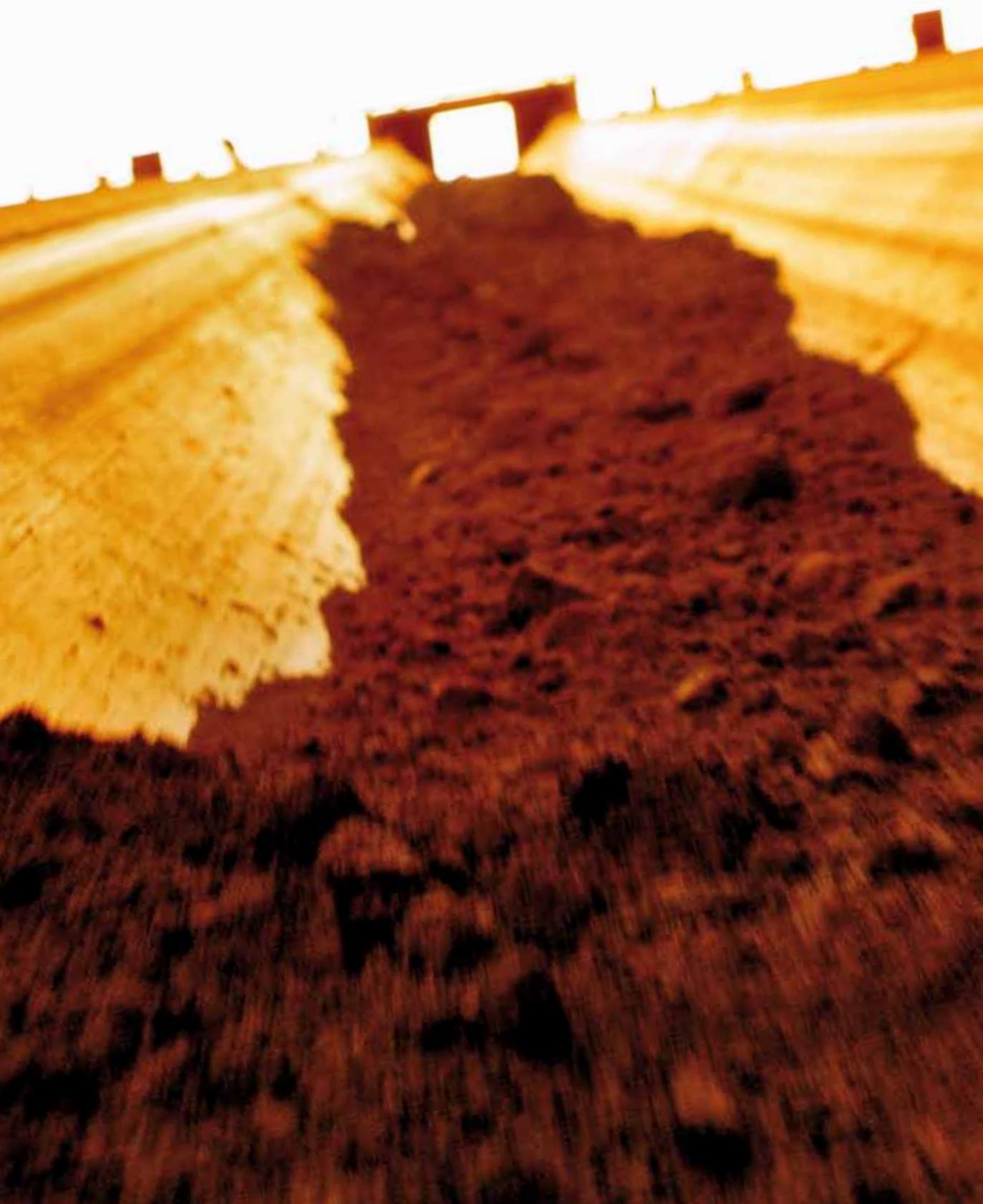


See the potential



FOREWORD

Interview with Lutz Hartmann, Pearl Gold AG Management	3
High-tech facility on the edge of the desert	10

TO THE SHAREHOLDERS

Supervisory Board Report	24
The shares	28
Capital increase	30
Change in stock market segment	30

INVESTMENTS

Investment strategy	32
Conditions at the Kodiéran mine	36
Development of the mine	46
Local social responsibility	50
Exploration of Traorela and other potential investments	52

MANAGEMENT REPORT

Business and general conditions	56
Earnings, financial and asset position	58
Supplementary report	60
Remuneration system	60
Risks and opportunities report	61
Forecast report	65
Environmental protection	65
Declaration on corporate governance	66
Data relevant to acquisitions	66

FINANCIAL STATEMENTS	70
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Masthead	88
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The quartz veins contain up to 40 grams of gold per tonne of rock. On average, the earth contains around 2 grams per tonne.

Interview with Lutz Hartmann, Pearl Gold AG Management

A LOOK BACK

When you look back on the year 2012, what were the milestones for Pearl Gold AG?

One major milestone in 2012 was the opening ceremony of the mine in February. The fact that it was attended by the then Malian president Touré was a clear sign of the support and high regard for our work by the Malian state. On the day of the opening ceremony, I held in my hand the first gold bars that had been cast from gold from the Kodiéran mine. That was my personal highlight of last year.

Another milestone for the company resulted from a negative event: the military coup in March led to short-term insecurity for the mining project. However, the declaration by those involved in the coup that no nationalisation schemes would take place, and that the share of the state in the mines would remain within the legal framework, re-established legal security almost immediately so that this rather intense situation was quickly diffused.

The change in stock market segment to the General Standard on the Frankfurt Stock Exchange was another major milestone. We are proud that we have managed to have our company, which focuses on investments in Africa and gold, listed on the regulated market of the Frankfurt Stock Exchange.

What were your biggest challenges?

Going back to what I mentioned about the military coup, one of the biggest challenges was explaining why we were so convinced, and remain convinced, that there was the necessary legal security in Mali for our investment. In light of the military coup and the total of four different governments in the past two years, this was no easy task.

(From left) The Malian mining minister, Dr Amadou Baba Sy, Dominik Glier, Aliou Boubacar Diallo, Lutz Hartmann.



Apart from this, we also had to go to extra lengths to convince our partners and service providers that the region in which we are active is safe. We were personally already convinced of this because we visited the area frequently and were able to judge the situation from first-hand experience. Robert Goninon, Chairman of the Supervisory Board, was there for four months, for example, and I visited Mali myself eight times in 2012.

How has the political upheaval in Mali affected the mine?

The insecurity among our service providers and partners following the coup led to our international teams at the mine being pulled out, which meant that we had to find replacements at short notice. As a result of the fact that many governments had issued travel warnings for Mali, however, there were delays in getting the mine operational.

In addition, fuel supplies for the electricity generators at the mine also proved problematic for a time. Fuel reserves are very restricted in Mali, and when the French army intervened in January 2013, fuel became even scarcer. This meant that we could not secure supplies as planned, which led to a halt in production.

What changes have you observed in the region during your travels to Mali?

It is a constant source of surprise for me, particularly in the capital Bamako and in the south of the country in general, how these events have made next to no difference at all. The Malians took it all in their stride and retained their typically cheerful outlook on life. You can still see evidence of this on the streets today. This reaction is of course also evidence of a certain distance between politics and the population. In my conversations with people there, it quickly became clear to me that Malian society is looking for a new political elite with a liberal, democratic approach – a political elite that takes a stand against bribery and corruption. These values are increasingly being demanded by younger people in the country.



The quarry at the Kodiéran mine stretches over an area of around 1.5 km².

OUTLOOK

In your opinion, what does the future hold for Mali?

I see a positive, democratic future for Mali. The majority of people in the country have a good general understanding of democracy and, as a result, I think democracy will continue to flourish there. The Malians' views on democracy were proven via the military coup, despite the coup receiving rather critical coverage abroad. As long as the military took a clear stance against corruption and for re-establishing legitimate democratic structures, it was able to count on the support of the people. A military government would have found no support among the Malian population.

The prerequisite for further democratic development is, however, the support of the international community. It must take a hand in the economic development of the country, which will ensure the country's independence. Making Mali a production location for third countries will not help in this.

What opportunities does the country offer for companies?

The biggest opportunities are definitely in the field of resources. However, there are also plenty of opportunities for investment in agriculture, too. German companies in particular have to understand that it is worth investing in projects early on. The aim should be to support and accompany an undertaking right from the start. Simply wanting to sell machines is not sufficient – the right framework has to be created first, and this can only be done by making investments.

How do you think the gold market will develop?

There have been various analyses and expert opinions on the future development of the gold market. The whole range of opinion has been covered – from a bubble that will lead to a crash in the price of gold, to new peaks in the price. My position is somewhere between these two extremes. Provided that no new financial crises hit, I don't expect the price of gold to continue to increase as sharply as it has done in the past. However, I also don't think it is going to sink below \$1,300 and will probably range between \$1,400 and \$1,800. With a view to our production facilities, these prices will mean that our investment in Mali remains a highly profitable one. The financial viability study for the mine was based on a gold price of below \$1,000.

“German companies in particular have to understand that it is worth investing in projects early on.”



Lutz Hartmann, Robert F Goninon, Aliou Boubacar Diallo, Dr Amadou Baba Sy, Jean-Louis Dupuy

What prospects does the mine offer the region? What changes would you like to see in the future?

I would be pleased to see a fully functioning network of small businesses, primarily trades and crafts enterprises and small agricultural businesses. There is still a lot of potential for development in this area. I would also like to see more schools, which would provide a lasting chance of a good education for children in the area.

Mr Hartmann, thank you very much for your time!



High-tech facility on the edge of the desert

Wassoul'Or is building a cutting-edge gold mine in Mali, far from the capital city of Bamako. Christian Hiller von Gaertringen writes about his impressions of the opening ceremony against the mine's historical background.*

In the dawn light, as the sun is starting to colour the sky above Bamako a deep red, the first fishermen set off in their narrow boats along the Niger, which slowly pushes its way through the Malian capital. Here, the river is as wide as the Rhine at Cologne. Our dawn journey takes us over hills and through residential districts, past barracks and out of the city. In contrast to many other major cities, the journey out of Mali's biggest city does not take us past smokestacks, warehouses or garages. And, unlike in many other African cities, the road that takes us out of Bamako, the RN7, is in good condition.

We continue on the fast roads for a good two hours south of the capital, and at some point turn off towards Yanfolila. The surroundings are flat and desolate. The villages by the sides of the road are each made up of little more than a few farmyards. The smallholdings, surrounded by woven fences of twigs and prickly branches, generally comprise nothing more than a few mud huts with no electricity, water or satellite dishes on their roofs, as is often the case elsewhere in Africa. This is a landscape that asks much of the people who live here, but gives little in return.

Behind Yanfolila, somewhere in the steppe on the edge of the Sahara, the tarmac road ends and turns into a wide track, which is also in surprisingly good condition – or at least it is today, when the dry dust completely obscures the vehicle in front of us.

