



ANNUAL INFORMATION FORM

of

PERSEUS MINING LIMITED

ABN 27 106 808 986

FOR THE YEAR ENDED JUNE 30, 2013

September 26, 2013

Unless otherwise indicated, the information in this annual information form is given as of June 30, 2013.

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FORWARD-LOOKING INFORMATION

This annual information form (“AIF”), contains “forward-looking information”, within the meaning of applicable Canadian securities laws. Forward-looking information includes, but is not limited to, information with respect to Perseus Mining Limited’s (“Perseus” or the “Company”) plans respecting the Edikan Gold Mine (“EGM”), formerly known as the Central Ashanti Gold Project or the Ayanfuri Gold Project (and sometimes still referred to by those names) and the Sissingué Gold Project (formerly and sometimes still referred to as the Tengréla Gold Project) (“SGP”), the estimation of mineral reserves and mineral resources, the timing and amount of future production, operating costs, costs and timing of development of the SGP, mine life projections, the ability to secure required permits, the results of future exploration and drilling, the adequacy of financial resources and business and acquisition strategies. Often, but not always this information includes words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate” or “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking information is based on the assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management of the Company believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Assumptions have been made by the Company regarding, among other things: the price of gold, future production from the EGM, the accuracy of capital and operating cost estimates, the receipt of required approvals on a timely basis, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used by the Company. Although management believes that the assumptions made by the Company and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate.

By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) risks associated with the price of gold; (ii) risks related to capital cost increases at the SGP; (iii) risks related to the failure to achieve production, cost and life of mine estimates for the EGM; (iv) risks associated with the availability of additional financing, as and when required; (v) risks related to the potential development of the SGP; (vi) risks related to operating cost increases at the SGP; (vii) risks relating to sustaining and increasing production at the EGM; (viii) risks related to the operation of the EGM; (ix) the risk of unrest and political instability in West Africa; (x) risks related to global economic conditions; (xi) risks related to the Company’s compliance with restrictions and covenants in the Credit Agreement (as defined herein); (xii) risks related to the effectiveness of Perseus’s hedging policies; (xiii) risks related to currency fluctuations; (xiv) risks related to labour and employment matters; (xv) the effect of inflation on results of operations; (xvi) environmental risks and hazards; (xvii) permitting and licencing risks; (xviii) exploration risks; (xix) risks related to governmental regulation (including tax regulation) of the mining industry; (xx) risks related to uncertainty in the estimation of mineral resource and reserve estimates; (xxi) risks related to land title matters; (xxii) insurance and uninsured risks; (xxiii) risks related to dependence on key management personnel and executives; (xxiv) litigation risk; (xxv) risks related to the repatriation of earnings; (xxvi) dilution risk; and (xxvii) risks associated with stock exchange prices.

Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company’s control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward-looking information as a result of new information or events after the date of this AIF except as may be required by applicable law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

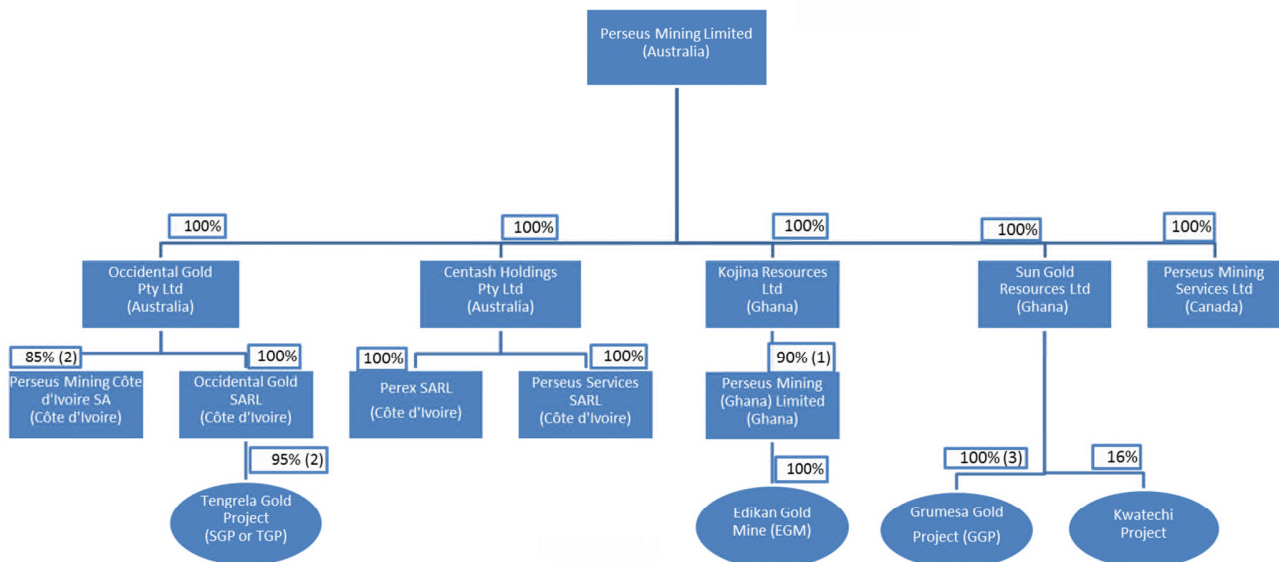
CORPORATE STRUCTURE

Name, Address and Incorporation

Perseus Mining Limited (“**Perseus**” or the “**Company**”) was incorporated under the *Corporations Act 2001* (Cth) (Australia) (“**Corporations Act**”) on October 24, 2003. The Company’s ordinary shares are listed on the Australian Securities Exchange (the “**ASX**”) and on the Toronto Stock Exchange (the “**TSX**”). Perseus’s registered and head office is located at Level 2, 437 Roberts Road, Subiaco, WA 6008, Australia.

Intercorporate Relationships

The following diagram indicates the corporate structure of the Company and its subsidiaries, the percentage of voting securities of each subsidiary beneficially owned, or controlled or directed, directly or indirectly, by the Company, and the jurisdiction of incorporation of each entity.



Notes:

- (1) The remaining 10% in Perseus Mining (Ghana) Limited is held by the Government of Ghana.
- (2) The assets and liabilities comprising the SGP are in the process of being transferred from Occidental Gold SARL to Perseus Mining Côte d'Ivoire SA to prepare for the transfer of a 10% non-contributory interest in the SGP to the Government of Côte d'Ivoire. The remaining 5% interest in the SGP is held by Société Minière De Côte d'Ivoire, Perseus's joint venture partner, leaving Perseus with an 85% interest in the capital of Perseus Mining Côte d'Ivoire SA.
- (3) The GGP is subject to a 10% non-contributory interest in favour of the Government of Ghana, which will be issued upon the grant of a mining lease for the GGP.

GENERAL DEVELOPMENT AND DESCRIPTION OF THE BUSINESS

Overview

Perseus is an Australian-based corporation with a focus on under-explored gold belts in West Africa where it explores, evaluates, develops and mines gold deposits. Perseus's principal assets currently consist of:

- a 90% interest in Perseus Mining (Ghana) Limited, which owns the Edikan Gold Mine ("EGM"), located in Ghana and which has been in commercial production since January 2012. The remaining 10% is held by the Ghanaian government;
- a 95% interest in the Sissingué Gold Project (the "SGP"), a development stage project, located in Côte d'Ivoire (of which 10% is reserved to be transferred to the government of Côte d'Ivoire as a non-contributory interest; and
- a 100% interest in the Grumesa Gold Project (the "GGP"), an exploration stage project located in the Grumesa region of Ghana. The Ghanaian government has the right to a 10% non-contributory interest in a production company if a mining lease is granted.

Perseus also has: (i) a 19.69% interest in Manas Resources Limited, an ASX listed company holding a portfolio of properties in Central Asia, which assets were spun out of Perseus in mid-2008; and (ii) a 23% interest in Burey Gold Limited, an ASX listed company holding a portfolio of gold exploration properties in the Republic of Guinea in West Africa.

Strategy and Objectives

Perseus's principal objectives over the next 12 months are to:

- rationalise production plans for the EGM with the objective of producing a quantity of gold that optimises the balance between gold production and cash margin generated by each ounce of gold produced, so as to maximise the net cash flow generated by the EGM. Consequently, mining of ore and waste will be focused on the AF Gap and Fobinso pits only. All of the ore that has been processed to date at the EGM has been mined from these pits along with the Abnabna pit. This represents a departure from the previous mine plan which also involved mining in the Fetish Pit (located on the eastern side of the mining leases) during FY2014. The deferral of opening up the Fetish Pit removes the need to invest significant sums of capital in waste removal needed to expose the Fetish ore body. Processing a blend of ore mined from the AF Gap and Fobinso pits with ore from the ROM stockpile will result in lower mining costs;
- implement a group wide cost reduction program. At the EGM, a program of cost reduction is being implemented designed to eliminate discretionary spending and to achieve cost efficiencies through renegotiation or restructuring of supply contracts, including contract mining, where possible. Discretionary capital expenditure in all departments of the EGM other than community relations, processing and maintenance has been put on hold.
- reconsider development of the SGP in January 2014 taking into account the results of optimised mine plans for both the EGM and the SGP and gold market conditions whilst continuing a range of value adding tasks to ensure that, when it is satisfied that the project development can be financed without placing significant pressure on the Company's balance sheet, Perseus can respond promptly and commence project development;
- continue to exploit the exploration potential at the SGP with both infill drilling on and around the SGP and target generation drilling of the Tengréla tenements as well as a focus on drilling at the Mahalé license where early drill results have been encouraging;
- continue to explore on a limited basis for gold on exploration tenements associated with the EGM and SGP as well as other exploration tenements held by Perseus in West Africa;
- determine viability of a satellite gold mining and heap leach operation based on the Kayeya deposit which forms part of the GGP based on metallurgical test work; and

- assess new opportunities where these are considered to have synergies with existing projects or where the Company can add value through the use of its exploration, development and operating expertise.

Edikan Gold Mine

Background

In July 2009, the Company completed a definitive feasibility study (“**DFS**”) on developing a mine and associated treatment facility for the EGM.

The Company received a permit from the Environmental Protection Agency of Ghana (the “**Ghana EPA**”) in respect of the EGM in June 2010 and commenced construction activities that same month.

Practical completion of the EGM process facility occurred on July 20, 2011, the first ore was processed on August 9, 2011 and the first gold was poured on August 21, 2011. Based on plant performance from September to December 2011, the commissioning process was declared complete on December 31, 2011 and January 1, 2012 was deemed the first day of commercial production.

Operations

Total ore and waste movements of 14,962,185 bank cubic metres (“**bcm**”) for the 12 month period ended June 30, 2013 (“**2013 Financial Year**”), which was consistent with the movements of the previous year, included 836,887 tonnes of oxide ore at 0.9 grams/tonne (“**g/t**”) gold and 6,162,417 tonnes of transition and primary ore at 1.3g/t gold.

Ore stockpiles, including both ROM high and low grade ore, plus crushed ore (but not mineralised waste), increased to 4,311,679 tonnes grading 0.6 g/t gold and containing approximately 85,200 ounces of gold. This included approximately 41% oxide ore and 59% transitional/primary ore, with the weighting of primary ore relative to oxide ore progressively increasing as mining goes deeper in the pits. Stockpiles at the end of the 2013 Financial Year were significantly larger and of lower grade than forecast due to more lower grade ore being mined than forecast and lower mill throughput rates mainly due to low crusher availability.

In terms of grade, approximately 18% of the stockpiled ore is classified as medium/high grade, containing greater than 0.6g/t gold while 82% of the ore is classified as low grade containing 0.4 to 0.6 g/t gold.

Total mill throughput for the 2013 Financial Year was 5,647,341 tonnes of ore grading 1.4g/t gold, slightly more than the original nameplate capacity of the plant of 5.5 million tonnes per annum (“**Mtpa**”). This annual throughput represented a 35% increase over the prior period. Gold recovery of 83.3% was in line with the recoveries of the prior period.

