May 17, 2010 **MANAGEMENT'S DISCUSSION & ANALYSIS**

For the Quarter ended March 31, 2010

This Management's Discussion and Analysis ("MD&A") of Perseus Mining Limited ("Perseus" or the "Company") is dated May 17, 2010 and provides an analysis of the Company's performance and financial condition for the three months ended March 31, 2010 (the "Quarter" or "March 2010 quarter").

This MD&A should be read in conjunction with the Company's June 30, 2009 audited consolidated annual financial statements and notes thereto, and the Company's unaudited interim consolidated financial statements for the Quarter. The financial statements (and the financial information contained in this MD&A) comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

These documents are available under the Company's profile on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at sedar.com and on the Company's website, perseusmining.com.

This MD&A may contain forward-looking information that is based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. Forward-looking information speaks only as of the date it is provided, is not a guarantee of future performance and involves risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out in this MD&A under "Risk Factors". Actual outcomes and results may differ materially from those expressed in forward-looking information and readers should not place undue reliance on such statements. Readers are also referred to the "Cautionary Note Regarding Forward Looking Information" in this MD&A.

All monetary amounts are stated in Australian dollars, except as otherwise stated.

OVERVIEW

Perseus is listed on the Australian, Toronto and Frankfurt stock exchanges. The Company was incorporated in Australia in October 2003, listed on the Australian Securities Exchange ("ASX") on September 22, 2004 and on the Toronto Stock Exchange ("TSX") on February 3, 2010.

Perseus is an Australian-based gold exploration and evaluation stage corporation with a focus on under-explored gold belts in West Africa. Perseus has a portfolio of prospective gold projects in Ghana and Côte d'Ivoire, and has not yet commenced mining operations on any of its properties. Accordingly, the Company does not currently have any mining revenues. Perseus currently has no long-term debt obligations, however it is currently finalising a debt finance facility details of which are provided elsewhere in this MD&A.

Perseus's principal assets currently consist of:

• a 90% interest in the Central Ashanti gold deposit (the ''Central Ashanti Gold Project'' or "CAGP"), a pre-development stage project, located in Ghana; and

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• an 80% interest in the Tengrela gold deposit (the ‘‘Tengrela Gold Project’’), an advanced stage exploration project, located in Côte d'Ivoire.

The Company completed a definitive feasibility study (a ‘‘DFS’’) in July 2009 on developing a mine and associated treatment facility for the Central Ashanti Gold Project. Based on the positive outcome of the DFS, the Company anticipates commencing construction activities in the April-June 2010 quarter with production anticipated to commence during the third quarter of 2011.

The Company completed a pre-feasibility study for the Tengrela Gold Project in February 2009 and, based on the results thereof and the results of subsequent exploration activities, commenced a DFS thereon in the first quarter of 2010.

Perseus also has: (i) a 90% interest in the Grumesa gold deposit (the ‘‘Grumesa Gold Project’’), an exploration stage project located in Ghana; and (ii) a 28% interest in Manas Resources Limited (‘‘Manas’’), an ASX listed company holding a portfolio of gold properties in Central Asia, which assets were spun out from Perseus in mid-2008. The Grumesa Gold Project is located 30 kilometres to the east of the Central Ashanti Gold Project.

A pre-feasibility study completed in September 2007 indicated that the Grumesa Gold Project represents a potential satellite production opportunity to the larger proposed mine at the Central Ashanti Gold Project.

The Company’s principal objectives are to:
• develop the Central Ashanti Gold Project into a profitable gold mining project;
• complete a DFS on the Tengrela Gold Project;
• subject to a positive outcome from the DFS on the Tengrela Gold Project, develop the Tengrela Gold Project into a profitable gold mining project; and
• expand its resource base through rapid exploration of the area covered by the Company’s existing tenements and the acquisition of prospective new projects.

HIGHLIGHTS

The key highlights during the Quarter were as follows:

Central Ashanti Gold Project

Progress on the Central Ashanti Gold Project (“CAGP” and previously referred to as the Ayanfuri gold project) in Ghana includes:

- Payment of EPA permit fees as a precursor to issue of the environmental permit;
- About 80% of items for the process plant have been ordered;
- Plant site compensation completed, now awaiting EPA permit to commence clearing;
- Receipt of an approved offer from the banking syndicate for up to US$85M facility; and
- Progress in the recruitment of key second-tier management personnel.

In addition, exploration and resource drilling is continuing to ramp up, with 22,696m of drilling completed during the Quarter. Drill intercepts of 6m at 28.1g/t Au and 13m at 12.0g/t Au from two drill holes have identified a potentially significant new shoot between the Abnabna and AF-Gap deposits.

Tengrela Gold Project

A total of 23,688m of RC and diamond drilling and 6,903m of RAB drilling were completed during the Quarter, mostly on the Sissingue prospect with a number of exceptional high grade drill intercepts.

The DFS for the Sissingue project is progressing well, with results expected in the fourth quarter of 2010.

Corporate

In February 2010 Perseus raised approximately $34 million in net proceeds on the conversion of 23.4 million subscription receipts issued in the December 2010 quarter into the same number of ordinary shares and concurrently completed its listing on the Toronto Stock Exchange.

In March 2010 Perseus entered into an agreement to acquire a 19.9% stake in and enter into a strategic alliance with Burey Gold Limited ("Burey"), an exploration company focussing on Guinea, West Africa. During the Quarter, Perseus subscribed for 10.4m shares in Burey at a cost of $418,700, with 10.4m attaching options. Subsequently and, subject to Burey receiving the necessary shareholder approval prior to June 30, 2010, Perseus will subscribe for a further 24.3m shares at a cost of $973,300 with 24.3m attaching options.

Burey has several projects in Guinea with significant gold and gold, uranium and copper mineralisation.

At March 31, 2010, Perseus had cash and cash equivalent balances of $82.7 million.

Pursuant to a short form prospectus dated April 27, 2010, Perseus completed an offering of 50.6 million shares on a "bought deal basis" at a price of CAD$1.80 per share raising gross proceeds of CAD$91.08 million in early May 2010. The offering was led by Cormark Securities Inc. on behalf of a group of underwriters. At the same time as announcing the bought deal Perseus also announced the private placement of up to 15 million shares, managed by BGF Equities Pty Ltd and subject to shareholder approval, and a share purchase plan for up to 7 million shares, all at AUD$1.94 per share. These funds will enable the rapid development of the Central Ashanti Gold Project and continued aggressive exploration on that project and at Tengrela.

Program for the June 2010 Quarter

Plans and targets for the June 2010 quarter are:

At CAGP

- Receipt of EPA permit.
- Contractors commence site works and plant construction.
- Complete bank finance documentation.
- Commit to bulk earthworks and mining contracts.
- Continue infill, extensional and exploration drilling.

At Tengrela

- Continue definitive feasibility study.
- Continue exploration drilling at Sissingue.
- Step up drilling on regional targets.

CENTRAL ASHANTI GOLD PROJECT

The Central Ashanti Gold Project comprises a group of large gold deposits located in the Ashanti gold belt in Ghana. Phase 1 of a DFS was completed in July 2009 on developing a mine and associated treatment facility for the Central Ashanti Gold Project. Based on the positive outcome of the DFS, the Company anticipates commencing construction activities in the April-June 2010 quarter with production anticipated to commence during the third quarter of 2011. Current reserves stand at 2.1Moz and additional Indicated resources total 1.2Moz and Inferred resources total 2.1Moz. Phase 2 of the DFS is now underway to include the resource estimates for those deposits not included in Phase 1 of the DFS.

Reserve and Resource Estimate

The CAGP reserve and resource estimates are from the report titled ''Technical Report — Central Ashanti Gold Project, Ghana'' dated November 30, 2009 prepared by Paul Payne, Principal Consultant Geologist, Runge Limited; David Price, Senior Consultant Geologist, Runge Limited; and Brad Marwood, Principal Consultant (Mining), Corporate Mining Resources Pty Ltd.

The reserve estimate for the Central Ashanti Gold Project as at May 2009 is tabulated below:

	Proven Mineral Reserves		Probable Mineral Reserves		Total Proven and Probable Reserves		
	Million Tonnes	Au (g/t)	Million Tonnes	Au (g/t)	Million Tonnes	Au (g/t)	Contained Au Ounces
Abnabna/AF Gap……………………………	18.4	1.40	6.0	1.11	24.4	1.33	1,050,000
Fobinso………………………………………	-	-	5.4	1.28	5.4	1.28	200,000
Esuajah North………………………………	-	-	11.9	1.01	11.9	1.01	400,000
Fetish………………………………………	-	-	13.7	1.12	13.7	1.12	500,000
Total………………………………………	**18.4**	**1.40**	**37.0**	**1.11**	**55.4**	**1.20**	**2,150,000**

Notes:
(1) Using a cut-off of 0.5g/t Au.

The reserve estimate set out above includes the resource estimate from the Abnabna/Fobinso, Esuajah North and Fetish deposits, currently comprising the Central Ashanti Gold Project. Phase 2 of the DFS is underway to incorporate the remaining resources, with a view to increasing reserves, mine life and project economics.

The resource estimate for the Central Ashanti Gold Project as at May 2009 is tabulated below:

	Measured Mineral Resources (1)			Indicated Mineral Resources (1)			Inferred Mineral Resources (1)		
	Million Tonnes	Au (g/t)	Contained Au Ounces	Million Tonnes	Au (g/t)	Contained Au Ounces	Million Tonnes	Au (g/t)	Contained Au Ounces
Abnabna/Fobinso….	20.0	1.3	867,000	20.5	1.1	719,000	16.4	1.0	514,000
Esuajah North……..	-	-	-	20.2	0.9	579,000	9.3	0.7	214,000
Esuajah South……..	-	-	-	6.9	1.7	377,000	5.6	1.8	315,000
Fetish………………	-	-	-	17.4	1.1	597,000	8.0	1.4	360,000
Chirawewa…………	-	-	-	-	-	-	12.5	0.8	341,000
Mampong…………	-	-	-	-	-	-	6.9	0.9	209,000
Dadieso……………	-	-	-	-	-	-	3.2	1.6	162,000
Total(2)……………	**20.0**	**1.3**	**867,000**	**65.0**	**1.1**	**2,272,000**	**61.9**	**1.1**	**2,115,000**

Notes:
(1) Using a cut-off grade of 0.4 g/t Au.
(2) Mineral Resources are inclusive of Mineral Reserves.