“... we can make out the mining city of Wassoul'Or ...”

We drive for three hours, deep into the province, far away from Bamako, finally passing through a small town, not far from the border with Guinea. Suddenly, a modern clinic appears on the left side of the road with white buildings separated by carefully maintained paths. It is a sign of prosperity that might not necessarily be expected here in the south-eastern edge of Mali.

Just a few kilometres further on, we can make out the mining city of Wassoul'Or. It nestles in the hillside that rises slowly on the left-hand side near the village of Kodiéran – a place unknown even to Google Maps. White villas with well-manicured gardens surrounded by walls and crowded by satellite dishes, are dotted along the fence. This is where the

engineers live who work in the gold mine. There appears to be a school, along with several community centres. The neat prosperity the place affords seems almost unreal in such a dusty landscape.

It's hard to get away, with our vehicle only able to travel at walking pace. Groups of people follow our progress from the side of the road. As we near the mining city, the small groups form into a long, quiet procession. The river of people congregates at the entrance, with an even larger group heading in the opposite direction. There must be hundreds, no thousands, of people here, some of whom must have walked for hours to experience the great event: the opening of the Wassoul'Or gold mine, attended by the Malian president Amadou Toumani Touré himself. Just a few weeks after this event, ATT as he is known here, would be ousted in a bizarre coup.

The central square of the mining city takes the shape of an enormous courtyard. Several dozen dignitaries and esteemed guests are shown to their seats under canopies opposite the podium. The people take their seats under the canopies that shade them from the sun. Most of them, however, thousands of people – old and hobbling, along with children, men, mothers, young girls and boys, all congregate in the square in the full heat of the midday sun.

An official in uniform beats the chair that ATT is to sit on with a cloth for a full minute so that not even a single mote of dust is to be seen on the red velvet. It seems a hopeless undertaking in this arid environment, but that doesn't seem to bother him. He works over the fabric almost meditatively.

A group of soldiers are completing an exercise on the square, practising the various manoeuvres that they want to present to the president – including an experienced officer from the air force, who has completed training in France and the US. Left turn, right turn, present weapons – antique-looking wooden rifles rather similar to the MAS 49/56 of the kind that French recruits were equipped with for decades.

There's a celebratory atmosphere in this far-flung corner south of the Sahara. The gold mine here in the sand of the Sahel holds the promise of jobs, a regular income, hospitals, schools and paved roads. Some of this has already become a reality.

Malian businessman Aliou Boubacar Diallo has been looking for gold for 20 years. It has been a difficult undertaking, despite the fact that it had already been established that the gold reserves here were plentiful enough to warrant a large mine. “If I'd wanted to progress faster, I would have squandered my capital,” says Diallo. “But I wanted to show that we

“There appears to be a school, along with several community centres. The neat prosperity the place affords seems almost unreal in such a dusty landscape.”

“I wanted to show that we Africans can use our own resources.”



Over 180 machines have to work together in a harmonious process.

Africans can use our own resources." He has made this possible, despite all the major global commodities producers making him offers to buy up the majority of his business early on. He holds around 50% of the shares himself, with 25% owned by Pearl Gold AG and the rest belonging to other investors.

The word "mine" is misleading, however. Diallo isn't digging tunnels under the earth but washing the earth in an enormous facility to filter out the tiny particles of gold. One tonne of earth may contain two grams of gold – sometimes three. One thousand tonnes are processed by the facility every day, resulting in two to three kilograms of gold per day. It's incredible to think that this amount would fit easily in a handbag.

Ten minutes' walk from the mining city, the monstrosity looks like a spaceship from the future in the middle of the landscape – a masterpiece of technical engineering in the middle of the savannah. \$100 million was the price tag for this facility, which continually breaks up the rock, sieves the earth, washes out the sand and finally separates out the gold particles. Engineers wearing white helmets move methodically through the rod assembly. The earth is transported down long conveyer belts, spun in rotating drums and ground down by enormous rollers. It's easy to forget when considering the beauty of gold how much hard work goes into making it to start with. The facility is powered by enormous diesel generators that are housed in white containers, as well as by a neighbouring reservoir, which provides the facility with water.

Back in the mining city, the large square has filled with crowds. It's hard to imagine where all these people have come from and how they can all survive in this desolate environment. Many of them, we are told, set off early in the morning and have walked for hours to be here. How many of them would set off on long journeys by foot in the hope of finding a better job if this gold mine wasn't here? The mine appears to have provided the hope required to transform the downward spiral of poverty into an upward spiral of prosperity. It could provide plenty of work to people even outside the mine if the people who do find work here spend their money on buying clothes, a mobile phone, or building a larger house, or enabling their children to have a better education.

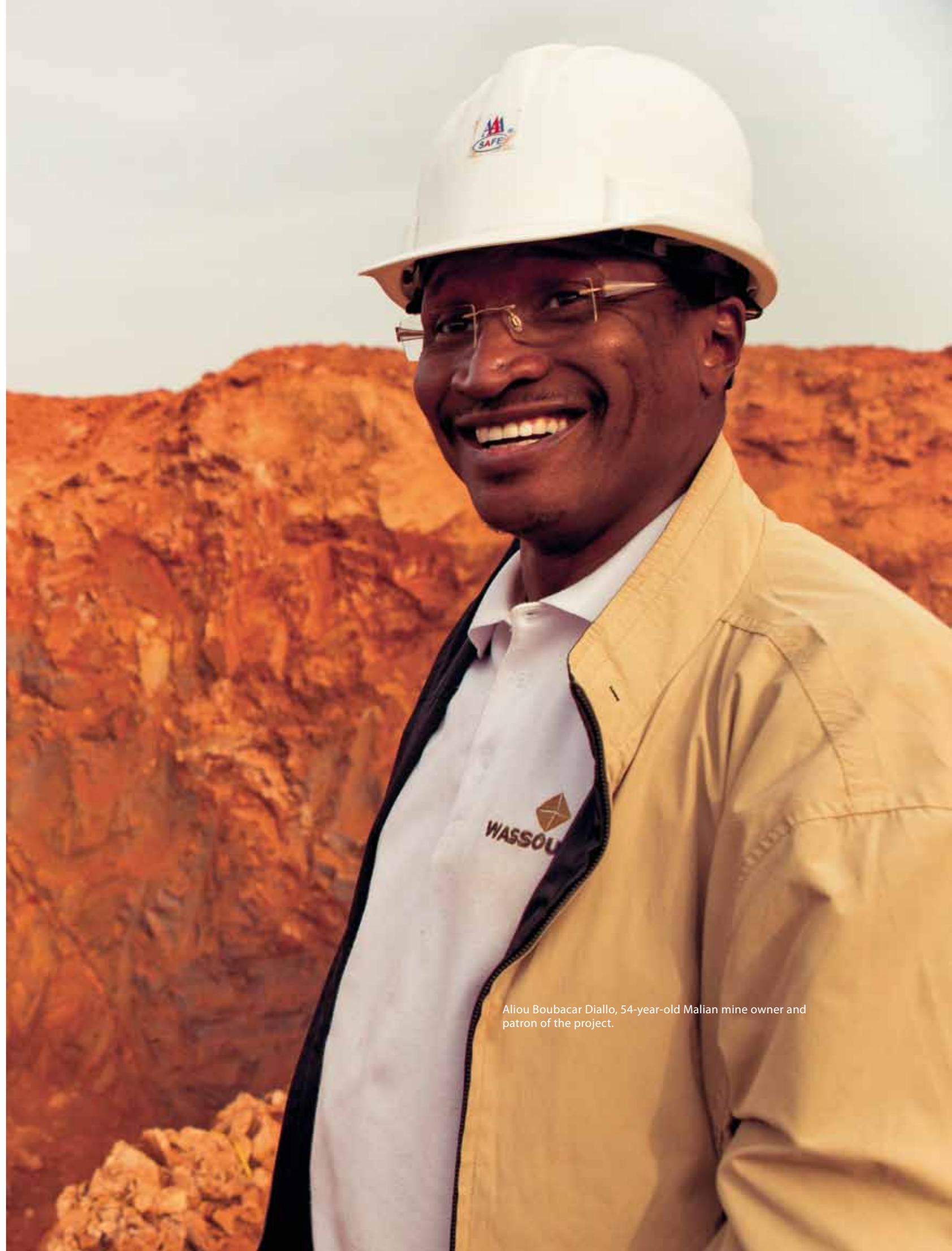
Entrepreneurs in places like Mali are never just businesspeople – their actions always have direct social implications, meaning they take responsibility for the people in the area where their business operates. As Diallo puts it: “If you make a lot of money through gold and the rest of the country is living in poverty, how can you reconcile that? People investing in this country today must also think of its future.”

The people wait patiently in the increasingly intense sun for their president. ATT was already experiencing political difficulty by the end of February, just a few weeks before the preposterous coup that forced him into exile. His badly equipped army was gradually losing control of the Tuareg area in the north. People were saying that hundreds of his soldiers had been taken prisoner and that dissatisfaction was growing in the army, primarily because it was so badly equipped. As the former colonial power, France also did not want to intervene directly. On the day of the opening ceremony at the Kodiéran gold mine, France’s former foreign minister, Alain Juppé, travelled to Bamako. After meeting ATT in the presidential palace high above the city, he reassured the president that France was interested in maintaining Mali’s “territorial integrity” – but it took a long time for these words to be translated into any kind of action.

ATT was due to arrive at 11 a.m. and finally turns up at around 1.30 p.m. He is barely noticed at first, preferring to walk into the square surrounded by a few trusted individuals rather than with a long convoy of cars as is usually the case among government officials in Africa. In the end, it was the crowd’s reaction that announced the president’s presence – conversations died down, as did the music, dancing and drumming that people had been enjoying while they waited.

ATT appears in a standard khaki-coloured military uniform, with his head covered by a simple beret. He crosses the square slowly and uncertainly, accompanied by dignitaries after receiving them individually. He takes his appointed seat. ATT was not the kind of president that enjoyed showiness or even ludicrous ceremonies as so many other powerful African leaders.

Despite this, his appearance was carefully calculated: the fact that he wore his military uniform rather than traditional dress as favoured by other the other Malians present was intended to show his decisiveness in terms of countering the rebellion in the north, hundreds of kilometres away.



Aliou Boubacar Diallo, 54-year-old Malian mine owner and patron of the project.



The fact that ATT came on foot and not in a car was intended to quell rumours that he was too old and infirm to put state affairs in order. The presidential election had been set for April and while ATT did not want to run for president again, he wanted to ensure the handover of power to a democratically elected successor.

Things turned out differently. Only the remote area here around Kodiéran has remained a region of peace and security in this turbulent country. Investments such as the Wassoul'Or gold mine may help to ensure that this stays the case because they bring the people there the promise of prosperity. We are assured that the last 30 kilometres of the road to Kodiéran will soon be paved. Then the people will no longer lose their link to the outside world when the rainy season leaves the track impassable.