Unscheduled mill downtime during the period was higher than budgeted. The lack of mill feed due to the failure of several items of equipment during the period, particularly in the crushing circuit, contributed significantly to the downtime, and the shortfall of production relative to market guidance. The remediation of the crushing circuit undertaken in February 2013 and completed in May 2013 was successful with average crusher availability for the final three months of the 2013 Financial Year at 79% (peaking at 88% in June 2013), clearly demonstrating that the primary crusher is mechanically capable of operating at or above target levels of performance.

The key production statistics for the EGM are set out below:

Parameter	Unit	June Financial Year 2013	June Quarter 2013	March Quarter 2013	December Quarter 2012	September Quarter 2012
Total material mined	Bcm ⁽¹⁾	14,962,185	3,097,974	3,688,301	4,056,246	4,119,664
	tonnes	32,709,705	7,794,700	7,509,354	8,547,094	8,858,557
Waste to ore strip ratio	bcm:bcm			4.81	5.59	4.66
	tonnes:tonnes	3.67	3.53	3.63	4.20	3.41
Ore mined						
• Oxide	tonnes	836,887	227,787	326,615	152,481	130,004
• Primary	tonnes	6,162,417	1,494,354	1,296,779	1,492,711	1,878,573
Ore grade mined						
• Oxide	g/t gold ⁽²⁾	0.9	0.8	0.7	1.1	1.0
• Primary	g/t gold	1.3	1.2	1.4	1.3	1.2
Ore stockpiles						
• Quantity	tonnes	4,311,679	4,311,679	4,100,699	4,644,541	4,358,374
• Grade	g/t gold	0.6	0.6	0.6	0.8	0.8
Mill throughput	tonnes	5,647,341	1,511,162	1,493,961	1,359,023	1,283,195
Milled head grade	g/t gold	1.4	1.2	1.5	1.4	1.5
Gold recovery	%	83.3	80.7	81.2	84.2	87.7
Gold produced	ounces	208,444	47,565	57,179	51,090	52,610

Notes:

(1) Denotes bank cubic metres

(2) Denotes grams/tonne of gold

The key financial results of EGM operations for the 2013 Financial Year are set out below:

Parameter	Units	June Financial Year 2013	June Quarter 2013	March Quarter 2013	December Quarter 2012	September Quarter 2012
Gold produced	ounces	208,444	47,565	57,179	51,090	52,610
Total gold sales ¹	ounces	205,109	52,626	53,618	48,080	50,785
Average sale price	US\$/oz of gold sold	1,469	1,308	1,494	1,581	1,463
Mining cost	US\$/t material mined	3.23	3.42	3.57	3.11	2.89
Processing cost	US\$/t ore milled	12.08	14.42	13.25	9.56	10.61
G & A cost	US\$/month	1.68	2.02	2.06	1.39	1.24
Royalties	US\$/oz	95	93	88	107	94
Gold Production Cost:						
Cash Cost	US\$/oz	812	1,181	863 ²	617	614
Royalties	US\$/oz	95	93	88	107	94
Total production cost	US\$/oz	907	1,274	951	724	708
Capital Costs:						
Inventory and Stripping	US\$/oz	118	(36)	60	239	203
Other Capital	US\$/oz	125	167	121	97	116
Total capital cost	US\$/oz	243	131	181	336	319
Total Site Cost	US\$/oz	1,150	1,405	1,132	1,060	1,027

Notes:

1. A gold sale is recognised in Perseus's accounts when the Company's contracted gold refiner, Rand Refineries Limited, takes delivery of gold in the EGM gold room. For accounting purposes, the sales price is the spot price of gold on the day of transfer and subsequently adjusted to reflect the realised gold price.
2. Includes \$122/oz attributable to ROM stockpile value adjustment. If this is excluded on the basis of its "once off" nature, the cash cost would reduce to US\$741/oz.

Of the 205,109 ounces of gold that were sold at an average delivered price of US\$1,469/oz, 90,000 ounces were delivered into forward sales contracts at a weighted average price of US\$1,237/oz while the balance of the gold sales were made at prevailing spot prices.

The all-in site cash cost (including production, royalties, development and sustaining capital) for the period of US\$1,150/oz is in line with the previous period of US\$1,153/oz (since commercial production was declared).

Mining costs per tonne of material mined have increased from the prior period due to higher drill and blast costs resulting from mining more fresh rock in the pits and also longer haul distances resulting from mining deeper in the pits. Processing costs have increased from the prior period due to an increase in maintenance charges associated with remediation of the crusher and other parts of the plant. These costs are expected to decrease to around the levels of the prior period. General and administrative (“G&A”) costs have increased mainly due to overall increases in security and salaries across the site. Salary increases also increased mining and processing costs. A cost reduction program has been implemented across all departments to reduce the operating and capital cost base of the EGM in the coming period.

The Company is also continuing to work on long-term initiatives to improve open pit mining methods and equipment selection with the aim of reducing mining unit costs.

Mineral Resource Estimate

Following an infill drilling programme conducted on the EGM mining leases during the 2013 Financial Year, updated Mineral Resource estimates for EGM were completed during the three months period ended June 30, 2013. A summary of the current Mineral Resource estimate for the EGM, calculated using a 0.40 g/t gold cut-off grade and reflecting depletion due to mining up to April 30, 2013, follows below.

M&I Mineral Resources – EGM¹

Deposit	Measured Resources ²			Indicated Resources ²			Measured + Indicated Resources		
	Quantity	Grade	Gold	Quantity	Grade	Gold	Quantity	Grade	Gold
	Mt	g/t gold	Ounces	Mt	g/t gold	Ounces	Mt	g/t gold	Ounces
Abnabna/AFGap/Fobinso ³	42.9	1.1	1,529,000	27.7	0.9	789,000	70.6	1.0	2,318,000
Esujah South	9.5	1.8	546,000	7.3	1.6	370,000	16.8	1.7	916,000
Esujah North	16.9	0.9	494,000	18.4	0.8	493,000	35.3	0.9	987,000
Fetish	12.9	0.9	388,000	18.5	1.1	677,000	31.4	1.1	1,065,000
Chirawewa	-	-	-	5.8	1.1	197,000	5.8	1.1	197,000
Bokitsi	-	-	-	2.6	2.6	213,000	2.6	2.6	213,000
Mampong	-	-	-	-	-	-	-	-	-
Dadieso	-	-	-	-	-	-	-	-	-
Total	82.2	1.1	2,957,000	80.3	1.1	2,739,000	162.5	1.1	5,696,000

1 Based on June 2013 Resource estimation.

2 Last updated in July 2013.

3 Last updated in July 2013 and allows for mining depletion to 30 April 2013.

4 Estimates include mineral reserves.

5 The Abnabna-Fobinso, Fetish, Chirewewa and Bokitsi deposits have been partially exploited by mining.

6 This mineral resource estimate supersedes that contained below under “*Details of the Edikan Gold Mine*”.

7 There are no known legal, political, environmental or other risks that could materially affect the potential development of the mineral resources.

8 For a description of the quality assurance program and quality control measures applied please refer to the Central Ashanti Technical Report (as defined below).

Inferred Mineral Resources – EGM¹

Deposit	Inferred Resources²		
	Quantity Mt	Grade g/t gold	Gold Ounces
Abnabna/AFGap/Fobinso ³	30.5	0.8	782,000
Esuajah South	5.7	1.1	211,000
Esuajah North	3.6	0.9	105,000
Fetish	10.0	1.1	353,000
Chirawewa	10.5	0.9	288,000
Bokitsi	3.0	1.8	174,000
Mampong	8.8	0.9	264,000
Dadieso	5.3	1.5	253,000
Total	77.4	1.0	2,430,000

1. Based on June 2013 Resource estimation.
2. 0.4g/t gold cut-off applied.
3. Last updated in July 2013 and allows for mining depletion to 30 April 2013.

Relative to the previously published (March 2012) undepleted Mineral Resource estimate for EGM, the updated Mineral Resource estimate contains an additional 530,000 (9%) ounces of gold in the Measured and Indicated (“**M&I**”) categories and 723,000 (42%) ounces in the Inferred category. After taking into account mining depletion of Mineral Resource to April 30, 2013, the net increase in Mineral Resources is 92,000 ounces in the M&I category and 719,000 ounces in the Inferred category.

Drilling on the Fetish deposit during the past year has grown the size of the deposit, with significant potential remaining to further expand the Mineral Resource. The M&I Mineral Resources estimate at the Fetish deposit has increased by 10% to 31.4Mt at 1.1g/t gold for 1,065,000 ounces, and the Inferred Mineral Resources estimate increased by 42% to 10.0Mt at 1.1g/t gold for 353,000 ounces.

Infill drilling at the Chirawewa deposit resulted in an increase in the Indicated Mineral Resources estimate of 18% to 5.8Mt at 1.1g/t gold for 197,000 ounces and an increase in the Inferred Mineral Resources estimate of 16% to 10.5Mt at 0.9g/t gold for 288,000 ounces.

Additional infill drilling and grade control drilling on the Abnabna-Fobinso deposit during the period targeting conversion of Inferred Mineral Resources to the M&I category and resulted in an increase in Mineral Resources. M&I Mineral Resources at Abnabna-Fobinso increased 10% to 70.6Mt at 1.0g/t gold for 2,318,000 ounces, while Inferred resources increased 117% to 30.5Mt at 0.8g/t gold for 782,000 ounces. These figures include mining depletion to April 30, 2013.

Mineral Reserve Estimate

To date, Mineral Reserves as shown below have been reported at a 0.4g/t gold cut-off for Abnabna-Fobinso and 0.5g/t cut-off for Esuajah South, Esuajah North and Fetish. Due to the relatively low marginal processing cost at EGM, material between 0.2g/t and 0.4g/t gold is currently stockpiled for future treatment but is not recorded as Mineral Reserves.

Mineral Reserves – EGM¹

Deposit	Proven Reserves ²			Probable Reserves ²			Proven & Probable Reserves			W: O Ratio ³
	Quantity Mt	Grade g/t gold	Gold '000 Ounces	Quantity Mt	Grade g/t gold	Gold '000 Ounces	Quantity Mt	Grade g/t gold	Gold '000 Ounces	
Abnabna-Fobinso ⁴	31.7	1.2	1,193	9.7	0.8	257	41.4	1.1	1,450	2.9
Esujah South	7.2	1.8	422	1.0	2.1	71	8.2	1.9	493	9.0
Esujah North	12.7	0.9	376	4.4	0.9	125	17.1	0.9	501	1.9
Fetish	7.4	0.9	222	8.4	1.3	354	15.8	1.1	576	3.4
ROM Stockpiles				4.4	0.6	89	4.4	0.6	89	-
Total	59.0	1.2	2,213	27.9	1.0	896	86.9	1.1	3,109	3.2

1. Based on December 2011 Resource estimation.
2. 0.4g/t gold cut-off applied to Abnabna-Fobinso and 0.5g/t gold cut-off applied to other deposits.
3. Inferred mineral resources totalling 1.35Mt at 1.2g/t gold is considered as waste.
4. Last updated in August 2012 and allows for material mined to 30 June 2013.
5. The block models adopted for the estimate were generated using Surpac. Pit optimizations were run using Whittle 4D software with inputs derived from mining costs modelled on the current mining contract, increased mill throughput rates and updated operating costs and royalties.
6. This mineral reserve estimate supersedes that contained below under “*Details of the Edikan Gold Mine*”.
7. There are no known legal, political, environmental or other risks that could materially affect the potential development of the mineral resources.
8. For a description of the quality assurance program and quality control measures applied please refer to the Central Ashanti Technical Report (as defined below).

Further Mineral Resource and Mineral Reserve estimation work is being undertaken on the Bokitsi, Chirawewa, Chirawewa South, Mampong and Dadieso deposits amongst others. The underground potential of the Esujah South deposit is also being assessed. The Company is continuing to work on long-term initiatives to improve open pit mining methods and equipment selection with the aim of reducing mining unit costs.

Revised Life of Mine Plan

On 18 September 2013 the Company announced a revised life of mine plan for the EGM (“**2013 LOMP**”), based on the June 2013 Mineral Resource estimate and applying a set of technical assumptions that reflect actual operating parameters.