Central Ashanti Gold Project Development

As previously reported, contracts for the design and construction of a 5.5Mpta treatment plant on a lump sum turn-key basis have been issued. The Company has awarded design and supply contracts to a joint venture between DRA Mineral Projects (Pty) Ltd ("DRA") and Group Five Projects (Pty) Ltd, and a construction contract to Group Five Construction (Ghana) Ltd, collectively referred to as the ("LSTK contracts").

Perseus has to date committed US$51M under the LSTK contracts, covering substantially all of the engineering design and equipment supply components and US$2M towards the construction component of the project. As at March 31, 2010, about 80% of all process plant equipment had been ordered and the overall design and procurement was 40% complete.

Crop compensation for the treatment plant site has been completed and some contractor equipment has been mobilised to site. Subject to timing of receipt of the environmental permit from the EPA, site works are expected to commence later this month. The project remains on target to commence processing ore in the third quarter of 2011.

Approvals

The Company has been notified by the EPA of the completion of the EIS review and has paid the processing and permit fees. The environmental permit outlining conditions is expected to be issued in the near-term.

Civil Earthworks

The civil earthworks covered within the 'owner's scope', including the tailings storage facility, have been tendered and reviewed. The Company plans to award this contract within the June 2010 quarter and it is expected to be well within the DFS cost estimate.

Mining Contract

The contract mining tenders for the project are being evaluated. Award of these works is also expected within the June 2010 quarter.

Project Financing

In November 2009 the Company entered into a Mandate Letter with Macquarie Bank and Credit Suisse (together, the "Lenders") for project finance facilities of up to US$85 million. The Mandate Letter provided the Lenders until February 28, 2010 to deliver a committed letter of offer (the ''Committed Offer'') for project finance facilities on terms substantially consistent with the November 2009 indicative letter of offer. Although, the Mandate Letter expired on February 28, 2010, the parties continued discussions and, upon completion of their due diligence investigation of the Company, the Lenders delivered a Committed Offer to Perseus at the end of March 2010.

The Committed Offer is currently the subject of discussion between the parties, particularly the amount and terms of a hedging facility, which is expected to be in the order of 150,000 to 230,000 ounces of gold. The aggregate principal amount of the project loan facility may be reduced at the discretion of the Company. The Company will consider all relevant factors including the capital raising completed post Quarter-end prior to exercising such discretion, including the effect any such reduction would have on the terms and size of the hedging facility. Perseus's objective is to limit the amount of hedging required under the hedging facility to approximately 10% of the total 2.1 million oz/Au of the proven and probable reserves estimated for the Central Ashanti Gold Project. In addition, the Company is continuing infill drilling with the objective of increasing the proven and probable reserves at the Central Ashanti Gold Project. Any such increase in proven and probable reserves will effectively decrease the relative proportion of the hedging facility.

Draft full form documentation is at an advanced stage.

Capital Cost Estimate

A review of the project capital cost completed by the Company has resulted in an increase in the estimated cost from US$147.9M to US$160M. The principal reasons for the increase are:

- the election by Perseus to significantly increase the capacity of the comminution circuit (crushing and milling) added about US$7.2M to the capital cost. The changes to the comminution equipment capacity are expected to save time and expense during the proposed future "phase 2" project scale up:

Equipment	Original Equipment Selection	Adjusted Equipment Selection
Primary gyratory crusher	42”	54”
SAG mill	32’ / 10.5MW	34’ / 14MW
Recycle crusher	CH 440 / 220kW	CH 660 / 315kW
Concentrate regrind mill	450kW	550kW

- additional allowance for Ghanaian import duties, fees and charges;
- an increase in contingencies from US$11.4M to US$13.6M, representing about 14% of expenditure not yet committed; and
- the movement in the USD/AUD exchange rate from A$1.23 in July 2009 to a rate of A$1.09 at the time of completing the review. In Australian dollar terms the capital cost has reduced from A$182M (DFS budget at A$1.23) to A$174M (present US$160M at A$1.09).

Under the LSTK contracts there is provision for a US$100,000 per day late completion penalty or early completion bonus, payable to or by the contractors, for up to a limit of 60 days. No provision has been included in the capital cost estimate for these bonus or penalty payments.

Capital Expenditure

To date the Company has committed US$60M to the CAGP and has dispersed and accrued expenditure of US$27M:

	Capital Estimate US$M	Committed US$M	Expenditure (1) 31/3/2010 US$M
Design, supply and construction contracts (process plant)	76.4	53.0	24.1
Owner’s Costs (Infrastructure and Management)	70.0	7.0	2.9
Contingency	13.6	-	-
Total	160.0	60.0	27.0

Notes: (1) Includes accruals

Management Additions

The Company has issued offer letters to a number of Ghanaians for key management positions.

Exploration

A total 22,696m of RC and diamond drilling was completed at the CAGP during the Quarter. Most of the drilling was infill and extensional drilling undertaken on the western deposits (Abnabna, AF-Gap and Fobinso), which occur in a granitic dyke with a dip varying from 50 to 80 degrees to the northwest. Drilling on these deposits is directed to the southeast, and drill hole intercepts generally have true widths of 70% to 90% of drill length, depending upon drill hole inclinations and the dip of mineralisation. Drill samples were assayed by 50g fire assays by Intertek Minerals Limited in Ghana.

Significant results included:

Hole	Deposit	East (m)	North (m)	Depth (m)	Azm. (°)	Incl. (°)	From (m)	To (m)	Width (m)	Au g/t
FBDD060	Fobinso	27220	14060	267	180	-65	191	213	22	6.4
						incl.	*191*	*192*	*1*	***13.4***
						and	*200*	*201*	*1*	***112.9***
ABDD147	AF Gap	26460	13995	358	180	-56	274	349	75	1.6
						incl.	*342*	*349*	*7*	*6.2*
						incl.	*344*	*345*	*1*	***28.3***
ABDD154	AF Gap	26200	13830	317	180	-55	166	191	25	2.5
						incl.	*166*	*175*	*9*	*5.2*
						incl.	*166*	*167*	*1*	***14.8***
						and	*174*	*175*	*1*	***11.5***
							233	265	32	1.6
						incl.	*248*	*249*	*1*	***14.9***
							275	281	6	**28.1**
						incl.	*275*	*276*	*1*	***16.4***
						and	*276*	*277*	*1*	***147.5***
ABDD155	AF Gap	26160	13824	316	180	-55	182	218	36	1.1
							271	275	4	3.5
							281	294	13	**12.0**
						incl.	*289*	*293*	*4*	***35.7***

Notes
1) RC holes samples sampled at 1m intervals and composited to 2m intervals.
2) Core holes sampled at 1m intervals.
3) Oxide samples or low sulphur fresh rock samples analysed using 50grm fire assays.
4) High sulphide content samples analysed using 25gram fire assays.
5) Only holes with combined intercepts of greater than 50 gram metres included.

The relatively high grade intercepts from drill holes ABDD154 and ABDD155 were made in a potentially significant new shoot located between the Abnabna and AF-Gap deposits.

Anomalous mineralisation was intercepted in drilling at the Nkotumso and Wampem prospects.

TENGRELA GOLD PROJECT

The Tengrela Gold Project contains nine regionally significant gold anomalies, only five of which have been drill-tested, including Sissingue. The Company believes that gold mineralization remains open to the north and south of the resource area and the total strike of gold mineralization is approximately one kilometre. The Company believes that the Sissingue prospect has a strike length of at least five kilometres and is up to 800 metres wide, and multiple zones of gold mineralization have been delineated.

A total of 23,688m of RC and diamond drilling and 6,903m of RAB drilling was completed on the Tengrela Gold Project in the Quarter. Significant intercepts, mostly from infill drilling at Sissingue include:

Hole	East (m)	North (m)	Depth (m)	Azm. (°)	Incl. (°)	From (m)	To (m)	Width (m)	Au g/t
SD088	806540	1154160	113.2	98	-52	83	109.35	26.35	7.4
					incl.	*90*	*101*	*11*	***14.4***
					incl.	*95*	*95.8*	*0.8*	***46.6***
					and	*100*	*101*	*1*	***73.5***
SLC147	806310	1155220	110	270	-55	84	110	26	**9.7**
					incl.	*104*	*106*	*2*	***112.2***
SLC224	806660	1154560	100	270	-55	16	100*	84	3.6
					incl.	*30*	*32*	*2*	***73.4***
SLC226	806660	1154540	122	270	-55	12	122*	110	4.0
					incl.	*22*	*38*	*16*	***11.3***
					incl.	*22*	*24*	*2*	***39.3***
					and	*36*	*38*	*2*	***30.0***
SLC228	806700	1154181	140	270	*-55*	14	38	24	1.3
						58	64	6	2.5
						86	140*	54	**50.4**
					incl.	*96*	*104*	*8*	***325***
					incl.	*98*	*100*	*2*	***1,216***
					and	*104*	*140*	*36*	*3.1*
SLC245	806700	1154502	120	270	-55	6	12	6	1.0
						50	58	8	**65.7**
					incl.	*54*	*56*	*2*	***252***
						78	120*	42	1.0
SLC246	806666	1154502	100	270	-55	8	26	18	7.5
					incl.	*18*	*24*	*6*	***18.3***
						34	40	6	**429**
					incl.	*34*	*36*	*2*	***1,277***
SLC247	806700	1154540	120	270	-55	30	32	2	3.5
						56	62	6	**476**
					incl.	*56*	*58*	*2*	***1,421***
						68	98	30	1.6
SLC249	806365	1154420	93	270	-55	66	88	22	**72.1**
					incl.	*78*	*82*	*4*	***389***
SLC264	806560	1154460	94	270	-55	80	94*	14	6.5
						92	94*	2	**40.0**
SRC875	806600	1154158	90	270	-55	30	90*	60	3.3
					incl.	*30*	*32*	*2*	***10.5***
					and	*84*	*86*	*2*	***38.4***
SRC939	806585	1154360	70	270	-55	10	26	16	6.5
					incl.	*14*	*16*	*2*	***19.4***
					and	*24*	*26*	*2*	***28.5***
						50	54	4	**20.3**
					incl.	*50*	*52*	*2*	***34.5***

Notes
1)Holes with prefix SRC and SLC are reverse circulation drill holes.
2)Holes with prefix SD and SRCOX are core drill holes,
3)Only holes with intercepts (combined or singular) in excess of 20 gram metres are included.
4)Drilling, sampling and assay methods are consistent with those described in the technical report entitled "Technical Report – Tengrela Gold Project, Ivory Coast" dated November 30, 2009.
5)* Denotes hole ended in mineralisation.