*The author is editor of the financial section of the Frankfurter Allgemeine Zeitung.



The mine will not only operate during the day but around the clock.





Corneille Dena, facility manager at Wassoul'Or. Wassoul'Or employs local people wherever possible, including for managerial roles, which increases local acceptance of the facility. The mine has already directly created 400 jobs and there are still many others hoping to find work there.

Supervisory Board Report



Robert F. Goninon

The Supervisory Board of PEARL GOLD AG was composed of the following members in 2012:

“The Supervisory Board has focussed on the operative and strategic development of the company and the Group.”

- › Robert F. Goninon
(member and Chairman of the Supervisory Board)
- › Aliou Boubacar Diallo
(Vice-Chairman of the Supervisory Board)
- › Alexandre Davidoff
- › Pierre Roux
- › Olivier Couriol (until September 5th, 2012)
- › Dominique Fouquet
- › Konstantin von Klitzing (since September 5th, 2012)

During the year under review, the Supervisory Board performed those tasks incumbent upon it by law, the Articles of Association and Rules of Procedure. The Supervisory Board was comprehensively engaged in the operative and strategic development of the company and the group. The Supervisory Board met 4 times for meetings: on February 16th, 2012, February 29th, 2012, July 20th, 2012 and September 4th, 2012.

Due to the withdrawal of Mr. Oliver Couriol with effect from the General Meeting of 2012, the General Meeting of Shareholders elected one new member to the Supervisory Board on September 5th, 2012: Konstantin von Klitzing.

The Supervisory Board did not form any committees for the fiscal year 2012 because the size of the company does not make such necessary.

Numerous matters and facts as well as measures, which require approval, were discussed and dealt with. In particular, matters and facts requiring approval as well as fundamental strategic questions were discussed 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 oral and written reports and profit and loss accounts. It presented the economic 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 on 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 justified individual 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, pursuant to the Articles of Association, 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 and the business with the Board of Management and is confident about the organizational and economic capability and efficiency of the company management by the Board of Management.

Important matters which were discussed in 2012 were the development of the core business and, most significantly, the capital increase by a contribution in kind which took place on March 8th, 2012 with the purchase of 48.000 ounces of gold delivery rights by way of capital contribution. This capital contribution contract was evaluated by the auditing compa-

“Acquisition of supply rights to 48,000 ounces of gold via the capital investment”

ny Warth & Klein Grant Thornton. The Supervisory Board examined the planned transaction and made a corresponding report on February 12th, 2012. Further to this the difficulties during the commissioning of the Kodíeran Mine and the political situation in Mali have been discussed in detail. Especially the President of the Supervisory Board, but also other members travelled to Mali to get a personal impression of the development of the mine.

On September 5th, 2012, the General Meeting of Shareholders appointed Warth & Klein Grant Thornton AG as auditor for its annual accounts for the fiscal year of 2012.

The auditor audited the annual accounts of the company as per December 31st, 2012 as well as PEARL GOLD AG's management report and provided an unlimited audit certificate on March 20th, 2013.

The Supervisory Board examined the annual financial statements and the management report independently and discussed it with the Board of Management in its Meeting on April 3rd, 2013. No objections were raised.

On April 3rd, 2013, the Supervisory Board approved the annual financial statements, which were established by the Board of Management as per December 31, 2012. The annual financial statements are thus approved.

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

For the Supervisory Board



Robert F. Goninon, Chairman of the Supervisory Board

The shares

KEY INFORMATION

Founded: 11 November 2008

First day of trading: 17 December 2010 on the Frankfurt Stock Exchange's open market. The share price on being admitted to the stock exchange was EUR 7.00. Shares have a nominal value of EUR 1.00.

Change in stock market segment: 25 September 2012, EU-regulated General Standard on the Frankfurt Stock Exchange. The share price was initially pegged at EUR 10.50.

Number of shares: 25,000,000; one share, one vote principle

Abbreviation: 02P

Bloomberg: 02P GR

ISIN: DE000A0AFGF3

WKN: A0AFGF

Transparency level: General Standard

Market segment: EU-regulated market

Designated sponsor: biw Bank für Investments und Wertpapiere AG

"25 September 2012, EU-regulated General Standard on the Frankfurt Stock Exchange"

SHARE PRICES

Both the country of Mali and Pearl Gold were strongly influenced by the political crisis in 2012. The military coup in March and the escalating terrorist uprising in the north at the end of December led to increased tensions in the region. Negative press coverage also led to instability on the financial markets. Fuel shortages and more stringent entry requirements for international experts were the main challenges faced by Pearl Gold and Wassoul'Or during the year. However, positive factors included the official opening of the mine in Mali and the company's uplisting on the Frankfurt Stock Exchange.

Pearl Gold shares started the year with a value of EUR 11.00. A few days later, the first production facility went into operation. Investors reacted positively and the share price increased on 18 January by 27.3% to an annual high of EUR 14.00. The mine was officially opened on 25 February with around 3,000 guests in attendance, including the then president of Mali, Amadou Toumani Touré, who awarded the mine operator Aliou Boubacar Diallo the Order of Merit. The first gold bars were cast as part of the celebrations.

On 16 March, Pearl Gold AG, alongside its new CEO, Lutz Hartmann, decided to implement a capital increase against contributions in kind. As such, the Malian company SODINAF SA received five million new shares in return for supply rights for a total of 48,000 ounces of gold from Wassoul'Or. The share price decreased slightly and remained stable at around EUR 12.00 until mid-April.

On 21 March, president Touré was ousted as a result of a military coup led by Captain Amadou Sanogo. In reaction to the resultant political instability and the stricter entry requirements for international experts and service providers, the Pearl Gold share price dropped to a six-month low of EUR 7.20 on 13 June 2012.

The share price recovered quickly, however, because the drilling programme in the Traorela exploration area was successfully completed at the end of June, the international team of experts was partially replaced and the production line at the Kodiéran mine was processing 5,000 tonnes of raw material per day. Thanks to these positive events and in spite of the ongoing political tensions in the north of the country, the share price gained momentum again, rising through the summer to a stable average of EUR 11.00.

"5,000 tonnes of raw material per day"

In mid-September, Pearl Gold AG, led by Lutz Hartmann, successfully completed its changeover to the regulated market segment of the Frankfurt Stock Exchange. Shares started priced EUR 10.50, with Pearl Gold the only company in the General Standard focussing on gold mining.

The decision by ECOWAS to lead a military operation in Mali in 2013 highlighted the critical situation in the north of the country, which was until that point controlled by Islamist rebel leaders. The Malian army was not in a position to be able to bring the situation under control. The share price reacted to this in the last quarter of the year, slumping by 37.5% to EUR 6.20 on 7 December.

A few days later, the situation became even more critical for the Malian government and Prime Minister Cheick Modibo Diarra stood down on 11 December as a result of internal political pressure. Shortly after this, President Traoré appointed Mr Django Sissoko as his new prime minister. These abrupt changes within the government and the ongoing rebellion in the north led to so much insecurity on the financial markets that the Pearl Gold share price finished the year 2012 valued at EUR 6.45.

Capital increase

On 16 March 2012, the company implemented a capital increase against contributions in kind. As such, the share capital of over EUR 20 million was increased by a further EUR 5 million in the form of the distribution of new shares payable to the bearer to the Malian company SODINAF SA in return for the transfer of gold supply rights from SODINAF to Pearl Gold.

SODINAF is the original owner of the Faboula concession, which is where the Wassoul'Or mining company is active. At the same time, SODINAF owns a 54% share in Wassoul'Or. SODINAF ensured the financing of the Kodiéran gold mine and thus acquired a share of the future gold production from the mine in the form of supply rights.

The contributions in kind that Pearl Gold received took the form of the transfer of some of the rights acquired by SODINAF. Initially, it was planned that Pearl Gold would receive 14,000 ounces of gold in 2012 and 34,000 ounces in 2013. As a result of technical delays and the escalation of political tensions with the resultant bottlenecks, for instance with regard to fuel for the mine's generators, gold production from Wassoul'Or has been significantly lower than planned. As a result, it was not possible for Wassoul'Or to supply the full amount of 14,000 ounces gold, instead only managing to supply 1,800 ounces. The remaining amount is to be provided successively over the year 2013 and beyond. Pearl Gold has received assurances from SODINAF that this amount will be supplied.

“Pearl Gold has received assurances from SODINAF to guarantee the supply of gold”

However, smaller investors are also given a better insight into the company thanks to the mandatory reporting required by the General Standard, which then creates trust.

The share price opened at EUR 10.50, reflected in a market capitalisation of around EUR 262 million.

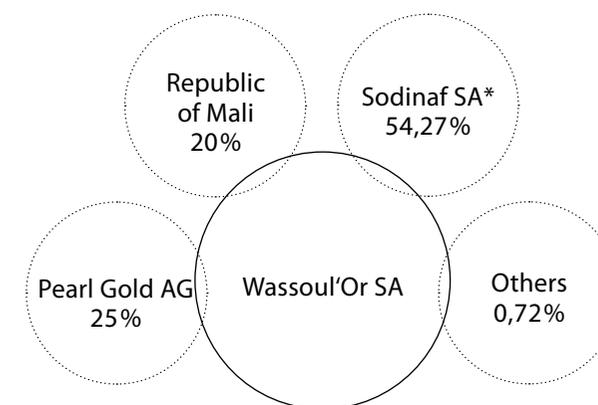
The uplisting took place at an event organised at the Frankfurt Stock Exchange which was attended by guests including the Malian mining minister Amadou Baba Sy, representing the Malian government and expressing its recognition of and support for the partnership.

In addition, the uplisting event was also featured on a TV interview on US broadcaster CNBC, which was broadcast live in its “Squawk Box” programme.



Change of stock market segment

On 25 September 2012, Pearl Gold AG switched from the open market/Quotation Board on the Frankfurt Stock Exchange to the General Standard, a higher segment of the stock market with more stringent requirements with regard to transparency. The background to this uplisting was that institutional investors in particular are obliged to adhere to certain criteria in their investment guidelines such as those guaranteed by being listed in a segment with increased transparency.



Investment strategy

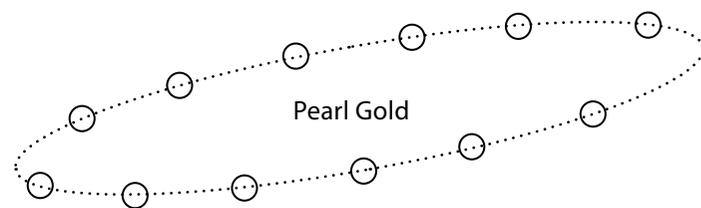
Pearl Gold – more than just an investor: we play an active role, we are represented locally and we take responsibility.