In preparing the 2013 LOMP, the following objectives were adopted:

- Minimise investment in the 2014 financial year without compromising the future by mining ore from existing pits (Fobinso and AF Gap) and reclaiming ore from existing ore stockpiles;
- Resume development of Eastern pits from July 2014;
- Include new pits (Chirawira and Bokitsi) not previously included in Mineral Reserves;
- Give priority to cash generation over marginal gold production;
- Preserve the capacity to expand pits in a higher gold price environment; and
- Use revised technical parameters that reflect actual experience including: US\$1,200/oz pit shells; 0.5g/t cut-off grade; updated mining and processing costs and current mill availability, throughput, and recovery rates.

Compared to the previous life of mine plan for EGM (“**2012 LOMP**”), the 2013 LOMP resulted in the following:

- Tonnes of ore and waste moved - Down by 15%
- Life of mine strip ratio - Down by 16%
- Head Grade - Steady
- Contained gold in Ore Reserve - Down by 6%
- Life of mine - Increased by 0.6 years to 2025

On a pit by pit basis, the technical parameters of the 2012 LOMP and the 2013 LOMP are as follows:

Pit	2012 LOMP ^{1,3}					(Updated) 2013 LOMP ^{2,4}				
	Waste (Mt)	Ore (Mt)	Grade (g/t)	Au (koz)	Strip Ratio (t:t)	Waste (Mt)	Ore (Mt)	Grade (g/t)	Au (koz)	Strip Ratio (t:t)
AF Gap	78.1	29.8	1.1	1,015	2.6	63.4	27.5	1.1	954	2.8
Fobinsó	<u>40.1</u>	<u>11.5</u>	<u>1.2</u>	<u>429</u>	<u>3.5</u>	<u>30.6</u>	<u>9.3</u>	<u>1.1</u>	<u>330</u>	<u>3.6</u>
Sub-total	118.2	41.3	1.1	1,444	2.9	94.0	36.8	1.1	1,283	2.6
Fetish	53.7	15.8	1.1	576	3.4	29.8	13.9	0.9	442	2.1
Esuajah Sth	73.8	8.2	1.9	493	9.0	56.2	6.9	1.7	382	7.2
Esuajah Nth	32.5	17.1	0.9	501	1.9	22.2	15.7	0.9	465	1.4
Chirawira	-	-	-	-	-	11.2	2.9	1.1	106	3.8
Bokitsi	-	-	-	-	-	13.3	2.1	2.3	158	6.3
ROM S/pile	-	4.4	0.6	89	-	-	4.4	0.6	89	-
TOTAL	278.2	86.9	1.1	3,109	3.2	226.7	82.7	1.1	2,925	2.7

- Notes: 1. Based on the Proven and Probable Mineral Reserve estimate effective August 2012
2. Based on the Measured and Indicated Mineral Resource estimate effective June 2013 and Proven and Probable Mineral Reserve estimate effective August 2013.
3. Based on sub-blocks with 0.4g/t for Western deposits and 0.5g/t cut-off for Eastern deposits.
4. Based on the following cut-offs: regular blocks for oxide – 0.6g/t cut-off; for transitional – 0.5g/t cut-off; for fresh – 0.4g/t cut-off for all deposits.

Based on the above, the production profile for the EGM for next five years is currently expected to be as follows:

Parameter	FY2014	FY2015	FY2016	FY2017	FY2018	LOM Average ^{1,2}
Ore mined (Mt)	5.3	7.7	9.7	9.4	7.4	8.7
Waste mined (Mt)	22.9	26.6	26.5	26.4	28.8	25.1
Strip ratio (t:t)	4.3	3.5	2.7	2.8	3.9	2.9
Ore processed (Mt)	7.5	7.4	7.5	7.5	7.5	7.5
Head grade (g/t) gold	1.0	1.2	1.2	1.1	1.2	1.1
Gold production (koz)	200	240	240	230	245	230

- Notes: 1. Assumes mining occurs over 9 years from 1 July 2013
2. Assumes processing of ore over 11 years from 1 July 2013. Processing of low grade ore stockpile is scheduled to continue for a further 14 months beyond 30 June 2023 at a lower production rate and is not included in the above data.

The 2013 LOMP will be reassessed annually taking into account any incremental Mineral Resources discovered during the preceding period and any revised parameters (including but not limited to gold price and operating costs), in the design of the pit shells.

Sissingué Gold Project, Côte d'Ivoire

The SGP is located in the north of Côte d'Ivoire and is situated within an 845sq km land package consisting of the Sissingué exploitation permit area and the adjoining Tengréla South exploration permit area, together referred to as the Tengréla Gold Project. The permits are located along a structural/stratigraphic corridor within the Syama-Boundiali greenstone belt approximately 150km south-southeast of the Morila gold mine (7.0 Moz) in Mali and 65km west northwest of Randgold's Tongon deposit (4.3Moz) in Côte d'Ivoire.

Permitting and Fiscal Arrangements

The exploitation permit for the SGP was issued to a subsidiary of Perseus, Occidental Gold SARL (“**OG**”), in August 2012. In July 2013 the permit was transferred to a newly incorporated subsidiary of OG, Perseus Mining Côte d’Ivoire SA (“**PMCI**”), as part of the process to transfer the SGP to PMCI (which is estimated to be completed during the first half of the coming financial year). This transfer is being carried out in connection with the Ivorian government taking a 10% interest in the SGP via a shareholding in PMCI. Discussions with the Ivorian government on applicable fiscal terms and stability undertakings have advanced, with negotiation of a Mining Convention consistent with the proposed new Mining Code in Côte d’Ivoire underway.

Development

The fall in the price of gold towards the end of the 2013 Financial Year reduced the amount of free cash forecasted to be generated at the EGM, and also increased risk associated with servicing any debt (assuming Perseus was prepared to draw down debt in the current economic climate). As a result, Perseus decided not to commit to the development of the SGP until it is confident of its ability to finance the mine development and generate an acceptable rate of return on its investment. This decision will be reviewed in the coming financial year.

Notwithstanding this decision, Perseus will continue to perform a range of value adding tasks associated with the SGP in the first half of the 2014 financial year to ensure that, when it is satisfied that the project development can be financed without placing significant pressure on the Company’s balance sheet, Perseus can respond promptly and commence project development.

Project Engineering

An Australian engineering firm, GR Engineering Services, in conjunction with the Perseus projects team, completed the total detailed design of the SGP processing plant during the 2013 Financial Year. Letters of intent have been issued (and in some cases subsequently renewed) for major equipment and tender packages for fabrication and construction works have been prepared.

The SAG mill supply contract has been completed with 100% of the value being invoiced and paid. Delivery of the SAG mill’s components is complete and these are currently in store in Abidjan, Côte d’Ivoire, pending delivery to the Sissingué mine site.

SGP Mineral Resource Estimate

Following an infill drilling programme targeting the Sissingué mineral deposit, an updated Mineral Resource estimate was prepared effective June 2013. A summary of the current Mineral Resource estimate calculated using a 0.60 g/t gold cut-off grade follows below. While the total amount of gold contained in the M&I Resource category has not materially changed compared to the previous Mineral Resource estimate, the proportion of the Mineral Resource in the Measured category has increased by 320% giving an even higher level of confidence that the Mineral Resource can be economically mined.

Furthermore, the contained ounces of gold in the Inferred category have increased by 21% due to an increase in grade. This also indicates the potential for further increases to the Measured and Indicated category of Mineral Resources as further drill results are received.

M&I Mineral Resources - SGP

Weathering Domain	Measured Resources¹			Indicated Resources¹			Measured + Indicated Resources		
	Quantity Mt	Grade g/t gold	Gold Ounces	Quantity Mt	Grade g/t gold	Gold Ounces	Quantity Mt	Grade g/t gold	Gold Ounces
Oxide	925,000	1.6	48,000	4,600,000	1.2	171,000	5,520,000	1.2	219,000
Transition	600,000	2.0	39,000	1,300,000	1.3	56,000	1,900,000	1.6	95,000
Fresh	2,700,000	2.5	217,000	8,850,000	1.4	394,000	11,560,000	1.6	611,000
Total	4,225,000	2.2	304,000	14,750,000	1.3	621,000	18,980,000	1.5	925,000

Notes: 1. Based on 0.6 g/t cut-off grade.

Inferred Mineral Resources - SGP

Weathering Domain	Inferred Resources ¹		
	Quantity Mt	Grade g/t gold	Gold Ounces
Oxide	950,000	1.0	31,000
Transition	650,000	1.0	21,000
Fresh	5,400,000	1.4	239,000
Total	7,000,000	1.3	291,000

Notes: 1. Based on 0.6 g/t cut-off grade.

SGP Mineral Reserve Estimate

Work on the redesign of the SGP open pit based on the current Mineral Resource estimate is underway and is expected to be completed in the 2014 financial year and lead to a restatement of Mineral Reserve estimate for the SGP. The current Mineral Reserve estimate for the SGP is set out on page 47 of this AIF.

Grimesa Gold Project

In September 2007, a pre-feasibility study in respect of the viability of a 2Mtpa heap leach operation at the GGP concluded that at the then prevailing gold prices the GGP should be considered a satellite operation to a larger mine at the EGM. Based on infill drilling completed in 2008, a new mineral resource estimate was declared in December 2010. A 2,186 meter diamond core drilling program was conducted on the GGP Kayeya deposit during November 2012 through February 2013 to provide fresh ore material for metallurgical test work, to test for extensions to mineralisation in the deposit and to better understand the geological controls on mineralisation. As part of this program three deeper (>300m) holes were drilled along the axis of the synform which hosts the Kayeya deposit in order to determine if the grade of the mineralization improves at depth. The results were generally weak, limiting the potential for significant resource growth at depth.

In July 2011, a consultant was commissioned to complete a base line study, a scoping report, a draft and final environmental impact study (“EIS”) and to liaise with the Ghana EPA and the public until a permit is issued. The baseline study and most of a draft EIS have been completed. After consideration of the results of the metallurgical test work a path forward will be determined for the project. If determined viable, the feasibility study and EIS will be updated and finalized and permitting for the project will be pursued.

Project Loan

On December 9, 2010, Perseus and its subsidiary, Perseus Mining (Ghana) Limited (“PMGL”), entered into a syndicated facility agreement (the “**Credit Agreement**”) with Macquarie Bank Limited and Credit Suisse AG (together, the “**Lenders**”) in respect of a project loan facility of US\$85 million (the “**Project Loan**”) and a hedging facility for up to 400,000 ounces of gold (the “**Hedging Facility**” and together with the Project Loan, the “**Facilities**”). Pursuant to the Credit Agreement, the Project Loan was to be repaid in 11 (non-equal) quarterly instalments with mandatory prepayment by way of a cash sweep equal to 25% of each dividend and shareholder loan payment. The Company’s obligations in respect of the Facilities are effectively secured by all (or substantially all) of the Company’s interest in the EGM. The entire US\$85 million credit facility was drawn down by the Company on June 23, 2011 and the proceeds applied to the development of the EGM and repayment of intercompany loans.

The full outstanding balance of the Project Loan (after scheduled repayments in accordance with the Credit Agreement) was repaid in November 2012.

During the 2013 Financial Year Perseus successfully renegotiated the terms of the Credit Agreement by changing it to a revolving line of credit with a limit of US\$100 million. Subsequent to the end of the 2013 Financial Year, and as part of the Company’s cost reduction program, Perseus reduced the available commitment limit under the Credit Agreement to nil, eliminating the 1.75% per annum undrawn line fee and the political risk insurance relating to the debt. The security package associated with the Facilities remains in place and a revised commitment limit and tenor will be renegotiated with the lenders if and when a decision is made to proceed with the development of the SGP.