Drill samples were assayed by 50g fire assays by Intertek Minerals Limited in Ghana. Recent significant drill intercepts on the Sissingue deposit typically have true widths of 60 to 90% of drill length. Locally, drill intercept length may equate to actual true width, depending upon the variable dip of the mineralisation. Mineralisation is structurally complex, such that true thickness may occasionally be better measured as a range. Most recent drilling results at Sissingue have been drilled to the west and mineralisation generally dips to the east, so true thickness is usually significantly greater than 60% of drill length.

Drill hole SLC228 was drilled 20m across strike from previously announced drill hole SLC014, which intercepted 71m at 9.0g/t Au including 10m at 27g/t Au and 36m at 8.7g/t Au.

Drill holes SLC245 and SLC246 were drilled 20m east and 14m west respectively of previously announced SLC045 which intercepted 26m at 19.5g/t Au. Drill hole SLC247 was drilled 20m and 40m east from drill holes SLC226 and previously announced SLC048 which intercepted 16m at 11.3g/t Au and 47m at 3.4g/t Au respectively.

SLC249 was drilled on a parallel zone 20m north of previously announced SRC258 which intercepted 28m at 4.3g/t Au.

The results give additional support to high grade intercepts previously reported from the core zone within the Sissingue prospect and high grade intercepts have now been encountered over a strike length of 960m. High grades are typically associated with narrow quartz stringers containing abundant visible gold in altered felsic and granitic intrusives and metasediments.

RAB drilling has intercepted anomalous mineralisation at the Tianhana prospect located 24km south of Sissingue. The best intercept was 4m at 18.6g/t Au from 8m.

Feasibility Study – Sissingue Deposit
The definitive feasibility study ("DFS") for stage 1 of the Sissingue gold deposit is gaining momentum. The Company is working towards completion by the end of October 2010.

Metallurgy
All comminution testwork has been completed and crushing and grinding circuit modelling has just commenced at metallurgical consultancy, Orway Mineral Consultants, in Perth. The remainder of metallurgy program is progressing well, with 75% of the program now complete. All variability tests have been finished and only bulk tests and tailings characterisation remain.

Geotechnical Engineering
Pit wall geotechnical drilling and logging has been completed and reports are being prepared. Process plant and tailings geotechnical field tests are in progress. The geotechnical studies are being undertaken on behalf of Perseus by Coffey Mining Services.

Resource Modelling
Drilling is complete for the initial resource/reserve estimate for the DFS and Runge has commenced working with available data.

Process Plant Design
Mintrex has been engaged to complete the process plant design, capital and operating cost estimate and compilation of the DFS. Mintrex completed the feasibility study for Lihir Gold Limited's Bonikro mine (also in the Ivory Coast) and the feasibility study for Perseus's CAGP in Ghana. BEC Engineering has been working on grid power supply options and will undertake electrical design.

Environmental
Ivorian Consultant, CECAF, has commenced a baseline environmental survey. The Company is meeting with the EPA and Mines Ministry to map the approvals and permitting process.

The October 2009 Mineral Resource estimate for the Sissingue deposit as calculated by Runge Limited in its report titled "Technical Report — Tengrela Gold Project, Ivory Coast" (available on sedar.com) is summarised in Table 1 and Table 2.

Table 1: Tengrela Gold Project Mineral Resource Summary (1.0g/t Au Cut-off)

Type	Indicated Mineral Resources			Inferred Mineral Resources		
	Tonnes (t)	Au (g/t)	Au (Ounces)	Tonnes (t)	Au (g/t)	Au (Ounces)
Oxide	1,310,000	1.7	72,500	1,210,000	1.6	63,000
Transitional	870,000	2.1	60,000	520,000	1.8	30,000
Primary	7,450,000	1.8	440,000	3,770,000	1.6	200,000
Total(1)	9,630,000	1.8	572,000	5,500,000	1.7	293,000

(1) Rounding Applied to Totals

Table 2: Tengrela Gold Project Low Grade Mineral Resource Summary (0.5-1.0g/t Au)

Type	Indicated Mineral Resources			Inferred Mineral Resources		
	Tonnes (t)	Au (g/t)	Au (Ounces)	Tonnes (t)	Au (g/t)	Au (Ounces)
Oxide	575,000	0.8	14,800	920,000	0.8	22,000
Transitional	280,000	0.8	7,200	210,000	0.7	10,000
Primary	1,718,000	0.8	45,100	2,310,000	0.8	60,000
Total(1)	2,573,000	0.8	67,100	3,440,000	0.8	92,000

(1) Rounding Applied to Totals

OVERALL PERFORMANCE

The financial performance of the Company is expected to be affected by ongoing exploration activities being conducted on its properties and the proposed development of the Central Ashanti Gold Project and Tengrela Gold Project. Until such time as commercial production is achieved, the Company will continue to incur administrative costs and exploration and development expenditures, resulting in continuing operating losses.

Should the development of the Central Ashanti Gold Project or the Tengrela Gold Project occur, the financial performance of the Company will be closely linked to the price of gold. The price of gold also affects the viability and economics of the Company's other projects and prospects.

The Company reports its financial results in Australian dollars. The Company's costs, however, are mainly incurred in United States ("US") dollars, Australian dollars, Ghanian Cedis and CFA francs and the Company receives the proceeds of financings in Australian dollars and Canadian dollars (although the project debt finance presently being negotiated will be denominated in US dollars). If, as expected by management, the Central Ashanti Gold Project or any of the Company's other projects commences production, future metals sales revenue will be in United States dollars. Fluctuations in these exchange rates may therefore significantly affect the results of operations of the Company.

To hedge against changes in the price of gold the Company purchased gold put options in prior quarters at a cost of US$9.1 million for the delivery of 100,000 ounces of gold in 2012 and 2013, representing approximately 22% of planned production from the Central Ashanti Gold Project during that period. The options permit the Company to sell gold at US$850 per ounce should the prevailing price be less, or at prevailing spot prices if they are higher. Subsequent to Quarter–end and immediately prior to the date of this MD&A, Perseus purchased additional gold put options at a cost of US$1.6 million for the delivery of 20,000 ounces of gold between July and December 2011, again representing just over 20% of planned production from the Central Ashanti Gold Project during that period. These options permit the Company to sell gold at US$1,100 per ounce should the prevailing price be less, or at prevailing spot prices if they are higher.

The exploration and development of the Company's properties will require substantial additional financing. Failure to obtain sufficient financing in the future may result in delay or indefinite postponement of the exploration or development of any or all of the Company's properties. There can be no assurance that bank financing or other types of financing will be available when needed or that, if available, the terms of such financing will be acceptable to the Company.

See ''*Risk Factors*'' for a further discussion of these and other risk factors associated with the Company and an investment in the Company's shares.

No discussion of quarterly results for the eight most recently completed quarters has been included herein due to the fact that quarterly financial statements have not previously been prepared by Perseus as it is not required to do so under either the listing rules of the ASX or the Corporations Act. However, as an exploration stage company, its revenues to date have mainly comprised interest income and its expenses have mainly comprised administration and corporate overheads (given the Company's accounting policy to capitalise exploration and evaluation expenditure).

Operating Results	**Three months ended A$'000**					**Nine months ended A$'000**	
	31 Mar 2010	**31 Dec 2009**	**30 Sep 2009**	**31 Mar 2009**	**31 Dec 2008**	**31 Mar 2010**	**31 Mar 2009**
Interest Income	294	501	548	26	258	1,344	416
Other revenue	-	54	-	254	1,443	54	1,957
Total Operating expenses	(6,742)	(3,145)	(4,478)	(684)	(2,165)	(14,365)	(5,630)
Net Loss	(6,448)	(2,590)	(3,929)	(404)	(463)	(12,967)	(3,257)
Basic/Diluted loss per share (cents/share)	(2.04)	(0.82)	(1.31)	(0.23)	(0.26)	(4.10)	(1.82)

The considerably greater net interest income for the nine months ended March 31, 2010 compared to the comparative nine month period is a result of both higher average cash balances held in interest bearing deposits during the period as well as increasing interest rates during the current nine month period. The higher average cash balances were a result of share placements in late June 2009, early November 2009, and early February 2010 with gross proceeds of $75.2 million, $23.4 million and $36.4 million received respectively. Interest income has however dropped over each of three last quarters ($548,000, $501,000 and $294,000 respectively) against a backdrop of increasing cash balances over this same period (refer to the table below). The reason for this is that greater proportions of the total cash assets are being held in US dollar denominated bank deposits, particularly in the March 2010 quarter (to provide a natural hedge against expenditure incurred or planned to be incurred in US dollars), which earn very little interest income compared to interest earned on Australian dollar cash assets.

"Other revenue" in the comparative period of the nine months ended March 31, 2009 included a gain recognized on disposal of gold projects in the Central Asian Kyrgyz Republic to ASX listed, Manas Resources Limited ($832,925) as well as foreign exchange gains.

The increased operating expenses in the March 2010 quarter compared to the preceding two quarters is a result of greater foreign exchange losses ($1.9m in the March 2010 quarter compared to just over $2m in the previous two quarters combined), greater decrement in the market value of gold put options ($2.3m in the March 2010 quarter compared to $2m in the previous two quarters combined) as well as increased personnel costs and expanded corporate activities. Increased personnel costs included the issue of options to Directors and employees as share based payments ($1.6m charge in the March 2010 quarter compared to a charge of around $800,000 in the previous two quarters combined).