WHO WE WANT TO BE

The name Pearl Gold is a symbol for the company's vision. Producing gold – from exploration to the first gold bars – is a long, hard and complex process with countless factors and people playing a role, all of which has to be brought together in a sequence of steps one after the other, like a string of pearls. Pearl Gold AG sees this process as a whole, taking an active role in investing and managing the process from the earliest possible step to the very last stage.

As a result, the company has chosen to do things differently to other companies, particularly the major multinational commodities groups.

Pearl Gold identifies completely with investment projects and sees itself as a string of pearls, rather than an individual unit. As such, it focuses on the development of a project and indeed the region.



WHAT WE WANT TO ACHIEVE

Pearl Gold not only provides the capital but also takes responsibility for the mine.

In practical terms, this takes the shape of giving preference – wherever possible – to more environmentally friendly processes as opposed to chemicals, local employees instead of expatriates, and locally produced goods instead of imports. The company has not only adopted this strategy for moral reasons but also in order to establish and secure the local economic infrastructure. Local development is essential for the long-term

security and supply of the mine. In addition, this strategy also creates partnership instead of resistance from the population and avoids strikes and unrest while offering a local competitive advantage.

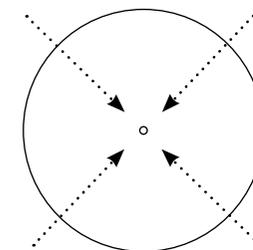
WHY WE'RE SAFEGUARDING PROSPECTS

Pearl Gold is the biggest German investor in Mali. The development focus stands in stark contrast to the strategy of most other German investors in Africa, who primarily focus on the export of goods. Such companies often forget the fact that countries like Mali first need a market established before goods can be traded on a broader scale. However, most are not willing to make such large investments because they only see the risks involved and not the opportunities.

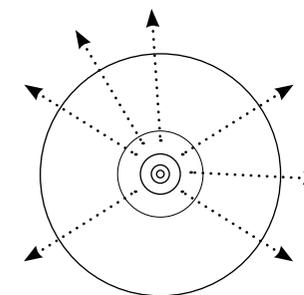
As a result, many German companies miss out on the opportunity to establish the foundations for prosperous businesses early on. Many African markets are growing at breathtaking speed, offering countless investment opportunities primarily in the fields of resources and agriculture. In addition, German companies also have an excellent reputation, as well as a particular sense of tradition in West Africa.

"We shouldn't miss out on such opportunities because we are simply not on the scene."

"We shouldn't miss out on such opportunities because we are simply not on the scene," says Pearl Gold CEO Lutz Hartmann. "Instead, we should focus on mutual growth from which both parties can benefit over the long term."



Responsibility



Opportunities



5 kg gold bars with a purity of over 90%.
Before being sold, the gold has to be refined to 99.9% purity.

CONDITIONS AT THE KODIÉРАН MINE

The Kodiéран gold mine is situated in the southern part of the country, around 300 km south of the capital, Bamako. In contrast to the very arid north of the country, which faces almost constant droughts and desertification, the savannah landscape of the south has a completely different climate. It is characterised by the typically red soil of Africa, with the vegetation is lush in places, especially in the months following the rainy season (June to January). The Bamako-Kodiéран road, which is not fully paved yet still easily passable, is lined with grasslands and broad-leafed trees. The land is used for raising cattle, growing vegetables and cotton, which is Mali's second biggest export after gold.

The gold deposits in the mining area on the Faboula concession originated many millions of years ago. These rock deposits are known as the Leo Shield, and it contains the most gold in West Africa. The Kodiéран area inside the Faboula concession is located above primarily Birimian formations, mainly comprising metasediments, diorite, quartz veins and a weathered zone of varying thickness – up to 70 metres in places.

The gold at Kodiéран occurs in mineralised form in zones with quartz veins. The gold and quartz sometimes occur as composite material. The average thickness of the veins is five metres, with mineralised zones occurring around every 25 metres. Networks of gold veins have been localised within the gold-bearing zones. The geological studies conducted for the evaluation of the mine showed two profitable mining zones in the Kodiéран area: the upper zone is located at the surface up to a depth of 20 metres, and the second zone extends over a further 25 metres. Most of the gold is located in the upper zone.

The Kodiéран mine offers a significant advantage as compared with the mines from major gold exporters such as Australia, South Africa or Canada: it is an open-cast mine. In underground mining, it is necessary to drill to a depth of up to two kilometres to find gold-bearing rock. In the Kodiéран open-cast mine, however, no drilling or detonation work is necessary at all. This means that mining here is not only more environmentally friendly but also more economical.

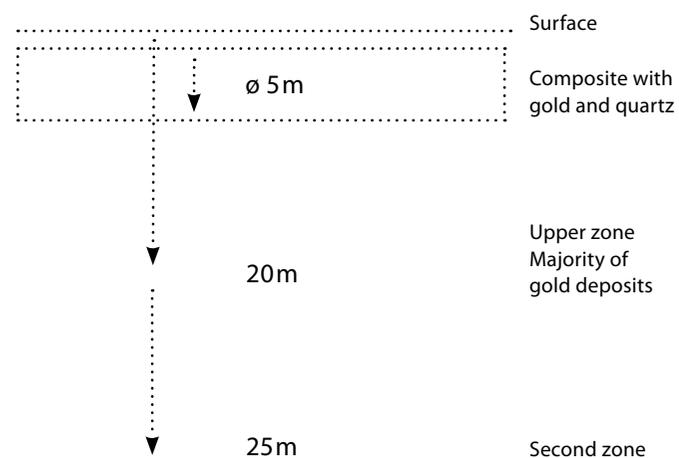


Conveyor transporting the gold-bearing rocks, which have been sorted by size.

The operating costs of the Kodiéran gold mine – around \$350 – are up to \$700 lower than those for an underground mine.

During the exploration phase and while conducting the geological surveys into gold deposits on the concession, something remarkable was revealed: at the exact same location of the Kodiéran gold mine, the geologists found boreholes that archaeological tests dated back to around 700 years ago. At that time, Mali was ruled by its greatest king, Mansa Moussa. His activities indicate that he was also active in the area where the Kodiéran gold mine is situated and that the boreholes were actually part of the king's own mine.

The south of the country is not only the most agriculturally promising part of the country, but also with regard to business prospects. The relative proximity of the capital, Bamako, is one major advantage. In addition, the infrastructure is much better developed in the south of the country than in the north, which is particularly important when it comes to gold mining since it relies on the regular deliveries of goods. There are many gold mines in the concessions bordering on Faboula, which means there is also a good supply of well-qualified, local staff. Finally, it is worth emphasising the distance from the political and military conflict in the north (Gao, Kidal and Timbuktu). Although the coup in March 2012 and the subsequent events severely restricted the availability of international service providers and the French intervention in Mali from January 2013 led to severe diesel shortages, the security situation was always stable and the basic decision to continue to support this investment was never in doubt.



High-purity gold nuggets, which can only be obtained using gravimetric processes.



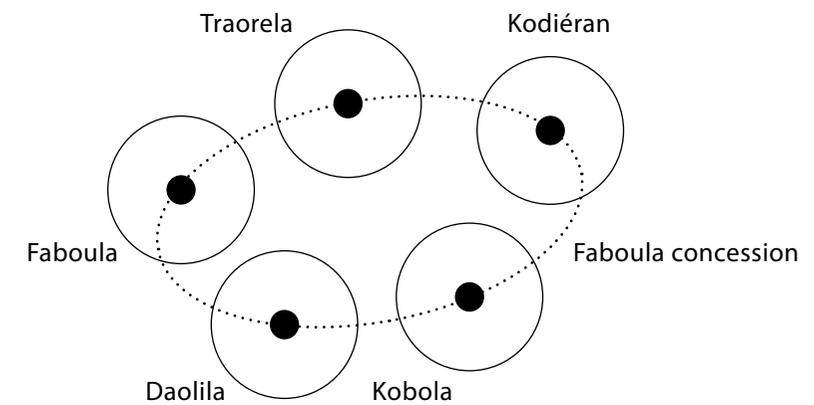
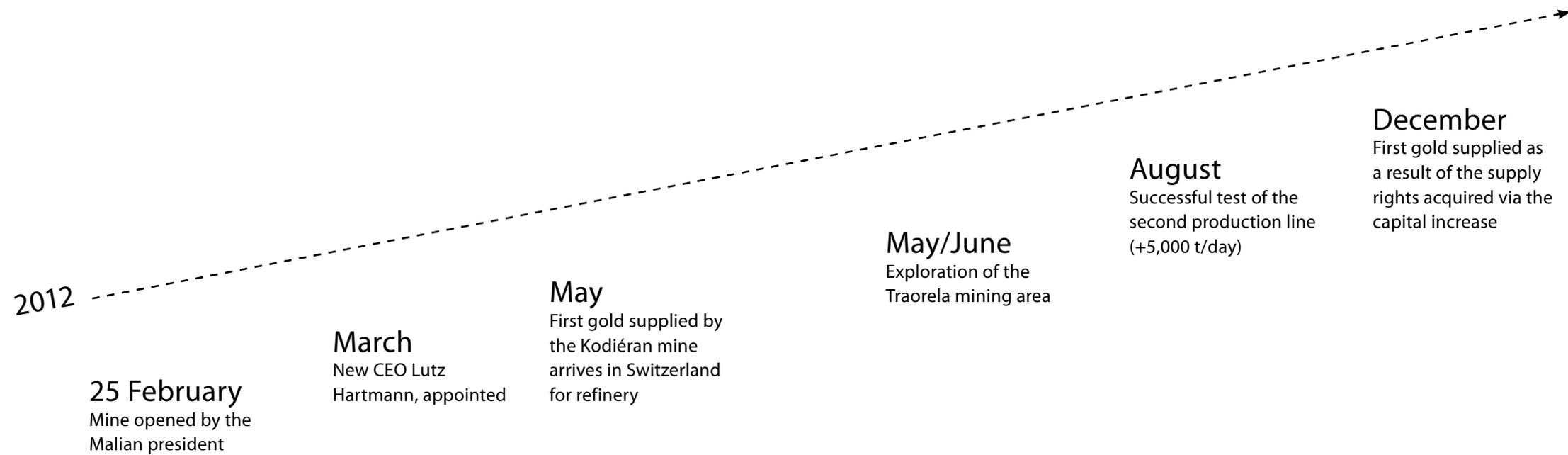
In addition to operating the factory, an extensive vehicle fleet, a laboratory, a garage, a depot and a quarry must also be up and running.





Rock containing gold is first leached, and the minerals then separated in a centrifuge.

Development of the mine



The mine's prospects

The Faboula concession covers an area of 100 km², with the Kodiéran area making up just 3 km² of this. Pearl Gold believes there are a further four potential mining areas on the concession: Traorela, Faboula, Kobala and Daolila. Pearl Gold and the operator of the Kodiéran mine, Wassoul'Or, have planned extensive exploration work on these areas. The Traorela area is already being surveyed and a process that analyses several layers of rock

aims to confirm the gold deposits. Although it cannot be assumed that the other areas contain the same amount of gold as Kodiéran, it is clear that the confirmed total gold reserves will increase significantly.