Appointment of new Managing Director/Chief Executive Officer and Chief Financial Officer

On 1 February 2013, Mr. Jeff Quartermaine replaced Mr. Mark Calderwood as the Company's Managing Director and Chief Executive Officer ("CEO"). Prior to his appointment as CEO, Mr. Quartermaine had held the position of Chief Financial Officer ("CFO") with Perseus since 2010 and has more than 25 years of experience in senior financial and strategic management roles with ASX- and TSX-listed companies. Mr. Calderwood has taken on a part-time technical role with the Company focussing on his strengths in project generation, recognition and discovery.

The Company's Group Financial Controller, Ms. Elissa Brown, succeeded Mr. Quartermaine as the Company's CFO.

Equity Financing

No equity capital raising was undertaken during the 2013 Financial Year.

Performance Rights

At the Company's Annual General Meeting held in November 2012 a Performance Rights Plan ("PRP") was adopted. As at the date of this AIF, 2,844,414 performance rights are outstanding under the PRP with an expiry date of 31 December 2015. The performance rights do not entitle the holder to participate in any share issue of Perseus or any other body corporate. During the 2013 Financial Year no shares were issued by Perseus as a result of the exercise of performance rights and none have been issued since the end of the 2013 Financial Year.

Specialized Skill and Knowledge

Most aspects of Perseus's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, exploration, development, production, environmental issues and accounting. The Company has a number of employees with extensive experience in mining, geology, exploration, development and production in West Africa.

Business Cycle

The Company is an exploration, development and mining corporation, currently focused on gold. As a result, gold prices can have a direct impact on the Company's business. Declining prices can, for example, impact operations by requiring a re-assessment of the feasibility of a particular project. See "*Risk Factors — Price of Gold*" and "*Risk Factors — Currency Fluctuations*".

Environmental Protection

The operations of the Company are primarily located within Ghana and Côte d'Ivoire in West Africa and are subject to laws and regulations concerning the environment. The Company is required to submit and adhere to environmental plans lodged in relation to all its licence areas. The financial and operational effects of environmental protection requirements on capital expenditures, earnings and the competitive position of Perseus are not expected to be material during the current financial year, however, environmental protection requirements may cause additional capital expenditures and reductions in earnings that will affect the competitive position of Perseus in the future.

Perseus has estimated the total reclamation costs for the EGM (including reclamation in respect of activities by previous operators) at US\$14 million. As at June 30, 2013, the Company had US\$9.4 million of this estimated US\$14 million held in bank deposits, subject to a lien, as collateral for a bank guarantee issued to the Ghana EPA in relation to environmental rehabilitation provisions concerning the operation of the EGM. At the request of the Ghana EPA, Perseus has prepared and submitted a complete reclamation plan. This reclamation plan has not resulted in an increase in the estimated reclamation cost but there can be no assurance that the actual reclamation cost will not exceed US\$14 million. See "*Risk Factors — Environmental Risks and Hazards*".

Environmental Policies

The Company seeks to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws, policies, regulations and plans and conducts extensive on-going operations, to keep any

environmental impacts to a minimum and to rectify or rehabilitate those that necessarily occur as part of the mining and exploration activity of the Company. See “*Risk Factors — Environmental Risks and Hazards*”.

Employees

As at June 30, 2013, the Company had 16 full-time employees at its office in Perth, 542 in Ghana and 195 in Côte d’Ivoire.

Foreign Operations

The Company is incorporated under the laws of Australia and resides outside of Canada. In addition, the Company’s projects are located in West Africa and as such, are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. See “*Risk Factors — Political Stability in West Africa*”.

Competitive Conditions

The mining industry is intensely competitive and Perseus competes with many companies possessing greater financial and technical resources than itself. Competition in the precious metals mining industry is primarily for: mineral rich properties that can be developed and produce economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals, but conduct refining and marketing operations on a global basis. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect the Company’s prospects for mineral exploration and success in the future.

RISK FACTORS

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of Perseus and the value of its ordinary shares. These include risks that are widespread and associated with any form of business and specific risks associated with Perseus’s business and its involvement in the exploration and mining industry generally and in West Africa in particular. While most risk factors are largely beyond the control of Perseus and its directors, the Company will seek to mitigate the risks where possible. An investment in the Company’s shares is considered to be speculative due to the nature of Perseus’s business and the present stage of its development.

Price of Gold

Changes in the market price of gold, which in the past has fluctuated widely, will affect the profitability of the Company’s operations and its financial conditions. The viability of the Company’s projects and the Company’s revenues and profitability will depend on the market price of gold. The market price of gold is set in the world market and is affected by numerous industry factors beyond the Company’s control, including but not limited to the demand for precious metals, expectations with respect to the rate of inflation and deflation, interest rates, currency exchange rates, the global and regional supply and demand for jewellery and industrial products containing gold, production levels, inventories, costs of substitutes, changes in global or regional investment or consumption patterns, and sales by central banks and other holders, speculators and producers of gold in response to any of the above factors, and global and regional political and economic factors.

A decline in the market price of gold below the prices used in the Company’s economic analysis for any sustained period would have a material adverse impact on the Company’s projects and anticipated future operations. Such a decline could also have a material adverse impact on the ability of the Company to finance the exploration and development of its existing and future mineral projects and may also impact operations by requiring a reassessment of the feasibility of a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed. The Company will also have to assess the economic impact of any sustained lower gold prices on recoverability and therefore on cut-off grades and the level of its mineral reserves and mineral resources.

Specifically, the Company’s revenues and profitability of the EGM and the viability of the SGP are dependent on the price of gold among other things.

Production, Cost and Life-Of-Mine Estimates

Failure to achieve production, cost or life-of-mine estimates for the EGM could have an adverse impact on future cash flows, profitability, results of operations and financial condition. The Company's actual production, costs and productive life may vary from estimates for a variety of reasons, including actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics, short-term operating factors relating to mineral reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades, revisions to mine plans, risks and hazards relating to mining and availability of and cost of labour and materials.

Capital Cost Increases at the SGP

The total capital cost to develop the SGP was estimated by the Company to be US\$115 million in its 2010 feasibility study. In October 2010, it was estimated that a further US\$30 million was required to fund the construction of a high voltage power line to connect the SGP to the national electricity grid. Capital costs are estimated based on the interpretation of geological data, feasibility studies, anticipated climatic conditions and other factors. Many major mining projects constructed in the last several years or that are currently under construction have experienced cost overruns that substantially exceeded the capital cost estimated during the basic engineering phase of those projects, sometimes by 50% or more. In addition to the factors outlined below under the heading "*Risk Factors — Risks Related to the Potential Development of the SGP*", any of the following events could affect the ultimate accuracy of such estimate and result in an increase in the actual capital cost of the SGP: (i) unanticipated changes in grade and tonnage of ore to be mined and processed; (ii) incorrect data on which engineering assumptions are made; (iii) capital cost inflation over time; and (iv) title claims. The Company is presently reviewing the capital cost estimate for the SGP and the capital cost estimate may increase as a result of that review. There can be no assurance that the Company will be in a position to finance the capital cost of the SGP or any material increase or that additional financing will be available as and when required and on terms acceptable to the Company.

Third Party Funding May be Required

The Company may require third party financing for the development of the SGP or other projects. The success and the pricing of any such capital raising and/or additional debt financing will be dependent upon the prevailing market conditions at that time to attract potentially significant amounts of additional debt and/or equity. There is no assurance that such financing will be obtained or obtained on terms satisfactory to the Company. Failure to obtain sufficient financing, as and when required, could cause the Company to alter the Company's strategic plans.

Capital Cost Increases at the SGP

The total capital cost to develop the SGP was estimated by the Company to be US\$115 million in its 2010 feasibility study. In October 2010, it was estimated that a further US\$30 million was required to fund the construction of a high voltage power line to connect the SGP to the national electricity grid, approximately 18 months after commissioning of the SGP. Capital costs are estimated based on the interpretation of geological data, feasibility studies, anticipated climatic conditions and other factors. Many major mining projects constructed in the last several years or that are currently under construction have experienced cost overruns that substantially exceeded the capital cost estimated during the basic engineering phase of those projects, sometimes by 50% or more. In addition to the factors outlined below under the heading "*Risk Factors — Risks Related to the Potential Development of the SGP*", any of the following events could affect the ultimate accuracy of such estimate and result in an increase in the actual capital cost of the SGP: (i) unanticipated changes in grade and tonnage of ore to be mined and processed; (ii) incorrect data on which engineering assumptions are made; (iii) capital cost inflation over time; and (iv) title claims. The Company is presently reviewing the capital cost estimate for the SGP and the capital cost estimate may increase as a result of that review. There can be no assurance that the Company will be in a position to finance the capital cost of the SGP or any material increase or that additional financing will be available as and when required and on terms acceptable to the Company.

Risks Related to the Potential Development of the SGP

Should the Company decide to develop the SGP, its ability to do so is subject to many risks and uncertainties. These include obtaining and maintaining various permits and approvals from governmental authorities, securing required surface and other land rights, finding or generating suitable sources of power and water, potential resistance from stakeholders and other interested parties, political and social risk, confirming the availability and suitability of appropriate local area infrastructure.

Furthermore, the success of any construction project and the start-up of a mine at the SGP may be subject to a number of additional factors including: the inability to complete construction and related infrastructure in a timely manner; changes in the legal and regulatory environment in Côte d'Ivoire; currency fluctuations; industrial disputes; unavailability of parts, machinery or operators; delays in the delivery of major process plant equipment; inability to obtain, renew or maintain the necessary permits, licences or approvals; unforeseen natural events; and political and other factors. Factors such as changes to technical specifications and failure to enter into agreements with contractors or suppliers in a timely manner may also delay the completion of construction or commencement of production or require the expenditure of additional funds. There can be no assurance that the SGP will be able to be successfully or economically developed or that it will not be subject to the other risks described above.

Operating Cost Increases at the EGM

Costs at the EGM are affected by the price of input commodities, such as fuel, electricity, labour, chemical reagents, explosives, steel and concrete. Commodity costs are, at times, subject to volatile price movements, including increases that could make production less profitable, and to changes in laws and regulations affecting their price, use and transport. Reported costs may also be affected by changes in accounting standards. A material increase in costs at the EGM could have a significant effect on Perseus's profitability and operating cash flow.

Sustaining and Increasing Production Levels

The Company's ability to maintain its current production or increase annual production of precious metals and generate revenues therefrom will depend significantly upon its ability to discover or acquire and to successfully bring new mines into production and to expand mineral reserves at the EGM. As discussed below, exploration and development of mineral properties involves significant financial risk. Very few properties that are explored are later developed into operating mines.

Operational Risks

Mining operations generally also involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the exploration for, and development and production of, gold and other precious or base metals, including unusual and unexpected geologic formations, wall failure, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

In particular, the Company's mineral properties are situated in remote locations, where access is often limited to dirt roads, increasing the risk that the Company may be unable to explore, develop or operate efficiently during the wet season. Climate change or prolonged periods of inclement weather may severely limit the length of time in which exploration programs and development activities may be undertaken.

Political Stability and Security Concerns in West Africa

The Company conducts exploration and development activities in West Africa. The Company's properties in Ghana and Côte d'Ivoire may be subject to the effects of political changes, war and civil conflict, changes in government policy, lack of law enforcement, labour unrest and the creation of new laws. These changes (which may include new or modified taxes or other government levies, as well as other legislation) may impact the profitability and viability of its properties. The effect of unrest and instability on political, social or economic conditions in Ghana and Côte d'Ivoire could result in the impairment of exploration, development and mining operations. Any such changes are beyond the control of the Company and may adversely affect its business.

In addition, local tribal authorities in West Africa exercise significant influence with respect to local land use, land labour and local security. From time to time, government has intervened in the export of mineral concentrates in response to concerns about the validity of export rights and payment of duties. No assurances can be given that the co-operation of such authorities, if sought by the Company, will be obtained, and if obtained, maintained.

In particular, Côte d'Ivoire has had a history of political instability, significant and unpredictable changes in government policies and laws, war and civil conflict, illegal mining activities, lack of law enforcement and labour unrest. In October 2010, the Company suspended exploration activity due to political uncertainty and security concerns. Activities recommenced in May 2011.

