 30, 2010 with effect to December 14, 2010. With the decision of the extraordinary Shareholders' Meeting of December 7, 2010, Mr. Robert F. Goninon was elected a member of the Supervisory Board of Pearl AG with an effective date of December 15, 2010, for the remainder of Mr. Diallo's tenure, i.e. to the Annual General Meeting which will pass a resolution approving the actions of the Supervisory Board for the fiscal year 2013.

Due to the fact that it only has three members, the Supervisory Board did not form any committees for the fiscal year 2010.

In particular, numerous subjects as well as matters and facts which require approval and fundamental strategic questions were discussed and dealt with in detail.

In addition to the cooperation based on its special control duties, the Board of Management informed the Supervisory Board regularly and in detail with written reports and profit and loss accounts. It presented the economical situation, the development, business policy, company plans as well as all important business activities and measures in detail during Supervisory Board meetings. The Supervisory Board discussed all reports with the Board of Management, made the decisions for which it is responsible pursuant to statutory law and also advised the Board of Management in questions relating to planning and strategy.

The Supervisory Board was also informed in detail about special business transactions in between meetings and in individual cases, written resolutions were requested in coordination with the Chairman of the Supervisory Board. Furthermore, the Board of Management informed the Chairman of the Supervisory Board regularly about all important developments and pending decisions. In founded cases, the Supervisory Board deliberated with external experts.

The Board of Management fulfilled its obligation to inform the Supervisory Board fully and in a timely manner and presented those matters to the Supervisory Board which require

approval. The Supervisory Board is confident that the Board of Management managed the company in a correct manner. Further, the Supervisory Board discussed the organization of the company with the Board of Management and is confident of the ability of this organization and the economic efficiency of the management of the company by the Board of Management.

Important matters which were discussed in 2010 were the development of the core business and, most significantly, the purchase and post-formation acquisition of May 25, 2010, i.e. the purchase of 138 shares in Wassoul'Or S.A., Bamako, Mali from Mansa Moussa Gold Fund (MMGF), a "fiducie" pursuant to the laws of the Canadian province Québec. As the purchase agreement was concluded within the first two years after registration in the Commercial Register and the amount which MMGF was to receive for the shares exceeded 10% of the equity capital of the company at that time, a post-formation proceeding analogue to Section 52 German Stock Corporation Act (AktG) had to take place and the purchase agreement had to be examined by the Supervisory Board pursuant to Section 52 Clause 3 German Stock Corporation Act (AktG). The Supervisory Board examined the planned transaction and made a corresponding post-formation report on June 1, 2010. Within the framework of this post-formation report, the Supervisory Board unanimously recommended the Shareholders' Meeting to vote for the purchase agreement as a post-formation agreement.

The shares of PEARL GOLD AG have been handled in the open market of the Frankfurt Wertpapierbörse in part of the open market (entry standard) since December 21, 2010.

The Supervisory Board has examined the annual financial statements and the situation report independently and has discussed it with the Board of Management. No objections were raised.

The Supervisory Board approved the annual financial statements which were established by the Board of Management as per December 31, 2010. The annual financial statements are thus approved.

The Supervisory Board thanks the Board of Management for its work during the year under review.

For the Supervisory Board

Robert F. Goninon

Chairman of the Supervisory Board