CLINIQUE MEDICALE

Wassoul'Or operates a clinic with a doctor and two nurses.
The clinic is used by the surrounding villages by women giving birth,
for example.



Local social responsibility

“The company is primarily interested in sustainable investments”

For Pearl Gold, its investment in Mali doesn't simply mean being represented as an investor and supporting the mine operator. The company is primarily interested in sustainable investments. This includes supporting local development in order to create the prerequisites for economic prosperity. The result of this commitment helps both the local population as well as the investor.

In order to guarantee stable local relationships, Pearl Gold has chosen to employ local people wherever possible. In addition, the mine also trains unskilled workers from the surrounding communities in basic trades such as carpentry, plumbing and masonry. This creates the basis for skilled workers being able to find work at the mine, or elsewhere.

The first projects involved the construction of two local schools and a health clinic. Providing schooling for mine workers' children aims to help them find qualified work later in life. The children from surrounding communities can also attend the Kodiéran school free of charge. The same is true of the health clinic. Not only the mining staff but also the people from neighbouring villages can take advantages of the free healthcare provided by the clinic. These two projects have already made an important contribution to the development of the region.

“This approach plays a central role in strengthening the local economy”

In addition, the company has also forged a partnership between the external operator of the mine canteen to promote the use of locally purchased foods. The Faboula community has already started cultivating municipal land to supply the canteen with fruit and vegetables. The project will be expanded to all foods grown or produced locally, including chicken, eggs and meat. This approach plays a central role in strengthening the local economy. In addition to the jobs available at the mine itself, this also enables the establishment of sustainable, small companies so that local people can make a living.

As part of an animal feed project, unskilled young people from the local communities are employed to harvest the grass that is so plentiful after the rainy season, then dry it and store it as animal feed for the dry season. This project gives unskilled workers a job with a regular income and secures the food supply for whole herds of cattle in the dry season.

In the medium term, the roll-out of a microfinancing scheme has also been planned. This aims to secure existing small and medium-sized businesses and enable them to expand. The aim is to guarantee that as many products as possible are sourced locally. This not only creates a stable social environment but also increases the efficiency of the business thanks to the lower transport costs.

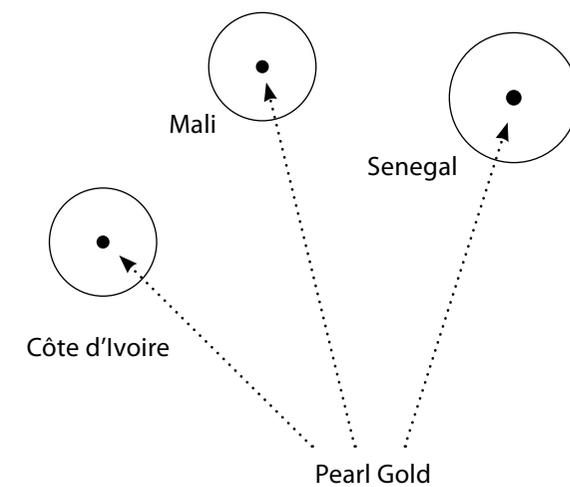
Exploration of Traorela and other potential investments



In the second half of 2012, a number of test drilling projects took place in the Traorela area. The results were first analysed in a laboratory. The findings were very promising but the tests did not yield sufficiently consistent results because only 0.5% of the drilling material was investigated in the laboratory as standard. In order to be able to make a decision regarding the investment, the mine operator, Wassoul'Or, decided to analyse the samples in more detail in a second step. The Wassoul'Or and Pearl Gold management both believe that this second test will result in positive findings.

The results are expected towards the end of the first half of 2013. Should gold deposits worthy of mining be discovered, the next concrete steps for the exploration of the area will be initiated.

Aside from the potential for gold mining on the Faboula concession, Pearl Gold is also actively looking for other potential investments. Currently, the company is focussing on Côte d'Ivoire and Senegal, besides Mali.



MANAGEMENT REPORT



BUSINESS AND GENERAL ENVIRONMENT

PEARL GOLD AG ("Pearl") is a German corporation headquartered in Frankfurt am Main. Pearl was newly founded in 2009 and thus, does not have a long corporate history. The company has been quoted in the General Standard at the Frankfurter Wertpapierbörse since September 2012.

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."

Pearl mainly acts as an investor in gold mining projects in Africa. To this end, Pearl acquired a 25% stake in Wassoul'Or S.A („Wassoul'Or") in 2010. Up to March 2012, this was Pearl's main asset. In March 2012, by way of a contribution in kind, Pearl acquired gold delivery rights, which are expected to produce a total of 48,000 ounces of gold by December 2013. Furthermore, Pearl provides consultancy in connection with the extraction of gold and other mineral resources.

Wassoul'Or is a 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 km² 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 km², 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.

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 11,000 t 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.

In addition to these logistical problems came the political instability in Mali in 2012. Unforseeable for Pearl, there was a military coup in March 2012 and the democratic government was disempowered together with the President of Mali. This situation led to considerable problems with the commencement of production. The general contractor left Mali with his entire team a few days after the military coup and Wassoul'Or had to terminate the respective contract after six weeks because they refused to return to Mali. There were also considerable delays in the delivery of several machines because the contractors were unable to travel to Mali as a result of travel warnings issued by their individual countries.

This situation hit Wassoul'Or hard as the general contractor was supposed to take over some parts of the mining operation.

As a result, it became necessary to refill central positions at Wassoul'Or from the end of May 2012. So far, the company has been successful in filling 2/3 of the vacancies and further efforts are currently being made to fill the remaining positions.

The delays for these varied reasons meant that the commencement of production by Wassoul'Or was much later than anticipated and the status planned for April/May last year could only be achieved in January 2013. Currently, efforts are being made to improve production with the support of external consultants of international standing.

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.

EARNINGS, FINANCIAL AND ASSET POSITION

EARNINGS POSITION

Revenues from the primary business activity "Gold mining" at Wassoul'Or, contrary to our report last year, are not expected until the second half of 2013. As a shareholder, Pearl only participates in Wassoul'Or's profits via dividend payments, meaning that income from dividends is expected in 2014 at the earliest. Some small revenue was already achieved with the sale of gold that had been delivered in fulfilment of the delivery obligation of Wassoul'Or to Pearl in 2012. This allowed us to eliminate the corporation's debt to a very large extent and to cover its financial needs.

Since Pearl has only recently started selling its project development and consulting services, in 2012 only small amounts (kEUR 38) of consulting turnover have been achieved.

Other operating expenses amounting to kEUR 3,375 (prior year: kEUR 706) are attributable in particular to legal, consulting financial reporting and audit fees (kEUR 723). The costs in 2012 are higher compared to the previous year as the corporation's finalization of the entry into the General Standard of the Frankfurter Wertpapierbörse and the completion of the prospectus and the accompanying consultancy with banks, tax advisors and auditors led to increased costs. Further to that this position contains depreciation on the gold delivery rights (kEUR 2.154), which result from the lower gold price in comparison with the contribution value.

On balance, this results in a total net loss for the year amounting to kEUR 3,346 (prior year: kEUR 606) for 2012.

In the coming years, Pearl plans to continually expand its project development and consulting activities, with Pearl's expertise in the gold mining and raw material business being specifically placed at the disposal of Wassoul'Or in order to ensure that the mining and sale of the gold proceed according to schedule. It is also planned to increasingly win third party clients in the consultancy sector. To this end, the corporation has co-organized numerous events and has held lectures on the subject of raw material production in Africa. As a result, Pearl's name as a specialist for Africa in this sector has become increasingly well-known.

Wassoul'Or is expected to generate routine revenues from the sale of the extracted gold during the second half of 2013. 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.

FINANCIAL SITUATION

The company's liquidity is ensured by means of deposits and loans from related parties as well as gold deliveries that had been contributed to the company by means of a contribution in kind. From a partial fulfilment of these rights financial means in an amount of EUR 2.2 million could be registered that were mainly used to reimburse short term loans. Loans from related persons are registered with an amount of kEUR 75 as of the cut of date.

Pearl and Wassoul'Or agreed that Pearl shall leave to Wassoul'Or as much Cash-Flow from the sale of produced gold as possible but shall receive as much gold deliveries as necessary to fulfil its financial obligations. As the fixed costs of Pearl are very low, these costs can be covered with a minimum production.

As of 31 December 2012, the available liquid funds of the company amounted to kEUR 18 (prior year: kEUR 78).

ASSETS POSITION

As of 31 December 2012, 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 2012, these were valued at some EUR 140 million. The value of the participation remains the same as in the previous year as – despite the delay in production (this year Wassoul'Or plans for a production of ~ 100.000 ounces in place of 200.000 ounces) – the evaluation of the participation, which has formerly been done, still exceeds the balance sheet value.

In addition, the gold delivery rights of 48,000 ounces Gold which the corporation obtained in March 2012 by means of a contribution in kind are included here. These are valued at approximately EUR 59 million as per 31.12.2012. The contribution value was calculated on the basis of the gold price at the time of contribution. In December 2012 this delivery right was fulfilled by the debtor Wassoul'Or in the amount of 1,800 ounces by making out bills of exchange. The remaining delivery right of 46,200 ounces was accounted for at the gold price at the cut of date. As from the realization of the delivery right at a gold price below book value and depreciation, which resulted from the difference between the initial gold price as of the date of origination of the gold delivery obligation and the price as of the cut of date, a loss of a total value equal to kEUR 2,154 resulted.

Current assets (receivables, other assets and bank balances) amount to a total of kEUR 59,198 (prior year: kEUR 399).

As of the balance sheet date, provisions and accounts payable amounted to approx. kEUR 778 (prior year: kEUR 1,636), which are in particular attributable to consulting services.

As of 31 December 2012, the equity ratio amounted to approx. 99.6% (prior year: 98.9%).

The economic situation of the company at the date hereof remains basically the same as at the cut of date.

SUPPLEMENTARY REPORT

The following noteworthy events occurred after the end of the fiscal year:

In March 2013, Wassoul'Or concluded a consultancy agreement with the South African company SENET. Here, the aim is to increase productivity of the mine, to obtain optimization suggestions, and to project the planned doubling of capacity, in particular, to examine and analyse alternative solutions such as de-slurrying.

REMUNERATION SYSTEM

REMUNERATION OF THE MANAGEMENT BOARD

The Management Board received a remuneration for the first time last year. This consisted in a consulting fee paid to the law firm Buse Heberer Fromm in the amount of kEUR 100 (previous year: kEUR 0) for the activity as board member. The board position is currently executed by Lutz Hartmann under a consulting mandate with the law firm Buse Heberer Fromm. The board member Jean-Louis Dupuy does not receive any remuneration.