In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts and/or may not be successful in subjecting foreign persons to the jurisdiction of Canadian or Australian courts or in enforcing the judgements of those courts against those persons or their assets. The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for Perseus to predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company's operations.

Global Economic Conditions

The unprecedented events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the mining industry, are impacted by these market conditions. Market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, could impede the Company's access to capital or increase the cost of capital and may adversely affect its operations.

The Company is also exposed to liquidity risks in meeting its operating and capital expenditure requirements in instances where its cash position is unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to obtain capital on terms favourable to it or at all. Increased market volatility may also impact the Company's operations, which could adversely affect the trading price of its ordinary shares.

Failure to Comply with Restrictions and Covenants in Credit Agreement

While there are currently no funds drawn down under the Credit Agreement and the available commitment has been reduced to zero, the Credit Agreement must still be complied with. In particular, some of the Company's hedging arrangements are covered by the Credit Agreement.

The Credit Agreement contains covenants and imposes restrictions on the Company's ability to complete certain transactions. For example, the Credit Agreement requires that the Company maintain certain financial ratios and prohibits the Company from incurring additional indebtedness or entering into hedging arrangements beyond that specifically permitted. The Credit Agreement also contains (i) certain conditions precedent to the drawdown of funds, which were either satisfied or waived, and (ii) certain conditions subsequent, some of which remain outstanding. The Company has previously received waivers of breaches of, and extensions for satisfaction of, non-financial conditions to the Credit Agreement. The Company will require waiver or extensions in respect of some of the foregoing conditions subsequent and is currently discussing such waivers or extensions with the Lenders. A breach by the Company of certain provisions of the Credit Agreement, unless waived, will constitute an event of default, entitling the Lenders to terminate the Credit Agreement.

The Effectiveness of Perseus's Hedging Policies

At June 30, 2013, the Company had the following hedging and gold delivery commitments in place:

- a strip of bullion options pursuant to which the Company has the right but not the obligation to sell a total of 25,000 ounces of gold to counterparties at a fixed price of US\$850 per ounce, between July 2013 and December 2013.
- gold forward contracts for 170,000 ounces of gold at an average price of US\$1,408 per ounce, with deliveries scheduled between July 2013 and December 2015.

The Company does not otherwise have any hedging agreements, including arrangements in respect of its exposure to changes in foreign exchange rates, but may enter into additional contracts in the future to the extent permitted by the Credit Agreement.

These risks will be managed by the Company's risk management policy, as determined from time to time, and detailed budgets, forecasts and mine plans, but the Company cannot guarantee the effectiveness of its present or future hedging policies. Although hedging activities may protect the Company in certain instances, they may also limit the price that can be realized on metals subject to any hedges where the market price exceeds the hedge contract price.

Currency Fluctuations

Currency fluctuations may affect the Company's costs and margins and the Company has not entered into any derivative financial instrument to hedge such fluctuations. The Company pays for goods and services in U.S. dollars, Australian dollars, Ghanaian cedis and CFA francs and the Company receives the proceeds of financings in Australian, Canadian and U.S. dollars. As a result of the use of these different currencies, the Company is subject to foreign currency fluctuations. Foreign currencies are affected by a number of factors that are beyond the control of the Company. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. Adverse fluctuations in these other currencies relative to the U.S. dollar could materially and adversely affect the Company's profitability, results of operation and financial position.

Labour and Employment Matters

Relations between the Company and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in whose jurisdictions the Company carries on business. Changes in such legislation or in the relationship between the Company and its employees may have a material adverse effect on the Company's business, results of operations and/or financial condition.

In connection with the operation of the EGM the Company has engaged a number of additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff for operations. Given the remote location of the property and the lack of infrastructure in the nearby surrounding areas Perseus may experience difficulties retaining these employees and contractors. In addition, in the event the Company commences development of the SGP it may also require additional key financial, administrative, mining, marketing and public relations personnel and will require additional staff for operations. Again, given the remote location of the property, the lack of infrastructure in the nearby surrounding areas, and the shortage of a readily available labour force in the mining industry, Perseus may experience difficulties attracting the requisite skilled employees. While the Company believes that it will be successful in attracting and retaining qualified personnel and employees, there can be no assurance of such success.

Also, HIV/AIDS, malaria and other diseases represent a serious threat to maintaining a skilled workforce in the mining industry in Ghana and Côte d'Ivoire. HIV/AIDS is a major healthcare challenge faced by Perseus's operations in these countries. There can be no assurance that Perseus will not lose members of its workforce or workforce man hours or incur increased medical costs, which may have a material adverse effect on Perseus's operations.

Effect of Inflation on Results of Operations

Perseus's mineral properties are located in Ghana and Côte d'Ivoire, which have historically experienced relatively high rates of inflation.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that existing or future environmental regulation will not materially adversely affect the Company's business, financial condition and results of operations.

Environmental hazards may also exist on the properties in which the Company holds interests that are unknown to the Company at present and that have been caused by previous or existing owners or operators of the properties.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could also have a material adverse impact on the Company and cause

increases in exploration expenses, capital expenditures or require abandonment or delays in the development of new mining properties.

Further, the Company's balance sheet as at June 30, 2013, contains a provision of A\$7.9 million for rehabilitation work relating to the EGM, representing the Company's estimate of the reclamation obligation arising at that reporting date. The total estimated reclamation obligation for EGM is US\$13 million. A formal rehabilitation plan was submitted to the EPA to address reclamation due to historical activities by previous owners and planned activities by Perseus which has resulted in an increase of bank guarantees provided to the Ghana EPA from US\$2.2 million to US\$9.4 million. There can be no assurance the actual cost of completing the reclamation will not be significantly higher than the present estimate of US\$13 million.

Permitting and Licencing

The Company's mining, development and exploration activities are dependent upon the grant, or as the case may be, the maintenance or renewal of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintenance, renewal and granting of tenements often depends on the Company being successful in obtaining required statutory approvals. There is no assurance that the Company will be granted all the mining tenements for which it has applied or that licences, concessions, leases, permits or consents will be renewed as and when required or that new conditions will not be imposed in connection therewith. To the extent such approvals, consents or renewals are not obtained, the Company may be curtailed or prohibited from continuing with its exploration and development activities or proceeding with any future exploration or development.

Exploration Risks

The exploration for and development of mineral deposits is speculative and involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by Perseus will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, including: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Perseus not receiving an adequate, or any, return on invested capital. There is no certainty that the expenditures made by Perseus towards the search for, and evaluation of, mineral deposits will result in discoveries of commercial quantities of ore.

Governmental Regulation of the Mining Industry

The mineral exploration activities of the Company are subject to various laws governing prospecting, mining development, production, royalties, taxes, export licences, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Company believes that its exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail the production or development of the Company's properties. Amendments to current laws and regulations governing the operations and activities of the Company or a more stringent implementation thereof could have a material adverse effect on the Company's business, financial condition and results of operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, the installation of additional equipment, or remedial actions. Parties engaged in mining operations, including the Company, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or a more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration

expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Many countries in West Africa including those in which the Company currently operates, have a tax regime that is specifically applicable to the mining industry. From time to time, based on the prevailing market price of gold and other commodities, some of these governments have sought to increase the amount of tax collected from mining companies through changing existing tax regimes including the introduction of new taxes such as “super profits” taxes or “windfall profits” taxes. If such tax changes are introduced they have the potential to significantly reduce the profitability of the Company, reduce cash flow available to the Company and, in extreme circumstances, render otherwise viable projects uneconomic.

Uncertainty in the Estimation of Mineral Resources and Mineral Reserves

The mineral resources and mineral reserves contained in this AIF are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that mineral reserves could be mined or processed profitably. There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the Company’s control. Such estimation is a subjective process, and the accuracy of any reserve or resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Short-term operating factors relating to the mineral reserves, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause mining operations to be unprofitable in any particular accounting period. In addition, there can be no assurance that gold recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Fluctuation in gold prices, results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require the revision of such estimate. The volume and grade of reserves mined and processed and recovery rates may not be the same as currently anticipated. Any material reductions in estimates of mineral resources and mineral reserves, or of the Company’s ability to extract these mineral reserves, could have a material adverse effect on the Company’s results of operations and financial condition.

Land Title

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral concessions may be disputed. Although the Company believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impaired. Third parties may have valid claims underlying portions of the Company’s interests, including prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. Land use for mineral exploitation activities is also subject to reaching satisfactory agreement with local communities on various matters such as crop compensation, housing relocation, assistance with community welfare and social development activities and employment of members of the local communities. There can be no assurances that the Company’s title interests will not be challenged or impugned by third parties.

Title is also subject to continued compliance with obligations under applicable laws and regulations, including minimum expenditure requirements, rent and royalty payments.

Insurance and Uninsured Risks

The Company’s business is subject to a number of risks and hazards generally, including: adverse environmental conditions; industrial accidents; labour disputes; metallurgical and other processing problems; unusual or unexpected geological conditions; ground or slope failures; cave-ins; changes in the regulatory environment; and natural phenomena such as inclement weather conditions, floods and earthquakes, and malfeasance. Such occurrences could result in damage to mineral properties or production facilities resulting in partial or complete shutdowns, personal injury or death, environmental damage to the Company’s properties or the properties of others, delays in mining and processing, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with its operations. The Company may also be unable to maintain

insurance to cover these risks at economically feasible premiums. In addition, insurance coverage may not continue to be available or may not be adequate to cover any resulting liability.

Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Perseus or to other companies in the mining industry on acceptable terms. As a result, the Company may become subject to liability for pollution or other hazards that may not be insured against or that the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

To the extent that the Company incurs losses not covered by its insurance policies, the funds available for sustaining the current exploration activities and for the development of further operations will be reduced.

Dependence on Key Management Personnel and Executives

The Company is dependent upon a number of key management personnel. The loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. The Company's ability to manage its operation, development and exploration activities, and hence its success, will depend in large part on the efforts of these individuals.

Litigation

The Company is subject to litigation risks. All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's mining and project development operations.

Repatriation of Earnings

The Company conducts its operations through foreign subsidiaries and holds substantially all of its assets in such subsidiaries. Accordingly, any limitation on the transfer of cash or other assets between the Company and its subsidiaries could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price. Moreover, there is no assurance that Ghana, Côte d'Ivoire or any other foreign country in which the Company may operate in the future will not impose restrictions on the repatriation of earnings to foreign entities.

Dilution

The Company may undertake additional offerings of ordinary shares and of securities convertible into ordinary shares in the future. The increase in the number of ordinary shares issued and outstanding and the possibility of sales of such ordinary shares may depress the price of ordinary shares. In addition, as a result of such additional ordinary shares, the voting power of the Company's existing shareholders will be diluted.

Stock Exchange Prices

There can be no assurance that an active market for the ordinary shares will be sustained. The market price of publicly traded stock is affected by many variables not all of which are directly related to the success of the issuer. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of Perseus's securities.

GHANA

Location, Population and Economy

Ghana is situated in West Africa, immediately north of the equator and on the Greenwich meridian. Ghana is bordered to the north and northwest by Burkina Faso, to the east by Togo, to the south by the Atlantic Ocean, and to the west by Côte d'Ivoire (Ivory Coast). Formerly a British colony known as the Gold Coast, Ghana is the first nation in sub-Saharan Africa to have achieved independence, in 1957.

Ghana has a total area of approximately 239,000 km². Its capital city is Accra, and other major centres include Kumasi, Tema, Tamale and Sekondi-Takoradi. Its population is estimated at 23.9 million people.

Mineral Rights and Mining in Ghana

The right to explore for minerals and to develop a mine are regulated by the Minister of Lands, Forestry and Mines (the “**Minister**”) through the Minerals Commission, a governmental organization designed to promote and control the development of Ghana’s minerals in accordance with the *Minerals and Mining Act, 2006, Act 703* (the “**2006 Mining Act**”).