The greater losses incurred in the cumulative nine month period to March 31, 2010 against the comparative period reflects the increased personnel costs and expanded corporate activities as the Company geared up to commence development of the Central Ashanti Gold Project. This period also reflects a stronger overall market and a favourable environment for mineral explorers compared to the late 2008/early 2009 when the global financial crisis impacted on markets generally and mineral explorers in particular.

Notwithstanding an increase in the number of shares on issue during the period the loss per share for the nine months ended March 31, 2010 was 4.10 cents compared to a loss of 1.82 cents per share for the comparative period, again reflecting the comments made in the preceding paragraph.

Balance Sheet	**A$'000**					
	31 Mar 2010	**31 Dec 2009**	**30 Sep 2009**	**30 June 2009**	**31 Mar 2009**	**31 Dec 2008**
Cash and cash equivalents	82,705	67,166	60,626	79,876	10,685	3,622
Total Assets	194,031	155,813	136,238	145,903	72,206	69,236
Total Liabilities	18,296	4,895	6,350	13,106	3,828	6,115
Net Assets	175,735	150,918	129,888	132,797	68,378	63,121

In the September 2009 quarter, Perseus announced the results of the DFS on the Central Ashanti Gold Project and that, based on the positive results thereof, development of the Central Ashanti Gold Project would be expedited. In October 2009, based on the positive results of an earlier pre-feasibility study, continuing exploration success and a buoyant gold sector, Perseus announced its intention to conduct a DFS on the Tengrela Gold Project.

Higher cash balances as at March 31, 2010, December 31, 2009, and September 30, 2009 reflect the increased share placement activity since June 2009 as the Company prepared to develop the Central Ashanti Gold Project and increase the pace of exploration at the Tengrela Gold Project.

Total Assets increased in the three months to March 31, 2010, reflecting the higher cash balances, higher closing balances of property, plant and equipment ($20m increase over the previous quarter) and exploration and evaluation expenditure ($2.2m increase over the previous quarter), offset by a reduction in the value of the gold put options ($2.4m) resulting from an increase in spot gold price and the passage of time.

The increase in property, plant and equipment relates primarily to expenditure incurred with respect to gold plant and infrastructure for the Central Ashanti Gold Project including engineering design, equipment specifications and deposits for certain long lead plant items.

During the March 2010 quarter, exploration and evaluation expenditure amounted to just over $27 million (compared to $8.7 million in the previous quarter) and relates primarily to substantially increased drilling activity at the Central Ashanti Gold Project in Ghana and the Sissingue prospect located in the Ivory Coast (Tengrela Project). However, the net increase in the balance of exploration and evaluation expenditure was only $2.2 million and this is a result of an increase in the (negative) foreign currency translation difference of $16.4 million during the three month period ended March 31, 2010. This increase is as a result of the continued strengthening of the Australian dollar during this period.

The marked increase in total liabilities at Quarter-end compared to preceding quarters reflects the increased scale of activity with respect to the pre-development work at the Central Ashanti Gold Project, particularly expenditure incurred with the DRA/Group 5 Joint Venture, as well as the substantially increased drilling activity during the Quarter.

Cashflows	Three month ended A$'000					Nine months ended A$'000	
	31 Mar 2010	**31 Dec 2009**	**30 Sep 2009**	**31 Mar 2009**	**31 Dec 2008**	**31 Mar 2010**	**31 Mar 2009**
Cashflows from Operating Activities	(236)	(687)	(788)	(322)	(437)	(1,712)	(1,097)
Cashflows from Investing Activities	(16,773)	(16,446)	(14,810)	(2,959)	(8,276)	(48,029)	(19,310)
Cashflows from Financing Activities	34,463	23,786	(2,410)	10,423	199	55,839	10,755

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2010, the Company had $82.7 million in cash and cash equivalents ($67.2 million as at December 31, 2009). In February 2010, following the Company's listing on TSX and conversion of 23.4 million subscription receipts to 23.4 million shares, net funds of $34 million became available to the Company and have been added to the Company's cash balances. During the last two years, the Company has accessed equity capital markets as its primary source of funding to finance its activities.

As previously stated, the Company's plans are to develop the Central Ashanti Gold Project, complete a DFS on the Tengrela Gold Project subject to a positive outcome from the DFS on the Tengrela Gold Project, develop the Tengrela Gold Project and expand its resource base through rapid exploration of existing ground and the acquisition of prospective new projects.

The following table sets forth information regarding the Company's contractual obligations as at March 31, 2010.

Payments Due by Period (US$)

Contractual Obligations	**Less than 1 Year**	**1 - 3 Years**	**4 - 5 Years**	**After 5 years**
Purchase obligations (1)	US$29 million	—	—	—

Notes:
(1) Under the agreement between the Company and the JV comprising DRA Mineral Projects (Pty) Ltd and Group Five Projects (Pty) Ltd, Perseus authorized the Joint Venturer to enter into binding contracts and

arrangements with suppliers, subcontractors and manufacturers and perform work up to a maximum value of US$53 million (US$24 million of which was settled or recorded as an actual liability by March 31, 2010), which amount forms part of the estimated US$160 million capital cost for the Central Ashanti Gold Project.
(2) The Company's mineral rights in Ghana and Ivory Coast are not subject to minimum expenditures on exploration activities and its operating leases are paid annually, in advance. The Company has no long term debt, capital lease obligations or other long term obligations.

The capital costs requirement for the Central Ashanti Gold Project is estimated to be approximately US$160 million. The Company intends to finance the capital cost of the Central Ashanti Gold Project with a debt facility, further details of which were provided earlier in this MD&A, and as to the balance, with cash reserves or further equity. As explained elsewhere, the Company has received Cdn$86.5 million in net proceeds since the Quarter-end from an issue of 50.6m ordinary shares at Cdn$1.80 each. Subject to shareholder approval at a meeting convened for May 28, 2010, a private placement (on a best endeavours basis) of up to 15m shares at A$1.94 each is anticipated to be completed soon after the shareholder meeting for net proceeds of up A$27.6 million. A share purchase plan offering a maximum of 7m shares to Australian and New Zealand registered shareholders at a price of A$1.94 each is presently underway and may raise up to A$13.5 million in proceeds.

OUTSTANDING SECURITIES DATA

The Company has on issue ordinary shares and stock options. The following is a summary of the Company's capital structure as at the date of this MD&A:

Number of Securities

Ordinary shares	395,432,088
Options over unissued shares	11,270,000

At March 31, 2010, there were 344,632,088 shares and 11,470,000 options on issue. Since that date and up to the date of this MD&A, the Company has issued 50,600,000 shares for net proceeds of Cdn$86.5 million as detailed elsewhere in this MD&A and 200,000 shares have been issued upon exercise of the same number of options.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at March 31, 2010.

Transactions with Related Parties

Remuneration (including salaries, directors fees and the issue of share options) was paid or is payable to the directors of the Company in the normal course of business. The Company pays its non-executive personnel consulting fees for extra services, if any, performed outside of normally expected non-executive duties. These transactions are made on commercial terms and conditions and at market rates.

Rent, accounting, secretarial and corporate service fees paid or payable to Corporate Consultants Pty Ltd, a company in which a Director, Mr Gillard, and the company secretary, Mr Susmit Shah, are directors and have beneficial interests totalled $96,772 and $95,519 for the three months ended March 31, 2010 and December 31, 2009 respectively. The increase in fees reflects the additional corporate activity in relation to share placements and listing on the TSX.

Taxation services paid or payable to Icon Financial Management Pty Ltd, an entity in which Mr Gillard is a director and has a beneficial interest totalled $1,510 and $2,200 for the three months to March 31, 2010 and December 31, 2009 respectively.

Critical Accounting Estimates

Management is required to make various estimates in determining the reported amounts of assets and liabilities, revenues and expenses for each period presented and in the disclosure of commitments and contingencies. Accounting estimates and judgments are continually re-evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable in the circumstances.

Management considers the following to be the Company's most critical accounting estimates.

Share-Based Payments
The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments as at the date at which they are granted. The Company measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes option pricing model and taking into account the terms and conditions upon which the instruments were granted. Differences in estimated future stock price volatility, interest rates and other factors can have a material effect on the calculation of stock-based compensation expense and derivative values. As such, the values derived may change significantly from period to period and are subject to significant uncertainty. The Company recorded a total stock based compensation expense of $1.6 million for the Quarter (December 2009 quarter: $1.07 million; March 2009 quarter: $0.14 million).

Exploration and Evaluation Expenditure
The Board of Directors of Perseus determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The decision of the Board of Directors is made after considering the likelihood of finding commercially viable mineral reserves.

Changes in Accounting Policies Including Initial Adoption

Australian Accounting Standards and interpretations which have recently been issued or amended but are not yet effective have not been early-adopted by the Company. Note 1 to the financial statements for the Quarter contains disclosures regarding those standards and interpretations. The Company will monitor the effect of the new standards and has concluded that these standards, if early-adopted, would not have a significant effect on the March 31, 2010 financial statements.

Financial Instruments and Other Instruments

The principal financial instruments used by the Company as at March 31, 2010 are cash, receivables, payables and prepayments. As a result of the use of these financial instruments, the Company is exposed to credit risk, liquidity risk and market risk.

Credit Risk
Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities. The Company limits its exposure to credit risk by investing in liquid securities and only with counterparties that have an acceptable credit rating. Further, the Company has established an allowance for impairment that represents an estimate of the losses incurred in respect of other receivables and investments. Management does not expect any counterparty to fail to meet its obligations.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows. In the absence of operating revenue, the Company must raise additional capital from time to time in order to fund its exploration activities. The decision to raise capital in the future depends on market conditions existing at that time and the level of forecast activities and expenditures.