RISKS AND OPPORTUNITIES REPORT

In the main, the risks and opportunities of Pearl currently result from the interests in Wassoul'Or. 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 15 years prior to March 2012 have been characterized by relative political stability and an emerging democratization. All this changed after the military coup in Mali on 22 March 2012. Certain terrorist groups in the north of Mali used the political vacuum to establish an uncontrolled area to the north of the town of Mopti through violence and a terror regime. 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. The situation has also improved immensely since January 2013 after French troops joined forces with the Malian army and managed to free the north of the country entirely. The interference of the military also led to further difficulties as their immense fuel demand led to shortages and it was not possible to produce sufficient electricity at the mine. However, the situation has now normalized.

The political situation in Bamako could be of considerable importance for Wassoul'Or. However, the previous year showed that all 3 governments (the military junta, the initial and the second transitional governments) did not make any efforts to change the legal situation of the mine in any way whatsoever. Occasional rumours about an increase of the State's share in the mine could not be confirmed. The government, which is now operating stably, works closely together with all investors and no reservations are apparent. There is no apparent risk regarding the concession. Rather, the previous year has shown that this is also the situation in politically instable times.

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. This could in particular be the case if Mali remains excluded from international aid programmes for any considerable time. This would mean that important parts of the budget would no longer exist and would have to be covered by other means. However, these programs are now running again after the intervention of the French troops so that this danger appears to be limited.

Nor can it be ruled out that political opinion and public sentiment could turn against the mining industry, for example due to alleged environmental destruction. Due to Wassoul'Or's environmentally friendly operation and highest possible dispensation with chemicals, they are rather not at risk. All chemicals are collected and professionally disposed of and only occur in small amounts in the final phase of gold extraction. Further, the chemicals are only used in a closed circuit and emissions only occur when these emissions fall short of the maximum permitted rate. Even in such case, the emission is stored in a tank which is sealed by a membrane and the concentration is reduced further without any danger to the environment.

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. Wassoul'Or is considered to be exemplary among the mining companies which are active in Mali. Numerous programs have led to a broad acceptance by the local population. The mine supports the cultivation of a communal vegetable field which in part supplies the mine's canteen. Furthermore, the canteen operator is required to buy as much of his supplies as possible locally. Wassoul'Or also initiates numerous agricultural projects.

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. The extraction of further deposits not yet explored would most probably require an extension of the concession.

No specific political, social and regulatory risks, which could potentially affect the operation of the mine, are recognizable at present.

MARKET / INDUSTRY-SPECIFIC RISKS

The lion's share of the income of Pearl or Wassoul'Or is going to be 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.

In 2012, demand for gold stood at approx. 4,405 t (Source: World Gold Council). According to that the quantity of gold mined amounted approx. 2,800 t per year and was situated approx. 9% above the 5 years average. 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. The fluctuation in the price of gold also shows that a further decrease in the price of gold to USD 1,200 or less is very unlikely.

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 compensate this using potentially positive income from other business segments. Plans for diversification are currently in the pipeline, however, due to the time delays at Wassoul'Or in 2012, could not yet be initiated. Several projects are now planned and a concretization is expected in 2013.

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 recognizable at present. The current figures do not indicate an increase of this risk.

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 and in particular in the spring of 2013. 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. Neither plan was developed further in 2012, mainly as a result of the political situation in Mali.

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. This was shown in 2012 when the management of the general contractor left the mine and, due to the political situation in Mali, it was not possible to obtain a replacement quickly.

V. FINANCIAL RISKS

At present, Wassoul'Or is largely financed by its largest shareholder SODINAF SA, which has committed itself to funding the company up to completion of the mine. The delay in commencement of operations means that the running costs have to be covered by Wassoul'Or in the meantime. This is currently covered by third party funds which are mainly provided by local banks. It cannot be excluded that Wassoul'Or will request financial funds from the shareholders in the future.

Pearl is currently hardly generating revenues. To settle accounts payable due from business operations, Pearl is therefore dependent on deposits and loans from the shareholders as well as on the fulfilment of the gold delivery duties. 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 11,000 t ore per day. Delivery of expendables and spare parts could also be affected negatively as a result of the difficult political situation. These technical risks came to pass in part last year because the existing problems in the initial phase could not be settled on time. This is in fact not unusual in industrial processes, however, as a result of the problems described above, this phase lasted longer than Wassoul'Or anticipated. External specialists have been consulted and a speedy result is now expected.

VII. RISK MANAGEMENT SYSTEM

The company defined the relevant risk factors in detail along the above chapters. These risk factors are evaluated in regular time periods and the considerations of the management are documented. Management and supervisory board consult in a continuous way on their appreciation of the risk factors.

In relation to the accounting the control and risk management system is adjusted to the situation of Pearl. The accounting is effected by a professional external service provider that reports in a 3-months period about its activities. These reports are controlled in detail and discussed various times per year on the phone and in personal meetings. The company further to that executes spot tests to control the effectiveness of the external provider. Further measures do not seem appropriate seeing the current accounting volume as a participation company with little booking activity.

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 10,000 to 11,000 t per day. The plant was completed during the first quarter of 2012, while to date complete operation of the plant has yet to be achieved. We expect the final inspections to be completed during the second half of 2013. However, gold is already being produced daily, although at an extremely low level.

Parallel to an increase in 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.

ENVIRONMENTAL PROTECTION

Opencast gold mining impacts existing ecosystems. The possible effects of gold mining on the environment were assessed in two environmental impact studies from 2007 and 2011. 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 studies 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. Re-cultivation 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 as described in more detail above.

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 with the exception of the investments for the closed circuit for the cyanide extraction. In addition, the corporation monitors the environmental influence closely and, where appropriate, takes further precautions, e.g. a more intensive emission protection, so that the water supply is protected accordingly.

DECLARATION ON CORPORATE GOVERNANCE

The declaration according to § 289a HGB is published on the Homepage of the company and can be consulted there (www.pearlgoldag.com)

DATA RELEVANT TO ACQUISITIONS

Information to be reported pursuant § 289 Abs. 4 HGB and explanatory report

- › Composition of the subscribed share capital: The share capital of Pearl as of 31st December 2012 amounted to EUR 25,000,000 and was divided into 25,000,000 no-par value bearer shares, each with a proportionate amount of the share capital of EUR 1.00. One ordinary share imparts one vote.
- › Restrictions, which affect voting rights or the transfer of shares: The Board of Management is not aware of any restrictions which affect voting rights or the transfer of shares, including such resulting from agreements between shareholders.
- › Participation in capital which exceeds 10% of the voting rights: We are not aware of any direct or indirect participations in the capital of Pearl which exceed 10% of the voting rights.
- › Shares endowed with special rights, which impart powers of control: No Pearl shareholder possesses special rights which grant him or her powers of control.
- › Type of voting rights control in case that employees participate in the capital and do not directly execute their powers of control: Pearl does not employ employees.

Statutory provisions and such of the articles of association re the appointment and removal of members of the Board of Management and re the amendment of the articles of association:

The requirements for the appointment and removal of the members of the Board of Management and for the amendment of the articles of association are governed by the applicable provisions of the Aktiengesetz (AktG, German Stock Corporation Act). According to the articles of association of Pearl our Board of Management consists of one or more persons which are appointed by the Supervisory Board for a maximum period of

five years pursuant to § 84 AktG. The number of members of the Board of Management is determined by the Supervisory Board. A reappointment or prolongation of term of office is permitted, in each case for another five years at most. In case that the Board of Management consists of more than one person the Supervisory Board may appoint one member as President and another one as Vice-President of the Board of Management. It is permitted to appoint substitutional members of the Board of Management.

Pursuant to § 84 AktG, the appointment of a member of the Board of Management can be withdrawn by the Supervisory Board, if regarding this member there exist significant grounds, e.g. gross breach of duty. If the number of members of the Board of Management is lower than required, in urgent cases an appointment by court can be conducted pursuant to § 85 AktG.

Pursuant to §§ 179, 133 AktG, the amendment of our articles of association is conducted by resolution of the General Meeting of Shareholders by majority of at least three quarters of the on voting present share capital. The authority of amendments which only relate to the formal wording has, pursuant to § 18 par. 4 of the articles of association, been transferred to the Supervisory Board.

- › Authority of the Board of Management to emit or rebuy shares: By resolution of the Annual General Meeting of Shareholders on the 16th June 2011, registered in the Commercial Register on the 19th July 2011, the Board of Management is empowered to increase the registered share capital of the company upon approval by the Supervisory Board until the 1st June 2016 by not more than EUR 10,000,000.00 (Euro ten million) by a single or repeated emission(s) of ordinary shares or non-voting preferred shares against cash deposit or contribution in kind (Authorized Capital I 2011).

A subscription right is to be granted to the shareholders, principally by granting an indirect subscription right (§ 186 par. 5 AktG). However, the Board of Management is empowered to suspend the subscription right upon approval by the Supervisory Board:

- a. to compensate for residual amounts;
- b. for granting the holders of option bonds, convertible bonds or convertible participation rights to be issued subscription rights;
- c. to issue shares as employee shares to company employees up to a portion of 10% of the share capital;
- d. to obtain capital contributions in kind, in particular in the form of companies or parts of companies, which are of interest for and correspond to the nature of the company;
- e. to take advantage of new capital markets by way of share placement, particularly abroad;
- f. if during capital increases for cash the issue price is not significantly lower than the stock market index price and the number of shares issued with exclusion of existing shareholders from subscription rights does not amount to more than 10% of the share capital at the date of effectiveness or at the date of exercise of this authorization.

Subject to the approval of the Supervisory Board, the Board of Management decides on the content of the share rights and the conditions of the share issue. Here it has the power to issue ordinary shares and/or non-voting preferred shares, while the details, particularly the amount of the preferred dividend of the preferred shares, are determined by the Board of Management upon approval by the Supervisory Board. Even if the capital increase is conducted in more than one stage, preferred shares which have priority before or have equal priority with such shares that are issued in an antecedent stage can be issued in a following stage. On the issue of new shares the commencement date of the right to participate in profits can be determined by derogation from § 60 AktG. The Supervisory Board is authorized to amend the wording of the articles of association according to the extent of the share capital increase from the authorized capital after complete or partial utilization or after expiry of the authorization period.

The company has utilized the Authorized Capital I by amount of EUR 5,000,000.00 due to the capital increase carried out on 20th March 2012 from authorized capital.

- Essential agreements which are conditional upon the change of control following a takeover bid:

Essential agreements which are conditional upon the change of control following a takeover bid do not exist.

- Agreements for compensation which are made for the case of a takeover bid with members of the Board of Management or employees:

Agreements for compensation which are made for the case of a takeover bid with members of the Board of Management or employees do not exist.