Under the laws of Ghana, mining may only be carried out by a body corporate or an incorporated partnership registered or established under the laws of Ghana. There are three types of mining rights in Ghana: reconnaissance licences, prospecting licences and mining leases. These rights are acquired by making an application to the Minister through the Minerals Commission. The grant of these rights is discretionary but they are generally granted on a first come first serve basis upon satisfaction of the conditions contained in 2006 Mining Act.

The holder of a reconnaissance licence has the exclusive right to carry out reconnaissance for the minerals specified in the licence and to conduct other ancillary or incidental activity within the area covered by the licence. The holder of a reconnaissance licence also has the right to install camps and temporary buildings, but is not permitted to engage in drilling or excavation.

A prospecting licence grants the exclusive right to conduct prospecting operations for a particular mineral in a selected area for an initial period not exceeding three years. The holder of a prospecting licence has the right to make boreholes and excavations, install camps and conduct other incidental activities. The licence holder also has the right to conduct such geographic and geophysics investigations in the area of the licence as it considers necessary to confirm the existence of an adequate quantity of geologically proven and mineable reserve of gold. The holder of a prospecting licence is required to commence prospecting activities within three months of issue of the licence. The terms and conditions of a prospecting licence include marking out the prospecting area in a prescribed manner; advising the Minerals Commission of any discovery within 30 days of the date of discovery; expending the amount specified in the licence and submitting reports as and when specified; repairing any damage caused by its activities (including filling boreholes and removing camps); and employing and training Ghanaian personnel.

The rights granted by a prospecting licence are subject to certain restrictions imposed by land owner rights including cattle grazing and land cultivation if these activities do not interfere with the mining operations in the area. The holder of a prospecting licence must not hinder or prevent members of the local population from exercising customary rights and privileges in or over a licenced area (including hunting, gathering firewood and collecting snails) so long as these customary rights and privileges do not interfere with mining operations. The licence holder may however make arrangements with the local landowners for a waiver of these rights, which arrangements may include compensation. The compensation may be for deprivation for the use of the land, loss or damage to immovable properties, loss of expected income (if the land is cultivated) but may not include compensation for access to the land, the value of any mineral derived therefrom or loss or damage that is not capable of being assessed according to applicable legal principles.

The holder of a prospecting licence must obtain the consent of the Minister prior to conducting any operations (i) within twenty metres of any building, installation, reservoir, dam, public road, railway or any area appropriated for a railway; and (ii) in any area occupied by a market, burial ground, cemetery or within a town or village or an area set aside for, used, appropriated or dedicated to a public purpose.

The holder of a prospecting licence must surrender, upon renewal, not less than 50% of the number of blocks in the prospecting area covered by the licence, provided that any such surrender would not leave the licence holder with less than 125 blocks (with one block representing 21 hectares of land). The Minister may waive this requirement of surrender.

Prospecting licences may be converted into mining leases upon application and the applicant is not required to provide evidence that a mineral exists in commercial quantities. The area covered by a mining lease shall not be less than 21 hectares representing one block and not more than 300 contiguous blocks.

A mining lease confers upon the holder the right to mine for the specified mineral and undertake any operations that are directly or indirectly necessary or incidental thereto. A mining lease may be granted for an initial term of up to 30 years or for such shorter term as may be agreed and may be renewed for a further period of 30 years. Upon ministerial approval, the holder of a mining lease may suspend operations for a period not exceeding 12 months.

The holder of a mining lease is not required to meet minimum exploration expenditures but is required to submit quarterly, half-yearly and annual reports of the results of its activities and pay ground rent.

The Minister may enter into a stability agreement with the holder of a mining lease to ensure that, for a period of 15 years, the licence holder will not be adversely affected by any new enactment, regulation or order (including those relating to the payment of customs duties, royalties and taxes).

A mineral right may be cancelled if the holder fails to make payments when due, becomes insolvent or bankrupt, makes a false statement or becomes ineligible to apply for a mineral right.

Government Free Carried Interest

The Government of Ghana is granted a 10% free carried interest in all mining operations and has no obligation to contribute to development or operating expenses. This 10% carried interest also entitles the Government of Ghana to a *pro-rata* share of future dividends.

Royalty Requirements

A flat royalty of 5% of mining revenues is payable to the Government of Ghana.

Environmental Regulations

All environmental matters in Ghana, including those related to mining, are regulated by the *Environmental Protection Agency Act, 1994* and the *Environmental Assessment Regulations, 1999*, administered by the Ghana EPA and which govern environmental impact statements, mine operations, mine closures and reclamation and the Forestry Commission.

Persons proposing to undertake the mining and processing of minerals are required to register their activities with the Ghana EPA and obtain an environmental permit prior to commencing such activities. Additionally, no person may commence activities in respect of an undertaking, which in the opinion of the Ghana EPA, has, or is likely to have an adverse effect on the environment or public health unless, prior to the commencement thereof, the undertaking has been registered with the Ghana EPA and an environmental permit has been issued by the Ghana EPA in respect of the undertaking.

An EIS and baseline study of the EIS must be submitted to the Ghana EPA prior to issuance by the Ghana EPA of any environmental permit where the undertaking is the mining and processing of minerals in areas if the mining lease covers a total area in excess of 10 hectares. Each environmental permit is valid for a period of 18 months from the date of issue. The Ghana EPA is required to hold a public hearing in respect of an application for an environmental permit where there is material adverse public reaction to the commencement of the proposed undertaking, the undertaking will involve the dislocation, relocation or resettlement of communities or the undertaking could have extensive and far reaching effects on the environment.

After the approval of the EIS, an environmental management plan in respect of operations must be submitted within 18 months of commencing operations and every three years thereafter.

Failure to commence operations within the prescribed time period renders the environmental permit invalid and the applicant is required to resubmit an application to the Ghana EPA, together with reasons for the new application.

After commencing mining operations, the applicant is required to apply for an environmental certificate that may be issued subject to terms and conditions. The environmental certificate must be obtained within 24 months from the commencement of operations. An environment certificate will not be issued by the Ghana EPA until the person responsible for the application has submitted evidence or confirmation of the actual commencement of operations, acquisition of other required permits and approvals and compliance with mitigation commitments provided for in either the EIS or preliminary environmental report. Mining companies are also required to submit annual environmental reports in respect of mining operations.

CÔTE D'IVOIRE

Location, Population and Economy

Côte d'Ivoire is located in West Africa, bordering the Atlantic Ocean, between Ghana and Liberia, and surrounded inland by Guinea, Mali and Burkina Faso from the north-west to the north-east.

Côte d'Ivoire has a total area of approximately 322,462 km². The capital city is Yamoussoukro, however the city of Abidjan is the commercial and administrative centre. Its population is estimated to be approximately 20 million people.

Côte d'Ivoire's climate is tropical along the coast and semi-arid in the far north. In the south, it is hot and wet from April to July and from October to November and warm and dry from August to September and from December to March. In the North it is hot and wet from June to September and warm and dry from October to May.

Mineral Rights and Mining in Côte d'Ivoire

The right to explore for minerals and develop a mine are regulated by the Council of Ministers through Law no. 95-553 of July 18, 1995 ("**Mining Code**"), decree no. 96-634 of August 9, 1996 implementing the Mining Code, ordinance no. 96-600 of August 9, 1996 relating to the mining activities, taxes and procedures of the Mining Code and the establishment of rehabilitation reserve funds. The Mining Code is administered by the Ministry of Mining ("**Minister of Mining**"). The Mining Code is currently being reviewed and it is expected that amendments will be passed by the Ivorian Parliament before the end of 2013.

Under the Mining Code, all minerals and mineral waters are the property of the State. No person, whether a national or foreign, is authorized to undertake or conduct any activity governed by the Mining Code without the appropriate permit.

Other than prospecting and reconnaissance authorizations, the Mining Code provides for two mining rights or titles: exploration permits and mining permits.

No legal entity is entitled to hold a mining title unless it is registered with the Côte d'Ivoire trade register and has not been placed in receivership or been declared bankrupt. Also, no natural person may acquire a direct or indirect interest in a mineral title or authorization unless he is in full possession of his civil rights.

Prospecting and Reconnaissance Authorization

A prospecting and reconnaissance authorization confers upon the holder thereof the non-exclusive right to prospect for all mineral substances within the entire area of one or more administrative departments. A prospecting and reconnaissance authorization does not confer upon the holder thereof any particular right to obtain a mineral title, or any right to dispose of mineral substances acquired from prospecting activities, on a commercial basis. The term of a prospecting and reconnaissance authorization is one year and may be renewed. A prospecting and reconnaissance authorization may not be assigned, transferred or sublet.

Exploration Permit

An exploration permit is granted by decree of the Council of Ministers upon recommendation of the Minister of Mining, on submission of an application in accordance with the applicable requirements of the Mining Code.

A holder of an exploration permit has the exclusive right to explore for minerals within the perimeter (surface and depth) of a specified area and dispose of products extracted during exploration.

The holder of an exploration permit must begin exploration activities within one year from the effective date of the permit.

The term of an exploration permit must not exceed ten years, consisting of four distinct terms, being an initial term of three years, two successive two year terms, and an exceptional renewal of up to three years. If the holder of the exploration permit satisfies its obligations and complies with the Mining Code during the initial term, renewals are automatically granted. Renewal may be refused if the holder of the exploration permit fails to satisfy its commitments relating to the general work program or the minimum financial expenditure. At each renewal of the exploration permit, 50% of the area held must be relinquished.

Exploration permits may be assigned or transferred to another mining operator subject to the prior approval of the Minister of Mining and compliance with the conditions imposed by applicable regulation. Provided that the holder of the exploration permit has satisfied its obligations under the Mining Code, has submitted an application for title in conformity with the applicable regulation and meets the requirement of such regulation, the Minister of Mining's consent to transfer cannot be refused.

An exploration permit may be revoked or limited without right of indemnity or compensation upon notice requiring the holder or operator to remedy a default within 60 days, and failure of the holder to do so. Such defaults entitling service of notice of revocation are limited to matters involving worker safety and health, delay or suspension of exploration activity for a period of more than one year without valid reason, disqualification of the title holder, the failure to comply with directions of a mining engineer, unauthorized transfer or assignment of the exploration permit, the failure to pay duties or taxes, and the failure to maintain and restore the site during exploration.

Mining Permit

A holder of a mining permit has the exclusive right to extract minerals within the perimeter, surface and underground boundaries of a specified area. The Council of Ministers on the recommendation of the Minister of Mining issues decrees granting mining permits to holders of exploration permits who have furnished evidence of existence of a mineral deposit within the area of the exploration permit and after a public inquiry. An application for a mining permit must be made within 60 days prior to the expiration of the term of the relevant exploration permit.

A mining permit holder also has the right to transport or cause to be transported mineral substances extracted, extracts and primary derivatives thereof, and metals and alloys of these substances, to storage, processing or loading sites, for disposal and/or export to local or external markets.

The initial term of a mining permit must not exceed 20 years, but application may be made to renew the permit at the end of the initial period. The holder of a mining permit must commence mining works on the deposit within two years after the date of grant. The holder may postpone mining works during a period of up to five years on the grounds of temporary unfavourable commercial conditions or a sudden decline in the market price for the relevant mineral.

The holder of a mining permit must meet certain minimum expenditure requirements. See "*Details of the Sissingue Gold Project — Property Description and Location*".

The Minister of Mining may revoke a mining permit without right of indemnity or compensation upon notice requiring the holder or operator to remedy a default within 60 days, and failure of the holder to do so. Such defaults entitling service of notice of revocation are limited to matters involving worker safety and health, delay or suspension of exploration works for more than one year without valid reason, disqualification of the title holder, delay or suspension of the preliminary exploitation activities or mining for more than two years, without approval, and for reasons other than adverse market conditions. The failure to comply with directions of a mining engineer, unauthorized transfer or assignment of the mining permit, the failure to pay duties or taxes, and the failure to maintain and restore the site during mining works.

Government Free Carried Interest

The State of Côte d'Ivoire has a 10% free carried interest in any mining venture undertaken pursuant to a mining permit for the life of the mine, which interest may not be diluted or otherwise decreased.