Market Risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, will offset the Company's income. The Company is exposed to fluctuations in metal prices (principally gold), fluctuations in foreign currency and interest rates in the normal course of its business operations. The Company uses metal hedges to mitigate its exposure to fluctuations in gold prices. In August 2009, the Company purchased 100,000 ounces of gold put options maturing over 2012 and 2013, representing approximately 22% of the planned production for those years. The put options enable the Company to sell 100,000 ounces of gold at US$850/oz should the prevailing price be less, or at the prevailing spot price if they are higher. The consideration for the put options was US$9.1 million. Subsequent to Quarter–end and immediately prior to the date of this MD&A, Perseus purchased additional gold put options at a cost of US$1.6 million for the delivery of 20,000 ounces of gold between July and December 2011, again representing just over 20% of planned production from the Central Ashanti Gold Project during that period and will permit the Company to sell gold at US$1,100 per ounce should the prevailing price be less, or at prevailing spot prices if they are higher. Further, in connection with the proposed debt facilities the Company anticipates entering into an additional gold hedging facility requiring hedging in the range of 150,000 ounces to 230,000 ounces (depending on the quantum of the facility and the drawdown amount) at a price and structure yet to be determined.

The Company has not entered into any derivative financial instruments to hedge fluctuation in foreign currency. The Company is exposed to fluctuations in the United States dollar, the Ghanaian Cedi and the CFA franc. A strengthening or weakening of the Australian dollar against these currencies will affect the Company's profit and loss.

The Company's exposure to changes in interest rates relates primarily to the Company's cash and cash equivalents. The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. The Company will, however, be exposed to the effect of interest rates fluctuation on any variable rate financial instruments entered into, including debt facilities.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

The Company maintains appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete and reliable. The Company continues to review and develop appropriate disclosure controls and procedures and internal controls over financial reporting for the nature and size of the Company's business, particularly in the present phase as the Company gears up to develop and bring into production the Central Ashanti Gold Project.

Disclosure Controls and Procedures
The Company's disclosure controls and procedures ("**DCP**") are designed to provide reasonable assurance that all relevant information is communicated to the Company's senior management to allow timely decisions regarding disclosure. Access to material information regarding the Company is facilitated by the small size of the Company's senior management team and workforce. The Company is continuing to develop appropriate DCP for the nature and size of the Company's business.

Internal Controls over Financial Reporting
Internal controls over financial reporting ("**ICFR**") are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements in compliance with IFRS. The Board is responsible for ensuring that management fulfills its responsibilities in this regard. The Audit Committee fulfills its role of ensuring the integrity of the reported information through its review of the interim and annual financial statements. As at March 31, 2010, the Chief Executive Officer and Chief Financial Officer, with participation of the Company's management, concluded that there were no material weaknesses at the end of the Quarter or changes to the Company's internal controls during the Quarter which have materially affected, or are considered to be reasonably likely to materially affect, the Company's ICFR.

Limitations of Controls and Procedures
The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any DCP or ICFR, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Cautionary Note Regarding Forward Looking Statements

Certain information contained in this MD&A constitutes "forward-looking information", which may include, but is not limited to, statements or information regarding possible events, conditions or results of operations that is based upon assumptions about future economic conditions and courses of action. All information other than matters of historical fact may be forward-looking information. In some cases, forward-looking information can be identified by the use of words such as "seeks", "expects", "is expected", "anticipates", "budget", "plans", "estimates", "continues", "forecast", "projects", "intends", "believes", "predicts", "scheduled", "potential", "targets", "may", "could", "would", "might", "will" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook.

Forward-looking information in this MD&A includes, but is not limited to, statements about drill results, commodity prices and core intersection lengths, in that they constitute estimates, based on certain assumptions of mineralization that may be encountered if a deposit were to be mined.

By its nature, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to differ materially from those expressed or implied by such forward-looking information.

Risk factors

Some of the risks and other factors that could cause actual results to differ materially from those expressed in the forward-looking information contained in this MD&A as well as risk factors generally facing the Company include, but are not limited to:

• risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations;
• results of initial feasibility, pre-feasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations;
• risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined;
• mining and development risks, including risks related to accidents, equipment breakdowns, labour disputes (including work stoppages and strikes) or other unanticipated difficulties with or interruptions in exploration and development;
• the potential for delays in exploration or development activities or the completion of feasibility studies;
• risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses;
• risks related to commodity price and foreign exchange rate fluctuations;
• the uncertainty of profitability based upon the cyclical nature of the industry in which the Company operates;

• risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities;
• risks related to environmental regulation and liability;
• political and regulatory risks associated with mining and exploration; and
• other risks and uncertainties related to the Company's prospects, properties and business strategy.

A detailed discussion of these and other factors that may affect the Company's prospects, actual results, performance, achievements or financial position is contained in the Company's short form prospectus dated April 27, 2010. Although the Company has attempted to identify important factors that could cause actual results or events to differ materially from those described in the forward-looking information, readers are cautioned that this list is not exhaustive and there may be other factors that we have not identified. Readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Forward-looking information is based upon management's beliefs, estimates and opinions as at the date of this MD&A, and no assurance can be given that these will prove to be correct. Furthermore, the Company undertakes no obligation to update or revise forward-looking information if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.

Technical Disclosures

The exploration results in this MD&A have been prepared by or under the supervision of Mark Calderwood, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Calderwood is the Managing Director and full-time employee of the Company. He is a Competent Person within the meaning of the JORC Code and a Qualified Person within the meaning of National Instrument 43-101 —Standards of Disclosure for Mineral Projects (''NI 43-101''). Mr. Calderwood has reviewed the data set out herein, including sampling, analytical and test data underlying the exploration results set out herein. For a description of the quality assurance program and quality control measures applied please refer to the technical reports entitled ''Technical Report — Central Ashanti Gold Project, Ghana'' dated November 30, 2009 prepared by Paul Payne, Principal Consultant Geologist, Runge Limited; David Price, Senior Consultant Geologist, Runge Limited; and Brad Marwood, Principal Consultant (Mining), Corporate Mining Resources Pty Ltd (the ''Central Ashanti Technical Report'') and the technical report entitled ''Technical Report — Tengrela Gold Project, Ivory Coast'' dated November 30, 2009 by David Price, Senior Consultant Geologist, Runge Limited (the ''Tengrela Technical Report'') available under the Company's profile at sedar.com. Mr Calderwood has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and as a Qualified Person for the purposes of National Instrument 43-101 of the Canadian Securities Administrators. Mr Calderwood consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

PERSEUS MINING LIMITED

ABN 27 106 808 986

Consolidated Interim Financial Statements
For the period ended
31 March 2010
(unaudited)

The accompanying unaudited consolidated interim financial statements for the period ended 31 March 2010 have been prepared by management and approved by the Audit Committee on behalf of the Board of Directors of the Company. The Company's auditors have not reviewed these financial statements. Readers are cautioned that these financial statements contain forward-looking information as described in the associated Management's Discussion & Analysis. All amounts are stated in Australian dollars, except as otherwise stated.

Perseus Mining Limited and its controlled entities
Unaudited Consolidated Statement of Comprehensive Income
(Expressed in Australian dollars)

		Consolidated			
		Three months ended		Year to date (nine months)	
	Notes	31 Mar 2010 $	31 Mar 2009 $	31 Mar 2010 $	31 Mar 2009 $
Revenue					
Finance revenue		294,327	26,451	1,343,913	415,519
Other revenue		-	254,108	53,934	1,956,780
Total revenue	2	294,327	280,559	1,397,847	2,372,299
Expenses from ordinary activities					
Depreciation expense	3	(55,615)	(6,901)	(75,802)	(63,319)
Employee, Directors and consultants costs	3	(2,185,060)	(604,803)	(4,047,289)	(1,416,424)
Foreign exchange losses		(1,907,141)	-	(4,043,629)	-
Impairment of loans to subsidiaries and investments in associates	3	-	-	-	(3,330,819)
Stock Exchange Listing and Compliance Fees		(14,045)	(33,451)	(111,439)	(122,417)
Travel expenses		(122,685)	(9,724)	(387,442)	(70,791)
Share of net loss of associate accounted for using the equity method		-	-	(220,283)	(180,955)
Revaluation of gold put options		(2,363,772)	-	(4,350,300)	-
Other expenses from ordinary activities	3	(93,974)	(29,151)	(1,128,616)	(444,946)
Expenses from ordinary activities		(6,742,292)	(684,030)	(14,364,800)	(5,629,671)
Loss from ordinary activities before related income tax expense		(6,447,965)	(403,471)	(12,966,953)	(3,257,372)
Income tax (expense)/benefit relating to ordinary activities		-	-	-	-
Net loss attributable to members of the parent entity		(6,447,965)	(403,471)	(12,966,953)	(3,257,372)
Other comprehensive loss					
Exchange differences on translation of foreign operations		(4,595,182)	(6,855,100)	(7,716,128)	391,297
Net change in the fair value of available-for-sale financial assets		-	-	-	-
Total comprehensive loss for the period		**(11,043,147)**	**(7,258,571)**	**(20,683,081)**	**(2,866,075)**
Basic loss per share		(2.04) cents	(0.23) cents	(4.10) cents	(1.82) cents

Perseus Mining Limited and its controlled entities
Unaudited Consolidated Statement of Financial Position
(Expressed in Australian dollars)

	Notes	Consolidated 31 Mar 2010 $	Consolidated 30 June 2009 $
Current Assets			
Cash and cash equivalents	5	82,704,675	79,876,095
Receivables	6	1,120,821	679,780
Other	7	745,563	79,042
Total Current Assets		84,571,059	80,634,917
Non-Current Assets			
Receivables	6	2,490,952	2,696,149
Other financial assets	7	5,968,851	-
Available for sale financial assets	8	418,700	-
Investments accounted for using the equity method	9	2,864,271	2,500,000
Property, plant and equipment	11	31,919,674	1,903,816
Mineral interest acquisition, exploration and development expenditure	12	65,798,168	58,167,962
Total Non-Current Assets		109,460,616	65,267,927
Total Assets		194,031,675	145,902,844
Current Liabilities			
Payables	13	15,840,598	10,231,779
Total Current Liabilities		15,840,598	10,231,779
Non-Current Liabilities			
Provisions	13	2,455,612	2,874,196
Total Non-Current Liabilities		2,455,612	2,874,196
Total Liabilities		18,296,210	13,105,975
Net Assets		175,735,465	132,796,869
Equity			
Issued Capital	14	212,530,591	152,220,729
Option premium reserve	14	9,367,784	6,055,969
Foreign currency translation reserve	14	(20,859,873)	(13,143,745)
Accumulated losses		(25,303,037)	(12,336,084)
Total Equity		175,735,465	132,796,869