Frankfurt am Main, 25.03.2013

The Board of Management

To the best of our knowledge, and in accordance with the applicable reporting principles, we hereby declare that the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and that the management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

Frankfurt am Main, 25/03/2013



Jean Lousi Dupuy (Management)



Lutz Hartmann (Management)

FINANCIAL STATEMENTS



ASSETS

LIABILITIES

BALANCE SHEET as at 31 December 2012

PEARL GOLD AG, 60322 Frankfurt am Main

	31 December 2012	31 December 2011			31 December 2012	31 December 2011
	€	€		€	€	€
A. Non-current assets				A. Equity		
I. Property, plant and equipment				I. Subscribed capital	25.000.000,00	20.000.000,00
1. Other assets, plant and equipment	778,00	0,00		II. Capital reserve	178.307.680,00	120.300.000,00
II. Financial assets				III. Loss carried forward	-1.419.792,42	-813.217,33
1. Holdings	140.114.750,20	140.114.750,20		IV. Loss carried forward	-3.346.074,03	-606.575,09
B. Current assets				B. Provisions		
I. Receivables and other assets				1. Other provisions	148.630,00	128.879,11
1. Trade receivables	22.000,00	70.471,00		C. Liabilities		
2. Receivables from holdings, companies in which a participating interest is held	58.740.605,00	0,00		1. Trade liabilities – of which with a remaining term of up to one year: €536,457.77 (€391,374.12)	536.457,77	391.374,12
3. Other assets	417.207,60	250.447,41		2. Liabilities to holdings – of which with a remaining term of up to one year: €75,266.43 (€0.00)	75.266,43	0,00
	59.179.812,60	320.918,41		3. Other liabilities – of which with a remaining term of up to one year: €17,480.51 (€1,115,266.43)	17.480,51	1.115.266,43
II. Cash and credit balances with banks and cheques					629.204,71	1.506.640,55
	17.561,05	78.23,63				
	6.746,41	1.827,00				
C. Accruals and deferrals	199.319.648,26	140.515.727,24			199.319.648,26	140.515.727,24

INCOME STATEMENT for the period from January 1, 2012 to December 31, 2012

PEARL GOLD AG, 60322 Frankfurt am Main

	2012	2011
	€	€
1. Revenues	38.000,00	48.471,00
2. Other operating income	1.296,49	50.815,56
3. Depreciation on intangible assets and property	342,00	0,00
4. Other operating expenses	3.374.693,09	705.861,65
5. Other interest and similar income	741,00	0,00
6. Interest and other expenses	11.076,43	0,00
7. Profit on ordinary Operations	-3.346.074,03	-606.575,09
8. Loss for the year	3.346.074,03	606.575,09

GENERAL NOTES

The annual accounts for PEARL GOLD AG were produced on the basis of the accounting regulations in the German Commercial Code (HGB).

In addition to these regulations the provisions in the German Public Limited Companies Act (AktG) were applied.

Details that may optionally be included in the balance sheet, income statement or Appendix are all listed in the Appendix.

The total expenditure format was applied to the profit & loss account.

According to the size classification in Section 267 Paragraph 3 in conjunction with Section 264d HGB the company is a large corporation.

INFORMATION ON ACCOUNTING AND VALUATION

ACCOUNTING AND VALUATION PRINCIPLES

The individual items were accounted for and valued on the basis of the general regulations as per Sections 246 to 256 of the German Commercial Code (HGB) and the special regulations for corporations in Sections 264 and 283 of the German Commercial Code.

Fixed assets are listed on the basis of acquisition or production costs and if depreciable are reduced by scheduled depreciation.

The **financial assets** were listed and valued as follows:

› **Holdings** at purchase prices. If necessary the lower value on the key balance sheet date has been used.

Receivables and other **assets** are shown at their nominal values. If necessary the lower value on the key balance sheet date has been used.

The other **provisions** were formed for uncertain liabilities the level of which and the timing when they may occur are indeterminate; they were formed at the expected level using commercial judgement, taking into account all recognisable risks.

Liabilities were listed at the fulfilment amount.

INFORMATION AND EXPLANATIONS ON INDIVIDUAL ITEMS
ON THE BALANCE SHEET AND INCOME STATEMENT

The development of the fixed assets pursuant to Section 268 Paragraph 2 HGB is included in the assets schedule; it is annexed to this Appendix.

Receivables from holdings in the sum of EUR 86,000 arise from consulting services provided to Wassoul'Or SA.

The item also includes a claim to contributions in kind against Wassoul'Or SA originally in the sum of EUR 63,008,000 which relates to the physical delivery of gold. The claim was satisfied when the company's real capital was increased. The receivable was valued on the key closing date at EUR 60,808,000 in nominal terms. As a result of the development of the gold price a value adjustment totalling EUR 2,154,000 was made so that the balance sheet figure on the key closing date was EUR 58,654,000.

All **receivables** have an outstanding term of one year or less.

Amounts for input tax reimbursements not yet received are listed under **other assets**. The item also includes change of ownership of EUR 300,000, accepted by PEARL in relation to existing gold delivery requirements in lieu of performance. Change of ownership payment was made in January 2013.

Bank balances were not subject to interest.

The activation of **deferred tax assets** as defined in Section 274 Paragraph 1 Sentence 2 HGB was waived.

The **provisions** totalling €148,600 relate in particular to closing and auditing costs.

The amount for **liabilities** with a remaining term of one year or less is €629,204.71 (previous year: €1,506,640.55).

Type of liability to 2012/12/31	total amount 2012/12/31	of which with a remaining term of		
		less than 1 yr.	1 to 5 yr.	more than 5 yr.
Trade liabilities	536,5	536,5	0,0	0,0
With holdings, companies in which a participating interest is held	75,3	75,3	0,0	0,0
Other liabilities	17,5	17,5	0,0	0,0
Total	629,3	629,3	0,0	0,0

ACCUMULATED LOSSES

When taking into account the loss brought forward of -€1,419,792.42 and the annual loss of -€3,346,074.03, the accumulated loss is -€4,765,866.45.

INFORMATION ON CONTINUING THE ANNUAL RESULTS

The following table shows the continuation of the annual results:

Profit appropriation	Amount €
- Annual loss	-3.346.074,03
- Loss carried forward from previous year	-1.419.792,42
= Accumulated losses	-4.765.866,45

DEVELOPMENT OF CAPITAL RESERVES

On 16 February 2012, the management board resolved and the supervisory board approved the increase of the company's registered capital by the issue of 5,000,000 new ordinary no-par value bearer shares with a nominal value of €1.00 each from €5,000,000 to €25,000,000 utilising the authorised capital. The capital increase was an increase in kind. The premium totalling €56,750,000.00 from the increase in capital was transferred to the capital reserve. In return for the issue of shares there was a requirement to deliver 48,000 ounces of gold. The difference between the share issue amount and the present value of the registered capital claim receivable provided totalling €1,257,680 was also placed in the capital reserve as per the transfer agreement dated 09 March 2012.

Development of capital reserves	Amount €
As at 01 January 2012	120.300.000,00
Inflow from increase in registered capital	58.007.680,00
As at 31 December 2012	178.307.680,00

REVENUE

The revenue comes from consulting services provided to the subsidiary Wassoul'Or.

Other operating expenses

The item includes the depreciation resulting from the price of the registered capital receivable on the physical delivery of gold totalling EUR 2,154,000. The receivable was valued at the gold price on the key closing date.

The item also includes in particular costs for the consultancy services utilised.

Appropriation of profits

The loss for the year is -€3,346,074.03. A loss of -€4,765,866.45, including the loss carried forward from previous years will be carried forward to a new account.

Auditors fees

The fees calculated by the auditors for the financial year total €100,000 and are classified as follows:

	Amount T€
a. Audit costs	80
b. Other confirmation services	20
c. Tax advice services	0
d. Other service	0
Total	100

The auditing services item covers the fees for the statutory audit of the annual financial statements and the audit of the IFRS individual financial statements to 31 December 2012.

The „other confirmation services“ item mainly includes the expenses for the creation of a comfort letter as part of the change in stock exchange segment from Entry Standard to General Standard which took place in 2012, together with expenses for auditing the non-cash capital increase carried out in February 2012.

CONTINGENT LIABILITIES

In addition to the obligations listed in the balance sheet, the following contingent liabilities should also be noted:

For the issuance and transfer of bills of exchange €1,900,000 (previous year: €0.00)

The bills of exchange were issued and have been accepted by PEARL GOLD AG in fulfilment of the gold delivery requirements. PEARL has further transferred the bills of exchange in order to extinguish some liabilities by endorsement. At the time of compiling the annual financial statement these bills of exchange had been returned or settled by payment, and there is, therefore, in this regard no risk for PEARL of a claim being made. A further payment of €300,000 was made in January 2013 in respect of further bills of exchange still held by PEARL on the key balance sheet date (shown as other assets).

OTHER FINANCIAL OBLIGATIONS

Financial liabilities other than those shown in the balance sheet are listed as follows:

Type of obligation	Total amount	of which with a remaining term of	
	2012/12/31 T€	Less than 1 year. T€	1 to 5 years T€
Obligations from rental agreements	6	6	0
Obligations from financial services agreements	23	23	0
Obligations from consultancy agreements	217	186	31
Total	246	215	31

OTHER COMPULSORY INFORMATION

NAMES OF MANAGEMENT AND SUPERVISORY BOARD MEMBERS

Over the past financial year, the following people were members of the management board:

Jean Louis Dupuy, freelance management consultant, Saint-Romain-du-Mont d'Or, France
With effect from 1 March 2012 Mr. Lutz Hartmann, lawyer & avocat à la cour, Frankfurt, Germany, was appointed to the management board.

Mr. Lutz Hartmann provides his work as CEO on the basis of a consulting mandate that the company issued to lawyers Buse Heberer Fromm Rechtsanwälte - Steuerberater Partnerschaftsgesellschaft, Frankfurt am Main, with whom Mr. Lutz Hartmann is an associate. As part of this consulting mandate, the management board activity for the 2012 financial year was remunerated at €100,000. This fee was paid in fixed monthly amounts each totalling €10,000. The remuneration agreed does not include variable amounts or other additional remuneration components.

Mr Dupuy did not receive any remuneration for his board membership.

The following were members of the supervisory board:

1. Robert F. Goninon, director at Horizon Energy LLC, Abu Dhabi, United Arab Emirates, chairman of the supervisory board
2. Aliou Diallo, president of the board of directors of Wassoul'Or S.A.; president of the board of directors of SODINAF; president of PETROMA Inc., Canada, president of the board of directors of PETROMA S.A., Mali; president of the board of directors of AB-DIAM S.A., Mali
3. Alexandre Davidoff, lawyer, Martin Davidoff Fivaz & Associés, Geneva, Switzerland
4. Pierre Roux, safety manager Saint-Didier, France

5. Olivier Couriol, financial consultant (up to 5 September 2012)
6. Dominique Fouquet, freelance management consultant, Bois le Roi, France
Mr Fouquet is a member of the supervisory board of Wassoul'Or S.A., Bamako, Mali
7. Konstantin von Klitzing, banker, Paris, France (since 5 September 2012)

The members of the supervisory board did not receive any remuneration.