Royalty Requirements

In addition to the taxes provided for in the General Tax Code, the holder of a mineral title is required to pay: (i) a non-refundable fixed duty, (ii) an annual land rent, and (iii) an ad-valorem or proportional tax at the rate of 3% which is based on the gross revenue from minerals produced, after deduction of transportation and refining or smelting costs. The royalty rate may be reviewed as part of the current revision process of the Mining Code.

Environmental Regulations

A complete EIS and a programme for environmental management must be prepared, and submitted for the approval of the mining authorities and the authorities responsible for the environment before conducting any mining operations.

A holder of a mining permit must establish a reserve fund for the rehabilitation and restoration of the site upon completion of mining activities. The amounts required to be deposited annually to such fund are determined in accordance with a schedule set by the Minister of Mining and are deductible from industrial and commercial profits ascribed to the mining operation.

The Mining Code requires the periodic monitoring of mining sites to verify the health and well-being of neighbouring populations. Monitoring is performed by the mining permit holder, at its expense, within the framework of its environmental management program, as approved by the Minister of Mining. Monitoring is also performed by the Minister of Mining, and if required, by international agencies experienced in the area designated by the Minister of Mining, at the expense of the administering authority. In the event of pollution exceeding normal tolerance, the costs related to inspections, future verifications and consequential fines are borne by the holder of the mining permit.

DETAILS OF THE EDIKAN GOLD MINE

Unless otherwise stated, the information that follows relating to the EGM is derived from, and in some instances is an extract from, the technical report entitled “*Technical Report — Central Ashanti Gold Project, Ghana*” dated May 30, 2011 prepared by Aaron Green, Operations Manager, Runge Limited (the “**Central Ashanti Technical Report**”) available under the Company’s profile at www.sedar.com.

Property Description and Location

As illustrated below, the EGM is located in Ghana, West Africa, approximately 40 kilometres to the south-west of the regional town of Obuasi and 195 kilometres west-north-west of the capital Accra, between 1°50’00” west and 2°00’00” west and 5°48’49” north and 6°00’00” north.



The EGM comprises two mining leases: (i) the Ayanfuri mining lease (49.2 km²), identified by PL 6/15; and (ii) the Nanankaw mining lease (43.93 km²), identified by PL 6/15 (together, defined as the “**Edikan Mining Leases**”) and the Dadieso prospecting licence, identified by PL 6/15 (29.33 km²). Together, the Edikan Mining Leases and the Dadieso prospecting licence occupy a total aggregate land area of 122.46 km².

The Ayanfuri mining lease (PL 6/15) is registered in the name of PMGL, an indirect subsidiary of Perseus and expires on December 30, 2024. The Nanankaw mining lease (PL 6/15) is also registered in the name of PMGL and expires on December 30, 2024.

The Dadieso prospecting licence is registered in the name of PMGL. As at the date of the Central Ashanti Technical Report, the Dadieso prospecting licence was subject to an application for renewal. The licence was subsequently renewed and now expires on December 31, 2013. An additional renewal will be applied for.

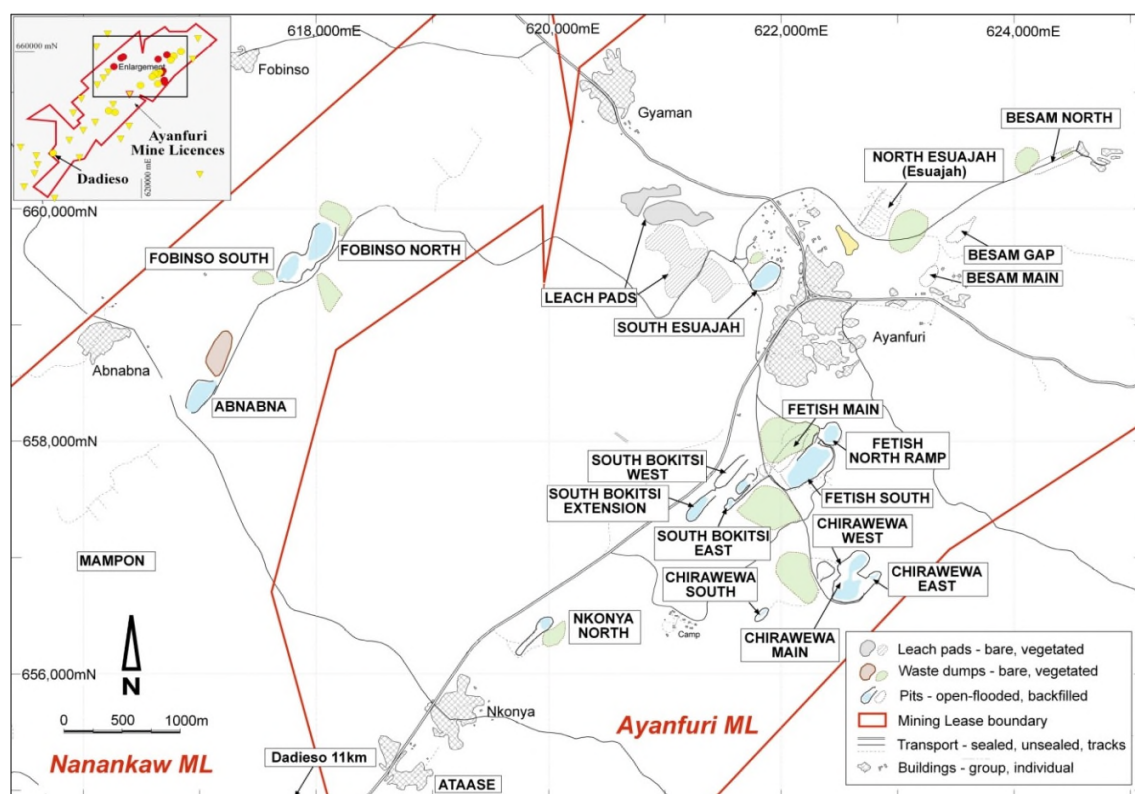
To maintain a mining lease in good standing, the holder thereof must:

- pay rental land rates, royalties and government charges;
- present regular returns and annual returns;
- utilize the mining rights through the exploitation of minerals; and

- pay bonds and maintain rehabilitation programs.

Surface rights are held by the central government of Ghana and rent is charged for land usage based on published rates. Compensation is also paid to local land owners for damage to crops based on the higher of the rates prescribed by the Land Valuation Board and that privately agreed to. PMGL has negotiated all amounts payable for surface rights in and to the area of the proposed production activities.

The following map indicates the location of all known mineralized zones, mineral resources, mineral reserves and mine workings, existing tailing ponds, waste deposits and important natural features and improvements at the EGM, relative to the outside property boundaries.



Future gold production from the EGM is subject to the following royalties:

1. A government statutory royalty of 5% on the sale of mineral from the project.
2. A royalty of 0.25% payable by Kojina in respect of its purchase of PMGL from Strategic Systems Pty Ltd. This royalty was assigned to Waratah Investments Limited in August 2009. The obligation to pay this royalty is in the process of being assumed by PMGL.

In addition to the foregoing (though not contained in the Central Ashanti Technical Report), the EGM is subject to a royalty on gold produced from the Edikan Mining Leases of 1% if the gold price is below US\$350/oz, 1.25% if the gold price is over US\$350 but below US\$500/oz and 1.5% if the gold price exceeds US\$500/oz. By deed of assignment dated June 30, 2011 this royalty was assigned to Franco-Nevada Corporation.

Under the 2006 Mining Act, the Government of Ghana is granted a 10% free carried interest in all mining operations and has no obligation to contribute to development or operating expenses.

The EGM is not subject to any environmental liabilities except as set out in the Ayanfuri Mine Decommissioning Plan Final Report 27-4-2004 (the “**Ayanfuri Decommissioning Plan**”) and the Draft Environmental Audit Report 2006 (the “**Draft Environmental Audit**”).

The Ayanfuri Decommissioning Plan was submitted to the Ghana EPA by Ashanti Goldfields Company Limited (“AGC”), a subsidiary of AngloGold Ashanti Limited (“AGA”) and the previous holder of the Edikan Mining Licences, in 2004 and provides for the decommissioning of the gold mining operations previously carried out by AGC. AGC has spent approximately US\$3 million on the decommissioning program. The cost for the remaining decommissioning activities was estimated by AGC to be US\$2,257,941.

In 2006, Strategy Investments Ltd. (“SSI”) (now PMGL) commissioned an environmental audit of the rehabilitated and non-rehabilitated areas of prior mining disturbance post decommissioning and to give recommendations for future management of the mine. The resulting estimate was substantially less than the estimate contained in the Ayanfuri Decommissioning Plan prepared by AGC in 2004.

In 2007, however, the Ghana EPA accepted the Ayanfuri Decommissioning Plan from 2004 and on August 6, 2007 a reclamation security agreement was signed between the Ghana EPA and AGA. Subsequently Perseus made a cash deposit of US\$257,939 to a joint EPA/AGA account and presented bank guarantees to the EPA for US\$2,000,000 in August 2007.

Due to the significant changes in the mine plan since acquisition of the property by Perseus, at the request of the Ghana EPA, PMGL has prepared and submitted a reclamation and decommissioning plan for historical and current production. The present estimate for current and historical reclamation costs is US\$13 million.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The EGM is located 16 kilometres west of Dunkwa, near the village of Ayanfuri in the Central Region of Ghana. The EGM lies along the sealed highway from Ghana’s second largest city, Kumasi, located 107 kilometres by road to the north and the port of Takoradi located 186 kilometres by road to the south.

The EGM area has a south western equatorial climate with seasons influenced by the moist south west monsoon winds from the South Atlantic Ocean and the dry north east trade winds. The mean annual rainfall is approximately 1,500 millimetres with peaks of more than 170 millimetres per month in June and October. During the wet season, access and transport can become difficult unless well-formed and drained roads are constructed.

Relief in the area of the EGM is largely gently undulating, ranging from 120 metres to 240 metres above sea level. Areas of lower relief are generally vegetated by open secondary forest and agricultural land, while remaining tropical forest is more prevalent in areas of higher relief outside the licence area. Agriculture in the area consists mainly of cocoa farms with lesser subsistence farming.

The village of Ayanfuri is connected to the national electricity grid. Water supply for the EGM will initially be drawn from dewatering the flooded Abnabna and Fobinso pits and upon commencement of operations, the majority of the process water will be returned from the tailings storage facilities. This will be supplemented by the pumping of water from other flooded pits and from rainfall catchment. The Ayanfuri village also has land and mobile telephone coverage, internet services and is centrally located to the principal mining and exploration contractors and suppliers in Ghana. Ghana has an excellent depth of personnel experienced at many levels in modern open pit and underground mining technology.

Appropriate locations for tailings storage areas, waste disposal areas and processing plant sites have been selected.

History

Cluff Resources plc (“Cluff”) commenced activity at the EGM in 1988 with mining operations commencing in 1994. In 1996 AGC acquired Cluff and continued mining activity until early 2001 upon depletion of oxide mineral reserves. Due to very low prevailing gold prices all exploration activity was suspended from 2001 to 2006. In April 2006, SSI entered into an agreement to acquire the Edikan Mining Leases and the Dadieso prospecting licence from AGC. In May 2006, Kojina was granted an option to purchase all of the shares of SSI (now PMGL), which option was exercised in 2007 and the transaction completed in February 2009.

There were three principle phases of exploration undertaken at the EGM from 1988. The first was initial discovery and pre-development drilling by Cluff. The second was the exploration of secondary targets to locate additional ore feed by AGC. The third phase was the post mine closure exploration by Perseus commencing in 2006.

Cluff initially undertook a major trenching programme over surface indications (areas of previous artisanal activity) resulting in discovery of the Fetish, Esuajah North and South Esuajah deposits. Photogeological interpretation (1:20,000 scale) together with regional soil sampling outlined additional prospects including Chirawewa, Abnabna and Fobinso. Drilling commenced in 1989 and by 1991 a total of 337 holes had been completed for 20,951 metres. A total of 16,749 soil samples were collected and assayed for gold and arsenic and exploration trenching totalling 32,572 metres was completed. Cluff also completed substantial metallurgical sampling using diamond core and surface pitting to depths up to nine metres.