Perseus Mining Limited and its controlled entities
Unaudited Consolidated Statement of Changes in Equity
(Expressed in Australian dollars)

	Issued Capital	Accumulated Losses	Option Premium Reserve	Foreign Currency Translation Reserve	Total Equity
	$A	**$A**	**$A**	**$A**	**$A**
6 months to 31 Dec 2009					
Balance at 1 July 2009	152,220,729	(12,336,084)	6,055,969	(13,143,745)	132,796,869
Loss attributable to members of the parent entity	-	(6,518,989)	-	-	(6,518,989)
Currency translation differences	-	-	-	(2,872,167)	(2,872,167)
Currency translation attributable to share of associated entity	-	-	-	(248,779)	(248,779)
Total comprehensive income/(loss) for the period	-	(6,518,989)	-	(3,120,946)	(9,639,935)
Shares issued during the period	25,250,000	-	-	-	25,250,000
Share issue expenses	(1,784,327)	-	-	-	(1,784,327)
Exercise of options	2,186,250	-	-	-	2,186,250
Fair value of options issued	-	-	2,108,916	-	2,108,916
Balance at 31 December 2009	**177,872,652**	**(18,855,073)**	**8,164,885**	**(16,264,691)**	**150,917,773**
3 months to 31 March 2010					
Balance at 1 January 2010	**177,872,652**	**(18,855,073)**	**8,164,885**	**(16,264,691)**	**150,917,773**
Loss attributable to members of the parent entity	-	(6,447,964)	-	-	(6,447,964)
Currency translation differences	-	-	-	(4,595,182)	(4,595,182)
Currency translation attributable to share of associated entity	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	(6,447,964)	-	(4,595,182)	(11,043,146)
Shares issued during the period	36,402,770	-	-	-	36,402,770
Share issue expenses	(2,518,581)	-	-	-	(2,518,581)
Exercise of options	773,750	-	-	-	773,750
Fair value of options issued	-	-	1,202,899	-	1,202,899
Balance at 31 March 2010	**212,530,591**	**(25,303,037)**	**9,367,784**	**(20,859,873)**	**175,735,465**

(Expressed in Australian dollars)

	Issued Capital	Accumulated Losses	Option Premium Reserve	Foreign Currency Translation Reserve	Total Equity
	$	$	$	$	$
12 months to 30 June 2009					
Balance at 1 July 2008	69,679,727	(7,546,883)	4,426,085	(7,587,629)	58,971,300
Loss attributable to members of the parent entity	-	(4,789,201)	-	-	(4,789,201)
Currency translation differences	-	-	-	(5,389,827)	(5,389,827)
Currency translation attributable to share of associated entity	-	-	-	(166,289)	(166,289)
Total comprehensive income/(loss) for the period	-	(4,789,201)	-	(5,556,116)	(10,345,317)
Shares issued during the period	84,157,408				84,157,408
Share issue expenses	(4,487,440)				(4,487,440)
Exercise of options	2,871,034	-	-	-	2,871,034
Fair value of options issued	-	-	1,237,934	-	1,237,934
Options reserves attributable to share of associated entity	-	-	391,950	-	391,950
Balance at 30 June 2009	**152,220,729**	**(12,336,084)**	**6,055,969**	**(13,143,745)**	**132,796,869**

Perseus Mining Limited and its controlled entities
Unaudited Consolidated Statement of Cash Flows
(Expressed in Australian dollars)

	Notes	Consolidated			
		Three months ended		Year to date (nine months)	
		31 Mar 2010 $	31 Mar 2009 $	31 Mar 2010 $	31 Mar 2009 $
Cash Flows from Operating Activities					
Cash payments in the course of operations		(641,849)	(346,922)	(3,130,183)	(1,525,646)
Interest received		411,425	38,558	1,452,986	458,302
Interest and other costs of finance paid		(4,832)	(13,182)	(34,940)	(29,664)
Other income		(1,240)	-	-	-
Net Cash used in Operating Activities		(236,496)	(321,546)	(1,712,137)	(1,097,008)
Cash Flows from Investing Activities					
Payments for exploration and development expenditure		(9,260,059)	(2,811,236)	(18,905,381)	(18,441,160)
Payments for acquisition of mineral interest		-	(28,286)	(54,758)	(221,695)
Payments for property, plant and equipment		(7,094,243)	(119,058)	(16,956,333)	(749,463)
Receipts from/(payments to) related parties		-	-	-	766,802
Payments for investments		(418,700)	-	(1,252,033)	-
Receipts from/(Advances) to third parties		-	-	28,229	(143,307)
Security deposit for bank guarantee		-	-	-	(520,996)
Payments for the acquisition of put options		-	-	(10,888,730)	-
Net Cash used in Investing Activities		(16,773,002)	(2,958,578)	(48,029,006)	(19,309,819)
Cash Flows from Financing Activities					
Proceeds from share issues		36,402,770	10,979,952	59,803,590	11,258,979
Proceeds from exercise of options		578,750	-	2,765,000	-
Share issue expenses		(2,518,581)	(557,000)	(6,730,014)	(503,865)
Net Cash provided by Financing Activities		34,462,939	10,422,952	55,838,576	10,755,114
Net Increase/(Decrease) in Cash Held		17,453,441	7,142,826	6,097,433	(9,651,713)
Cash and cash equivalents at the beginning of the financial period		67,166,487	3,630,909	79,876,095	19,296,798
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		(1,915,253)	(76,656)	(3,268,853)	1,051,994
Cash and cash equivalents at the end of the Financial Period	5	82,704,675	10,697,079	82,704,675	10,697,079

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Basis of preparation and Statement of compliance

Perseus Mining Limited ("Perseus" or the "Company") is a public company, incorporated and domiciled in Australia and listed on the Australian Securities Exchange ("ASX") and the Toronto Stock Exchange ("TSX"). During the period ended 31 March 2010, Perseus conducted operations in Australia, Ghana and the Ivory Coast.

These consolidated interim financial statements of the Company and its controlled entities for the period ended 31 March 2010 are general purpose financial statements prepared in accordance with the requirements of the Australian *Corporations Act 2001 (Cth),* applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB') and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

These consolidated interim financial statements do not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the group as in the full financial report. It is recommended that these interim consolidated financial statements be read in conjunction with the annual financial report for the year ended 30 June 2009, the financial report for the six months ended 31 December 2009 and any public announcements made by the Company during the period ended 31 March 2010 in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX and TSX Listing Rules.

These consolidated interim financial statements have also been prepared on a historical cost basis, except for available-for-sale financial assets and derivative financial instruments which have been measured at fair value.

All amounts are presented in Australian dollars unless indicated otherwise.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

Adoption of new and revised Accounting Standards

In the period ended 31 March 2010, the Group has reviewed all of the new and revised Standards and interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2009.

During the current period, certain accounting policies have changed as a result of new or revised accounting standards which became operative for the annual reporting period commencing on 1 July 2009.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Adoption of new and revised Accounting Standards - continued

The affected policies and standards are:

- Principles of consolidation - revised AASB 127 *Consolidated and Separate Financial Statements* and changes made by AASB 2008-7 *Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Business Combinations - revised AASB 3 *Business Combinations*
- Segment reporting - new AASB 8 *Operating Segments*
- Financial Statements presentation - revised AASB 101 *Presentation of Financial Statements*

Principles of Consolidation

AASB 127 (revised) required the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains or losses. This is different to the Group's previous accounting policy where transactions with minority interests were treated as transactions with parties external to the group.

The standard also specifies the accounting when control is lost. Any remaining interest in the entity must be remeasured to fair value and a gain or loss is recognised in profit or loss. This is consistent with the entity's previous accounting policy if significant influence is not retained.

The Group will in future allocate losses to the non-controlling interest in its subsidiaries even if the accumulated losses should exceed the non-controlling interest in the subsidiary's equity. Under the previous policy, excess losses were allocated to the parent entity.

Lastly, dividends received from investments in subsidiaries, jointly controlled entities or associates after 1 July 2009 are recognised as revenue even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a result of the dividend payment. Under the entity's previous policy, these dividends would have been deducted from the cost of the investment.

The changes were implemented prospectively from 1 July 2009. There has been no impact on the current period.

Business Combinations

All payments to purchase a business are now recorded at fair value at the acquisition date, with contingent payments included at their respective fair values. Under the Group's previous policy, contingent payments were only recognised when the payments were probable and could be measured reliably and were accounted for as an adjustment to the cost of the acquisition.

Acquisition-related costs are expensed as incurred. Previously, they were recognised as part of the cost of acquisition and therefore included in goodwill.

Non-controlling interests in an acquiree are now recognised either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. This decision is made on an acquisition-by-acquisition basis. Under the previous policy, the non-controlling interest was always recognised at its share of the acquiree's net assets.

If the Group recognises acquired deferred tax assets after the initial recognition accounting there will no longer be any adjustment to goodwill. As a consequence, the recognition of the deferred tax asset will increase the Group's net profit after tax.

There is no impact of the above change in accounting policy during the current period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Adoption of new and revised Accounting Standards - continued

Segment Reporting

The Group has applied AASB 8 *Operating Segments* from 1 July 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. The Group has revised its comparative segment information in accordance with the requirements of AASB 8.

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Perseus Mining Limited.

Financial Statement Presentation

The Group has applied AASB 101 from 1 July 2009. AASB 101 requires that all changes in equity arising from transactions with owners in their capacity of owners should be presented separately from non-owner changes in equity. Additionally, if the Company makes a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet at the beginning of the comparative period. Furthermore, various terminology changes have been made to other standards. The principal impact of this upon the Company is that:

- "balance sheet" is now referred to as "statement of financial position;
- a "statement of comprehensive income " is now presented;
- "general purposes financial report" is now "general purpose financial statements"; and
- "equity holders" are now referred to as "owners".