STATEMENTS ON THE OWNERSHIP OF AT LEAST 20% OF THE SHARES IN OTHER COMPANIES

As per Section 285 No. 11 HGB we report the following associated companies:

Company name / head office	Holding	Profit for the year €	Share capital €
Wassoul'Or SA, Bamako (Republic of Mali)	25 %	0,00	3.353.863,04

The company publishes its financial statements in CFA. The share capital consists of subscribed capital totalling CFA 2,200,000,000.00, which at an exchange rate of CFA 655.96/€ as of 31 December 2011 results in a value of €3,353,863.04.

A finalised annual financial statement is not yet available for Wassoul'Or as at 31 December 2012.

AVERAGE NUMBER OF EMPLOYEES WORKING DURING THE FINANCIAL YEAR

No persons were working during the financial year.

TRANSACTIONS WITH ASSOCIATED PERSONS AND COMPANIES

1. Supervisory board member Mr. Aliou Diallo provided the company with short-term loans of various amounts. These loans had been repaid in full as of 31 December 2012.
2. The holding Wassoul'Or SA granted the company an interest-free loan on 31 August 2012 totalling €200,000. As of 31 December 2012 this loan was still valued at €75,000.

FURTHER COMPULSORY STATEMENTS IN LINE WITH THE GERMAN SHARE LAW Statements on the existence, purchase and sale of own shares

As of 31 December 2012 no own shares were held.

Statements on the type of shares

The capital stock totalling 25,000,000.00 is divided into:

Share capital	€
25.000.000,00 ordinary shares each at a nominal value of 1,00	25.000.000,00

The shares are in the name of the bearer.

APPROVED CAPITAL

The management board has been authorised up to 1 June 2016 to increase the company's registered capital stock by a maximum of €10,000,000 through the one-off or repeated issue of ordinary or non-voting preference shares in return for cash or payment in kind.

On 16 February 2012, the management board resolved and the supervisory board approved the increase of the company's registered capital by the issue of 5,000,000 new ordinary no-par value bearer shares with a nominal value of €1.00 each from €5,000,000 to €25,000,000 utilising the authorised capital. The capital increase was registered in the commercial register of the district court in Frankfurt am Main on 20 March 2012. The approved capital on the key balance sheet date is therefore still €5,000,000.

NOTIFICATION OF VOTING RIGHTS IN PURSUANCE OF SECTION 21 PARAGRAPH 1 WPHG

The Credit Suisse Group AG, Zürich, Switzerland has, in pursuance of Section 21 Paragraph 1 WpHG, informed us that as at 05 November 2012 its share of voting rights in Pearl Gold AG, Frankfurt, Germany exceeded the threshold of 3% at which time it amounted to 3.39% (847,000 votes).

Of this, in pursuance of Section 22 Paragraph 1 Sentence 1 No. 1 WpHG, 3.39% (847,000 votes) shall be assigned to the Credit Suisse Group AG.

The voting rights assigned to the Credit Suisse Group AG are held by the following companies it controls and whose voting rights in Pearl Gold AG amount in each case to 3% or more: - Credit Suisse AG - Credit Suisse Life (Bermuda) Ltd.

Credit Suisse AG, Zürich, Switzerland has, in pursuance of Section 21 Paragraph 1 WpHG, informed us that as at 05 November 2012 its share of voting rights in Pearl Gold AG, Frankfurt, Germany exceeded the threshold of 3% at which time it amounted to 3.39% (847,000 votes).

Of this, in pursuance of Section 22 Paragraph 1 Sentence 1 No. 1 WpHG, 3.39% (847,000 votes) shall be assigned to the Credit Suisse AG.

The voting rights assigned to the Credit Suisse AG are held by the following companies it controls and whose voting rights in Pearl Gold AG amount in each case to 3% or more:
- Credit Suisse Life (Bermuda) Ltd.

Credit Suisse Life (Bermuda) Ltd., Hamilton HM 12, Bermuda has, in pursuance of Section 21 Paragraph 1 WpHG, informed us that as at 05 November 2012 its share of voting rights in Pearl Gold AG, Frankfurt, Germany exceeded the threshold of 3% at which time it amounted to 3.39% (847,000 votes).

ASSETS SCHEDULE as of 31 December 2012

	acquisition or production costs				
	as of 2012/01/01	additions	disposals	reclassi- fications	as of 2012/12/31
	€	€	€	€	€
A. Assets					
I. Fixed assets					
1. other plant, operating and office equipment	0,00	1.120,00	0,00	0,00	1.120,00
Sum fixed assets	0,00	1.120,00	0,00	0,00	1.120,00
II. Financial assets					
1. Holdings	140.114.750,20	0,00	0,00	0,00	140.114.750,20
Sum financial assets	140.114.750,20	0,00	0,00	0,00	140.114.750,20
Sum assets	140.114.750,20	1.120,00	0,00	0,00	140.115.870,20

	depreciation					appreciation	book value	
	as of 2012/01/01	additions	disposals	reclassi- fications	as of 2012/12/31	fiscal year	as of 2012/12/31	as of 2011/12/31
	€	€	€	€	€	€	€	€
	0,00	342,00	0,00	0,00	342,00	0,00	778,00	0,00
	0,00	342,00	0,00	0,00	342,00	0,00	778,00	0,00
	0,00	0,00	0,00	0,00	0,00	0,00	140.114.750,20	140.114.750,20
	0,00	0,00	0,00	0,00	0,00	0,00	140.114.750,20	140.114.750,20
	0,00	342,00	0,00	0,00	342,00	0,00	140.115.528,20	140.114.750,20

Cash Flow StatementFor the fiscal year
from January 1 to December 31, 2012

	2012	2011
	T€	T€
Annual deficit	-3.346	-607
Amortisation	0	0
Modification of accounts receivable and other Assets	-209	-202
Modification of accounts payable trade and other liabilities	-196	145
Operating outflow of funds	-3.751	-664
Payments for investments in tangible fixed assets	-1	0
Outflow of funds from investment activities	-1	0
Capital increase through contribution in kind gold delivery rights	63.008	0
Stock gold delivery rights	-58.654	0
Neutral matters	4.354	0
Cash flow from loans	-662	737
Modification from financing activities	-662	737
Modifications affecting payment of capital balance	-60	73
Capital balance at the beginning of the fiscal year	78	5
Capital balance at the end of the fiscal year	18	78
Composition:	18	78
Bank credit	18	78

Statement of changes in equityFor the fiscal year
from January 1 to December 31, 2012

	Subscribed capital	Capital reserve	Loss carried forward	Annual deficit	Total equity
	T€	T€	T€	T€	T€
As per January 1, 2011	10.250	60.050	-813	0	69.487
Issue of shares	9.750				9.750
Contribution to capital reserve		60.250			60.250
Annual deficit				-607	-607
Transfer			-607	607	0
As per January 1, 2012	20.000	120.300	-1.420	0	138.880
Issue of shares	5.000				5.000
Contribution to capital reserve		58.008			58.008
Annual deficit				-3.346	-3.346
As per December 31, 2012	25.000	178.308	-1.420	-3.346	198.542

GERMAN CORPORATE GOVERNANCE CODEX PURSUANT TO SECTION 161 STOCK CORPORATION LAW (AKTG)

The Management Board and Supervisory Board have passed a declaration of compliance with the recommendations of the "Governmental Commission of German Corporate Governance Codex" pursuant to Section 161 AktG and have given the shareholders permanent access to the homepage of the company.

Signature of the Management



Frankfurt, 25 March 2013

Jean-Louis Dupuy
(Management board)

Lutz Hartmann
(Management board)

AUDITOR'S CERTIFICATE

We have audited the Annual Financial Statements – comprising the balance sheet, the profit and loss statement and the notes thereto – as well as the accounts and the Management Report of Pearl Gold AG, Frankfurt am Main, for the financial year beginning on 1 January 2012 and ending on 31 December 2012. The rendering of the accounts and the preparation of the Annual Financial Statements and the Management Report, in accordance with the provisions of German commercial law, fall within the area of responsibility of the Company's Management Board. Our task is to produce an opinion on the Annual Financial Statements, including the accounts and the Management Report based on our audit.

We conducted our audit in accordance with Section 317 of the HGB and following the standards for the audit of financial statements stipulated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer in Deutschland e.V. or the IDW). Those standards require that we plan and perform our audit in such a way that any inaccuracies or irregularities affecting the depiction of the assets, financial position and results of operation in the Annual Financial Statement prepared in accordance with generally accepted accounting principles as well as in the Management Report may be identified with reasonable certainty. In determining the auditing procedures to be carried out, knowledge of the business activities and the economic and legal circumstances of the Company and expectations as to possible errors are taken into account. The effectiveness of the internal accounting-related control system and evidence in support of the information contained in the accounts, the Annual Financial Statements and the Management Report are primarily assessed on the basis of spot checks within the framework of the audit. The audit comprises the assessment of the accounting principles applied and of significant estimates made by the Management Board as well as an appraisal of the overall presentation of the Annual Financial Statements and the Management Report. We believe that our audit provides a sufficiently certain basis for our audit opinion.

Our audit did not give rise to any reservations on our part.

According to our evaluation based on the findings of our audit, the Annual Financial Statements of PEARL GOLD AG, Frankfurt am Main, for the financial year beginning 1 January 2012 and ending 31 December 2012, are in line with the statutory requirements and provide a fair and true view of the assets, financial position and results of operations of the Company, following generally accepted accounting principles. The Management Report is in line with the Annual Financial Statements, presents an accurate overall picture of the position of the Company and accurately describes the opportunities and risks associated with the future development of the Company.

Reference is made to the statements of the Management Board contained in the Management Report, without this constituting a qualification of this evaluation. The Risk Report contained therein states that, as a result of the activities of her associated company Wassoul'Or S.A. in the Republic of Mali, PEARL GOLD AG is exposed to a special country risk from a political, social and regulatory perspective, and that the possibility that this could have negative consequences for Wassoul'Or S.A. and thus for PEARL GOLD AG, cannot be ruled out. Furthermore, the Forecast Report states that the Wassoul'Or S.A. plant is not yet fully operational and that it is anticipated that full site approval will not be obtained until the second half of 2013.

Frankfurt am Main, 27 March 2013

Warth & Klein Grant Thornton AG
Wirtschaftsprüfungsgesellschaft


Dirk Bauer
Wirtschaftsprüfer


Robert Binder
Wirtschaftsprüfer



The publication or distribution of the financial statements in any version that deviates from the audited version (including its translation into another language or languages) is only permitted following our review if in doing so reference is made to our auditors' report or audit. Please refer to §328 of the HGB [German Commercial Code].

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West Africa is one of the most promising regions in Africa in terms of resources, with large unexplored gold reserves.

Until 2010, gold production in Ghana, Guinea, Mali, Mauritania, Côte d'Ivoire and Burkina Faso increased by more than 65% to 6.7 million ounces (190 tonnes) per year. This amount is expected to increase to 11 million ounces by 2015.

In addition, West Africa is also a region with exceptional potential with regard to other precious metals.