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the period ended 31 March 2010. As a result of this review the Directors have determined that there is no change necessary to Group accounting policies.

Basis of Consolidation

The consolidated interim financial statements comprise the interim financial statements of the Company and its controlled entities ("Group" or "consolidated entity").

The interim financial statements of the controlled entities are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated interim financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity and cease to be consolidated from the date on which control is transferred out of the consolidated entity. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Significant accounting judgments, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next reporting period are as follows:

Exploration and evaluation expenditure:

The Board of Directors determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Board's decision is made after considering the likelihood of finding commercially viable reserves.

Share-based payment transactions:

The consolidated entity measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they were granted. The fair value is determined using a Black-Scholes model, using relevant input assumptions including the price of an underlying share, valuation date, life of the option, expected volatility of the share price, risk-free rate of interest, dividends expected and vesting conditions.

	Notes	Consolidated			
		Three months ended		Year to date (nine months)	
		31 Mar 2010	31 Mar 2009	31 Mar 2010	31 Mar 2009
		$	$	$	$
2. REVENUE					
Finance revenue - interest income		294,327	26,451	1,343,913	415,519
Gain on loss of control of subsidiary (Kyrgyz)		-	-	-	832,925
Other income		-	2,360	53,934	11,541
Foreign currency exchange gains		-	251,748	-	1,112,314
		294,327	280,559	1,397,847	2,372,299
3. LOSS FROM ORDINARY ACTIVITIES					
Loss from ordinary activities before income tax has been determined after:					
Expenses					
Depreciation of plant and equipment		55,615	6,901	75,802	63,319
Impairment of investments in associates		-	-	-	3,330,319
Share based payments to Directors and employees		1,594,850	136,956	2,413,760	496,365
Defined contribution superannuation expense		20,336	10,247	61,560	40,665
Directors Fees		253,750	61,750	428,917	195,042
Other expenses include:					
Corporate promotion and advertising		45,778	10,404	98,282	12,583
Conferences and seminars		11,568	3,620	57,894	9,100
Insurance		125	6,752	57,506	53,223
Legal expenses		58,435	1,410	169,258	4,800
Printing & Stationery		4,190	5,179	31,856	27,723
Bank Fees		4,832	29,961	34,940	30,692

4. SEGMENT INFORMATION

The consolidated entity primarily reports on a geographical basis as its risks and rates of return are affected predominantly by differences in the geographical areas in which it operates and this is the format of the information provided to the chief operating decision maker.

The consolidated entity operated principally in two geographical segments in 2009 being Australia and West Africa (including the countries of Ghana and Ivory Coast). The segment information is prepared in conformity with the Group's accounting policies.

The consolidated entity comprises the following main segments:

Australia	Investing activities and corporate management.
West Africa	Mineral exploration activities.

4. SEGMENT INFORMATION – continued

	Nine months ended							
	Australia 31 Mar 2010 $	Australia 31 Mar 2009 $	West Africa 31 Mar 2010 $	West Africa 31 Mar 2009 $	Unallocated 31 Mar 2010 $	Unallocated 31 Mar 2009 $	Consolidated 31 Mar 2010 $	Consolidated 31 Mar 2009 $
Revenue								
Interest revenue	1,343,518	415,519	395	-	-	-	1,343,913	415,519
Profit on Sale of Kyrgyz companies	-	832,925	-	-	-	-	-	832,925
Other external revenue	52,708	1,775,929	1,226	(652,074)	-	-	53,934	1,123,855
Total segment revenue	1,396,226	3,024,373	1,621	(652,074)	-	-	1,397,847	2,372,299
Results								
Operating profit / (loss) before income tax	(13,464,094)	(2,658,708)	497,140	(935,248)	-	336,584	(12,966,954)	(3,257,371)
Income tax expense							-	-
Net profit / (loss)							(12,966,954)	(3,257,371)
Included within segment results:								
Share of net loss of associate accounted for using the equity method	-	180,955	-	-	-	-	220,283	180,955
Depreciation	14,642	21,445	61,160	224,004	-	-	75,802	245,449
Revaluation of put options	4,350,300	-	-	-	-	-	4,350,300	-
Impairment of investment in associate	-	3,330,319	-	-	-	-	-	3,330,319
Options issued to employees, Directors and consultants	2,413,766	496,3654	-	-	-	-	2,413,766	496,3654
Other non-cash expenses	11,040,911	12,517	-	-	-	-	11,040,911	12,517
Assets								
Segment assets	99,484,147	16,062,368	94,547,528	56,143,031	-	-	194,031,675	72,205,398
Non-current assets acquired	6,922,818	2,547,786	36,668,036	16,830,212	-	-	43,590,854	19,377,998
Liabilities								
Segment liabilities	898,843	3,590,487	17,397,367	237,173	-	-	18,296,210	3,827,660

	Notes	Consolidated 31 Mar 2010 $	Consolidated 30 June 2009 $
5. CASH AND CASH EQUIVALENTS			
Cash assets		2,228,187	367,156
Short term deposits		80,476,488	79,508,939
		82,704,675	79,876,095

- Cash at bank earns interest at floating rates based on daily bank deposit rates.
- Short-term deposits are made for varying periods of between one day and six months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

	Notes	Consolidated 31 Mar 2010 $	Consolidated 30 June 2009 $
6. RECEIVABLES			
Current			
Sundry debtors		303,529	679,780
Security deposits	(i)	817,292	-
		1,120,821	679,780
Non-current			
Security deposits	(ii)	2,490,952	2,696,149
		2,490,952	2,696,149

Terms and conditions relating to the above financial instruments:

Trade and sundry debtors are non-interest bearing and generally on 30 day terms. No debtors are considered past due but not impaired and accordingly, no ageing has been provided.

(i) At 31 March 2010, the Company has US$0.751 million ($0.817million) held in a bank deposits as security against a letter of credit issued to a supplier to provide a transformer for the Central Ashanti Gold Project.

(ii) At 31 March 2010, the Company has US$2.250 million ($2.500 million) held in bank deposits which are subject to a lien and is collateral for a bank guarantee that has been issued to the Ghana Environmental Protection Agency in relation to environmental rehabilitation provisions concerning the Central Ashanti Gold Project.

	Notes	Consolidated 31 Mar 2010 $	Consolidated 30 June 2009 $
7. OTHER FINANCIAL ASSETS			
Current			
Prepayments		745,563	79,042
		745,563	79,042
Non-current			
Financial assets at fair value through profit or loss	(i)	5,968,851	-
		5,968,851	-

Terms and conditions relating to the above financial instruments:

(i) In August 2009, the Company purchased put options maturing during 2012 and 2013 for 100,000 ounces of gold, representing approximately 22% of the planned gold production for those years. The put options give the Company the right but not the obligation to sell gold at US$850/oz irrespective of the spot price at the date of Maturity. The options were purchased for a consideration of US$9.1 million ($10.9 million) against which a revaluation decrement of $4,350,300 and a foreign exchange loss of $569,579 have been recorded.

	Notes	Consolidated 31 Mar 2010 $	30 June 2009 $
8. AVAILABLE-FOR-SALE FINANCIAL ASSETS			
Investment in listed entity		418,700	-

In March 2010, Perseus Mining Limited entered into an agreement to purchase 19.9% interest in and enter into a strategic alliance with Burey Gold Limited ("Burey") an exploration company with a focus in Guinea, West Africa. Perseus initially subscribed for 10.4 million shares in Burey at a cost of $418,700, with 10.4 million attaching options. Subsequently and, subject to Burey receiving the necessary regulatory approvals, Perseus will subscribe for a further 24.3 million shares at a cost of $973,300 with 24.3 million attaching options.

	Notes	Consolidated 31 Mar 2010 $	30 June 2009 $
9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD			
Investment in associated entity		2,864,271	2,500,000
Reconciliation of movements in investments accounted for using the equity method:			
Balance at the beginning of the period		2,500,000	-
Investment in associate at cost		833,333	5,932,840
Share of loss for the period		(220,283)	(327,682)
Share of reserves of associate		(248,779)	225,661
Impairment of investment		-	(3,330,819)
Balance at the end of the period		2,864,271	2,500,000

Name of Associated entity: Manas Resources Limited ("Manas")
Principal activity: Gold exploration in the Kyrgyz Republic
Country of Incorporation : Australia

Ownership interest		28%	42%
		$	$
Published fair value of quoted securities (market value as quoted on the ASX) at period end		3,466,667	2,500,000
Summarised financial information of associate:			
Financial Position			
Total Assets		14,942,611	10,645,218
Total Liabilities		215,635	151,719
Net Assets		14,726,976	10,493,499
Financial Performance			
Total Revenue		79,606	324,555
Total Loss for the period		824,397	779,880
Capital commitments and contingent liabilities of associate		-	-

In July 2009, Perseus Mining Limited subscribed for 8,333,334 new shares in Manas under a pro-rata entitlement offer at a total cost of $833,333. As a consequence of a placement issue of shares by Manas, Perseus Mining Limited's interest in the issued shares of Manas subsequently fell from 42% to 28%. The equity accounting for the investment in Manas is based in Manas's last publicly available financial statements for the six month period ended December 31, 2009 and Perseus Mining Limited is not aware of any material subsequent events or contingent liabilities of Manas to report.

10. SUBSIDIARIES

The consolidated financial statements incorporate the assets and liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1:

Name of subsidiary	Notes	Place of Incorporation	Consolidated Entity Interest 31 Mar 2010	Consolidated Entity Interest 30 June 2009
			%	%
Parent Entity				
Perseus Mining Limited		Australia		
Subsidiaries				
Occidental Gold Pty Ltd (i)		Australia	100	100
Sun Gold Resources Ltd		Ghana	100	100
Kojina Resources Ltd (ii)		Ghana	100	100
(i) Subsidiaries of Occidental Gold Pty Ltd				
Occidental Gold (Ivory Coast) SARL		Ivory Coast	100	100
(ii) Subsidiaries of Kojina Resources Ltd				
Central Ashanti Gold Limited		Ghana	100	100

Whilst the Group currently owns 100% of the share capital in Central Ashanti Gold Ltd, ("CAGL") it is expected that prior to the Central Ashanti Gold Project going into production, the Group's interest will reduce to 90% when the Ghana Government exercises its statutory right to acquire a 10% interest in CAGL.

11. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	31 Mar 2010 $	30 June 2009 $
Plant and equipment - at cost	32,560,237	2,468,577
Accumulated depreciation	(640,563)	(564,761)
Total property, plant and equipment	31,919,674	1,903,816
Reconciliation:		
Balance at the beginning of the period	1,903,816	1,259,827
Additions (see note below)	30,315,319	1,305,337
Depreciation	(14,642)	(31,487)
Depreciation capitalised to exploration expenditure	(61,160)	(264,461)
Assets written off	-	(42,437)
Translation difference movement	(223,659)	(322,963)
Carrying amount at the end of the period	31,919,674	1,903,816

During the period ended 31 March 2010, plant and equipment additions relate primarily to progress payments made with respect to the engineering design, equipment specifications and deposits for certain long lead plant items for the gold plant and infrastructure for the Central Ashanti Gold Project. At 31 March 2010, work in progress amounted to $29,606,675.

12. MINERAL INTEREST ACQUISITION, EXPLORATION AND DEVELOPMENT EXPENDITURE

	Consolidated	
	31 Mar 2010 $	30 June 2009 $
Exploration and evaluation phase:		
Balance at the beginning of the period	58,167,962	36,971,268
Purchase price for mineral interests	54,758	3,442,619
Expenditure incurred during the period	27,279,729	24,511,214
Costs written-off	-	-
Translation difference movement	(19,704,281)	(6,757,139)
Carried forward	65,798,168	58,167,962

The expenditure above relates principally to the exploration and evaluation phase. The ultimate recoupment of this expenditure is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

	Consolidated	
	31 Mar 2010	30 June 2009
	$	$
13. PAYABLES AND PROVISIONS		
Current		
Trade creditors and accruals	15,709,160	7,027,498
Amount due for acquisition of subsidiary entity*	-	3,140,000
Employee benefits	131,438	64,281
	15,840,598	10,231,779

Terms and conditions relating to the above financial instruments:

- Trade and other creditors are non-interest bearing and are normally settled on 30 day terms.
- * On 30 July 2009, the Company announced that the Central Ashanti Gold project's Proven and Probable Ore Reserves had exceeded 500,000 ounces of gold, requiring the issue of 2,000,000 shares and 2,000,000 options exercisable at 60 cents each to AngloGold Ashanti (Ghana) Ltd ("AGC") on or before 13 August 2011, as further purchase consideration payable for the acquisition of CCAGL which holds title to the Central Ashanti Gold Project. As the announcement of the Ore Reserves provided evidence of conditions which existed at the reporting date, the amount has been recorded as a liability at the balance date of 30 June 2009. Purchase consideration is $3,140,000 based on the shares valued at market price and the options valued using the Black-Scholes valuation methodology.

	Consolidated	
	31 Mar 2010	30 June 2009
	$	$
Non-Current		
Provision for rehabilitation work	2,455,612	2,874,196
Balance at the beginning of the year	2,874,196	2,340,094
Arising during the year	-	-
Translation difference movement	(418,584)	534,102
Balance at the end of the year	2,455,612	2,874,196

The provision for rehabilitation work relates to the Central Ashanti Gold Project in Ghana and forms part of the liabilities of CAGL at the time of its acquisition by the consolidated entity. The obligation arises as a result of gold mining previously conducted on the project area by the former owner, AGC. The timing of settlement of this provision cannot be established with any certainty. Subject to procurement of project finance, the Company plans to commence mining the project area. In that event, many of the old pits identified for rehabilitation work would be subject to new mining. New rehabilitation plans have been drawn up as part of the Company's application for an environmental permit and the actual rehabilitation work will be carried out over the life of the mine.

14. ISSUED CAPITAL AND RESERVES

(a) Issued and paid-up share capital

	Consolidated			
	31 March 2010		30 June 2009	
	Number	$	Number	$
Ordinary shares, fully paid	344,632,088	212,530,591	298,457,088	152,220,729
Movements in Ordinary Shares:				
Balance at the beginning of the period	298,457,088	152,220,729	174,354,267	69,679,727
Share placements at issue price of $0.50 on 28 January 2009	-	-	17,000,000	8,500,000
Share placements at issue price of $0.82 on 22 June 2009	-	-	71,100,000	58,302,000
Rights issue at issue price of $0.82 each on 22 June 2009	-	-	20,646,099	16,929,801
Shares issued to Vendor on 27 February 2009 as part consideration for purchase of the Company's interest in the Central Ashanti Gold Project, net of loan settlement.	-	-	1,461,554	425,606
Shares issued to vendors of Central Ashanti Gold Ltd on 13 August 2009 as performance based consideration.	2,000,000	1,850,000	-	-
Share placements at issue price of $1.50 each on 4 November 2009	15,600,000	23,400,000	-	-
Share issue at a price of $1.555 each on 2 February 2010 on conversion of subscription receipts (i)	23,400,000	36,402,770	-	-
Shares issued pursuant to exercise of options	5,175,000	2,960,000	13,895,168	2,871,034
Transaction costs arising from issue of securities for cash	-	(4,302,908)	-	(4,487,439)
Balance at the end of the period	344,632,088	212,530,591	298,457,088	152,220,729

(i) On 10 November 2009, the Company issued 23,400,000 subscription receipts at Cdn$1.46 each. Each subscription receipt automatically converted into one ordinary share on February 2, 2010 upon the Company successfully listing on the TSX.

14. ISSUED CAPITAL AND RESERVES - continued

(b) Share Options

Options to subscribe for ordinary shares in the Company have been granted as follows:

Exercise Period	Note	Exercise Price	Opening Balance 1 July 2009	Options Issued 2009	Options Exercised/ Cancelled/ Expired 2009	Closing Balance 31 March 2010
			Number	*Number*	*Number*	*Number*
On or before 30 November 2009		$0.40	2,250,000	-	(2,250,000)	-
On or before 31 December 2009		$0.80	1,000,000	-	(1,000,000)	-
On or before 1 April 2010		$0.50	525,000	-	(525,000)	-
On or before 31 July 2010		$1.50	3,800,000	-	-	3,800,000
On or before 31 December 2010		$1.00	1,000,000	-	-	1,000,000
On or before 30 June 2011		$1.00	600,000	-	-	600,000
On or before 23 January 2012		$0.65	2,670,000	-	(1,200,000)	1,470,000
On or before 13 August 2011	(i)	$0.60	-	2,000,000	(200,000)	1,800,000
On or before 29 September 2012	(ii)	$1.30	-	150,000	(150,000)	-
On or before 31 March 2012	(iii)	$1.80	-	400,000	-	400,000
On or before 31 March 2012	(iv)	$1.30	-	600,000	-	600,000
On or before 14 January 2012	(ii)	$2.13	-	1,800,000	-	1,800,000
			11,845,000	4,950,000	(5,325,000)	11,470,000

(i) 2,000,000 options were issued as part consideration for the acquisition of the shares in CAGL.
(ii) A total of 1,950,000 options were issued under the terms of the Perseus Mining Limited Employee Option Plan in the nine month period ending 31 March 2010.
(iii) 400,000 options were issued on 15 October 2009 to a newly appointed director as a condition of his engagement.
(iv) 600,000 options were issued to a director in accordance with shareholder approval granted at the Annual General Meeting held on 27 November 2009.

(c) Terms and conditions of contributed equity

Ordinary Shares:

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Nature and purpose of reserves

Option Premium Reserve

The option premium reserve is used to record the fair value of options issued but not exercised. The reserve is transferred to accumulated losses upon expiry or recognised as share capital if exercised.

Foreign Currency Translation Reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

Financial Assets Reserve

The financial assets reserve is used to record fair value changes on available-for-sale investments.

15. COMMITMENTS

(a) Exploration expenditure commitments

The statutory expenditure commitments specified by the mining legislation for the Group's mineral property interests in Ghana and the Ivory Coast are nominal. However, as part of the mineral licence application and renewal requirements, the Group submits budgeted exploration expenditure. In assessing subsequent renewal applications, the mining authorities review actual expenditure against budgets previously submitted. The Group's budget expenditures for future periods are shown below. These amounts are not legal obligations of the Group and actual expenditure varies depending on the outcome of actual exploration programs and the costs and results from those programs.

	Consolidated	
	31 March 2010 $	30 June 2009 $
Within one year	1,070,000	1,070,000
One year or later and not later than five years	7,730,000	7,730,000
Later than five years	2,080,000	2,080,000
	10,880,000	10,880,000

16. CONTINGENT LIABILITIES

There were no contingent liabilities of the Group at 31 March 2010.

17. EVENTS OCCURRING AFTER THE REPORTING DATE

Other than the matter referred to below, there are no matters or circumstances that have arisen since 31 March 2010 that have or may significantly affect the operations, results, or state of affairs of the consolidated entity in future financial years.

On 4 May 2010, the Company completed the issue of 50,600,000 fully paid ordinary shares at a price of Cdn$1.80 each for gross proceeds of Cdn$91,080,000. Subject to shareholder approval, the Company also intends to complete a private placement, outside of Canada, principally in Australia, of up to 15 million ordinary shares on a best efforts basis (the "Private Placement") at a price of A$1.94 per share for gross proceeds to the Company of up to A$29.1 million. A general meeting of the Company seeking shareholder approval for the Private Placement has been scheduled for May 28, 2010.

The Company has also launched a share purchase plan (the "SPP") under which the Company is offering a maximum of 7 million ordinary shares to shareholders of the Company in Australia and New Zealand at a price of A$1.94 per share, for gross proceeds to the Company of up to A$13,580,000. The Company anticipates completing the SPP on or around May 28, 2010.

The net proceeds of the 50.6m shares issue, and, to the extent available, proceeds from the Private Placement and the SPP, will be used by the Company to fund the on-going exploration and development of the Company's West African gold properties and for general working capital purposes.