Between 1996 and 2000, AGC completed 580 hand dug trenches totalling approximately 40.7 kilometres and 776 drill holes totalling 58 kilometres of mostly reverse circulation (“RC”) drilling.

The Ayanfuri heap leach project commenced production in November 1994 and the mine was closed in early 2001. Previous production is summarized in the table below:

Year	Ore Treated (tons)	Head Grade (Gold g/t)	Contained Gold (Ounces)	Recovered Gold (Ounces)	Recovery (%)	Tail Grade (Gold g/t)
1994-5	1,129,357	2.2	80,607	56,426	70	0.7
1996.....	1,319,000	1.8	75,060	53,338	71	0.5
1997.....	1,340,000	1.7	74,963	58,089	77	0.4
1998.....	1,519,000	1.4	65,930	46,290	70	0.4
1999.....	1,392,000	1.2	51,914	44,424	86	0.2
2000.....	1,121,000	1.2	43,610	36,316	83	0.2
2001.....	329,000	1.2	12,693	11,517	91	0.1
Total.....	8,149,357	1.5	404,777	306,400	76	0.4

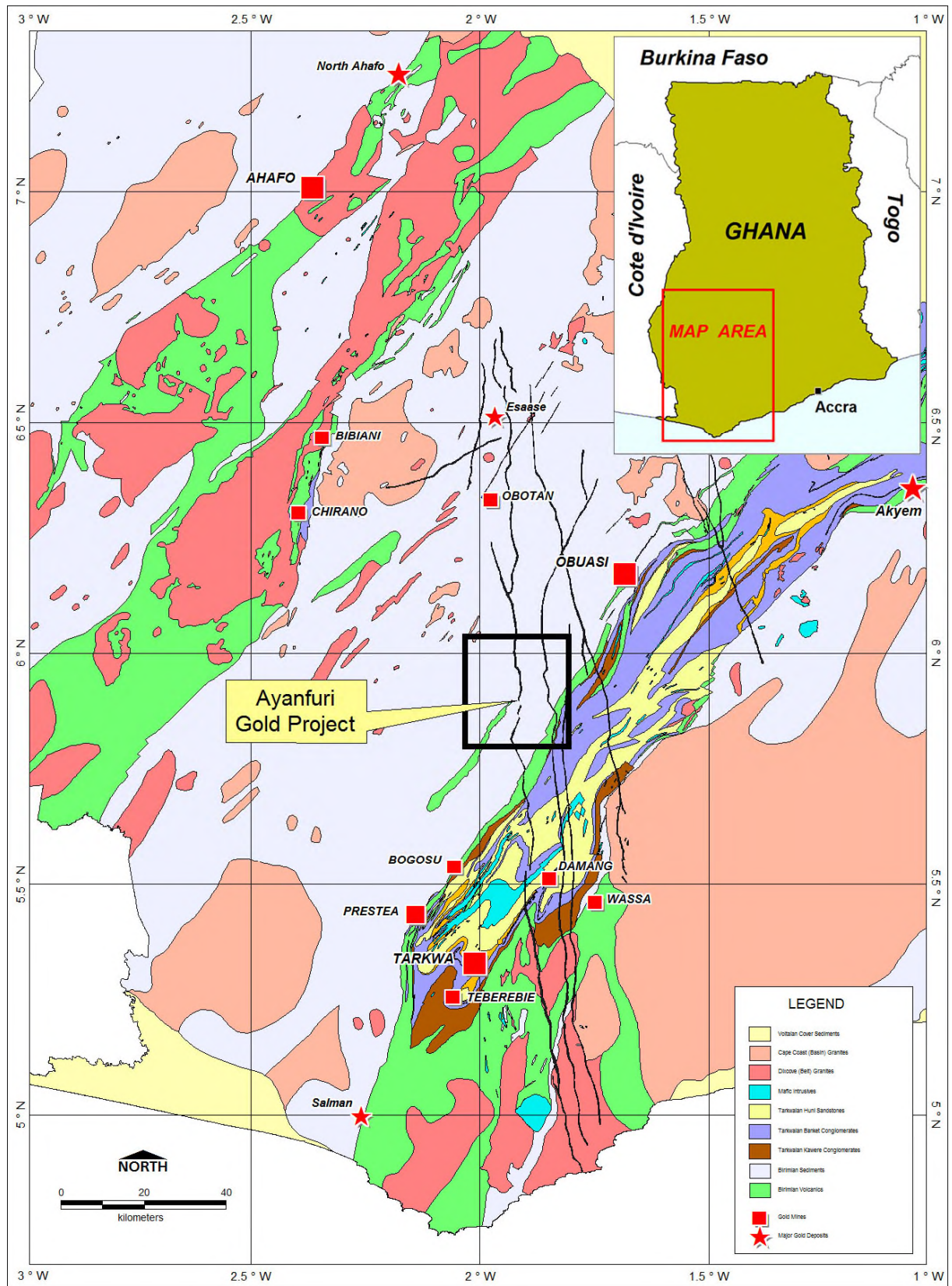
Notes:

1. Excludes CIL treatment of high grade ore as high grade ore from Fetish main and possibly other deposits was hauled to the Sansu treatment plant at Obuasi.

Geological Setting

Regional Geology

The EGM is located in south-western Ghana in the Man Shield (also known as Leo Shield) of the Precambrian West African Craton. In Ghana, the Man Shield consists of seven mostly north-east striking Paleoproterozoic greenstone belts of the Birimian Supergroup, emplaced during 2250-2170 Ma, separated by flyshoid basin sediments deposited during 2150-2100 Ma. Most of the gold in Ghana was emplaced relatively late in the Eburnian orogeny principally in deformation zones in Birimian metasediments and metavolcanics, as paleoplacer deposits in Tarkwaian braided fluvial quartz pebble conglomerates, and to a lesser extent within pre and syntectonic granitoid intrusive bodies within the greenstone belts and within basin sediments along regional structures. Metallogenetically the most important greenstone belt in Ghana is the Ashanti Belt. The figure below illustrates the general geology of Ghana.



Local Geology

The EGM deposits occur near the western flank of the Ashanti greenstone belt along the Obuasi-Akropong gold corridor, situated between six to 16 kilometres outboard of the Ashanti volcanic belt margin in the Kumasi basin sediments. The Obuasi-Akropong structure appears to represent a continuation of the main Obuasi shear which has veered away from the volcanic belt margin into basinal sediments. More likely, it corresponds to a separate sub parallel, southwest vergent thrust of sediments over sediments several kilometres further out in the basin, rotated nearly into the main Obuasi structure during transcurrent deformation and preferentially gold mineralized in comparison to the belt bounding structures south of Obuasi which are generally weakly mineralized. Further south, the principal gold bearing structures are reactivated thrusts along the belt margin, as at Obuasi.

Property Geology

The EGM is underlain principally by Paleoproterozoic Birimian metasediments of the Kumasi-Afema basin positioned between the Ashanti and Sefwi greenstone belts. The flysch type metasediments consist of dacitic volcanoclastics, greywackes plus argillaceous (phyllitic) sediments, intensely folded and faulted and metamorphosed to upper greenschist facies. Minor cherty and manganiferous exhalative sediments are locally present, and graphitic schists coincide with the principal shear (thrust) zones. Bedding and parallel to sub parallel cleavage follows the regional trend of the Akropong structure(s) striking 050° on average with steep to sub vertical dips to the south-east and north-west.

Numerous small basin-type or cape coast type granite bodies have intruded the sediments along several regional structures. The intrusive shapes vary from nearly ovoid plugs 200 meters to 400 meters long by 40 meters to 150 metres wide to relatively long (2,000+ metres) narrow (50m-100m) sills or dykes.

Exploration

Exploration by Perseus commenced with a review of the incomplete Ashanti databases. Considerable time was spent collating or reproducing digital drill, grade control and survey data, some of which had to be hand entered from hard copies. In 2001, post mine closure, significant quantities of data were lost including production reconciliation reports.

Due to the prevailing gold price no exploration was conducted at the Central Ashanti Gold Project from 2001 until August 2006, when Perseus began drilling. During the second half of 2006, Perseus completed 71 RC and nine diamond drill holes totalling 9,872 metres of drilling. Exploration activity has steadily increased since then as additional Mineral Resources have been discovered and extensive infill drilling programs continue. Contract drilling crews have been used for all programs with supervision by Perseus staff. Drilling companies used at the Project included Eagle Drilling Inc., Burwash Contract Drilling, Geodrill GHZ Limited, Minerex Drilling Contractors Limited, Boart Longyear Limited (“**Boart Longyear**”) and Hall Core Drilling Africa Ltd.

A summary of the exploration completed at EGM by Perseus is set out below.

Period	Soil Samples	Drilling (m)
2006.....	1,100	9,872
2007.....	1,430	71,143
2008.....	3,888	98,303
2009.....	4,576	25,788
2010.....	—	127,186
Total.....	10,994	332,292

Since the Central Ashanti Technical Report, Perseus drilled 183,947 metres in 2011, 127,745 metres in 2012 and 30,081 metres in 2013.

Mineralization

Gold occurs at the EGM both in classic Ashanti-style sediment hosted shear zones, and within granitic plugs and sills or dykes situated along two or three regional shear structures. More than two dozen known gold occurrences occur on the area of the EGM with granitic intrusives hosting the majority of these and more than 80% of the known gold resources.

The sediment shear hosted occurrences consist either of pinch and swell quartz reefs in relatively tight shears or quartz carbonate stockwork veining in broader shear zones. The host rocks are typically fine grained phyllitic sediments and volcanoclastics, with coarser grained wacke to sandstone interbeds often preferentially mineralized due to their more competent and brittle nature. Pervasive iron carbonate and more localized sericite and silica alteration has affected the host sediments, and fine grained pyrite with lesser arsenopyrite occurs as disseminations in the host sediments and to a lesser degree in the quartz veins. Most of the gold occurs in veins as disseminations and as free gold along sulphide grain boundaries.

Although gold grade is relatively uniform across the width of the intrusives at ± 0.5 g/t to 1.5 g/t gold, frequent high grade (5 g/t gold to greater than 100 g/t gold) assays over widths of one metre to five metres occur in all of the granite hosted deposits.

Drilling

A summary of the type and extent of drilling completed at the EGM is set out below.

Mineral Resource	Diamond		RC		Total
	Number	Metres	Number	Metres	Metres
Abnabna	145	30,878	121	9,200	40,078
AF Gap	305	67,273	109	9,314	76,587
Fobinso	141	30,348	167	11,315	41,663
Esuajah South	105	30,828	61	4,648	35,476
Esuajah North	43	10,373	148	11,200	21,573
Fetish	134	33,582	319	21,795	55,377
Chirawewa	52	9,362	184	14,058	23,420
Dadieso	1	200	223	14,359	14,559
Mampong	16	2,948	216	20,067	23,015
Other exploration and sterilization	—	—	792	58,590	58,591
Total	942	215,792	2,340	174,546	390,339

RC drilling was completed either using an MPD1000, MPD1500, KWL-700, UDRKL900 or UDR650 drill rig drilling a $5\frac{1}{4}$ inch diameter hole. Diamond core drilling was completed using a variety of core rigs including Longyear 38, Longyear LF70 and LF90, UDR650 (multipurpose) or UDRKL900 rigs plus Atlas Copco CS14 core rigs drilling PQ, HQ or NQ size holes.

The drill holes have varying directions and the majority of the holes have inclinations of between 50° and 60° with the notable exception being the diamond holes which have varying inclinations from 45° to vertical. In general, the true thickness of the mineralization is 60% to 80% of the intersection lengths and the intersection angles are satisfactory.

Initially only acid tube dip tests were performed by Perseus so the first 58 diamond drill holes have no azimuth recordings. All subsequent drill holes have been down holed surveyed at 10 metres to 30 metres intervals using either Reflex or Flexit multi-shot equipment.

Geological logging is completed for the entire length of each hole under six principal fields: weathering, lithology, alteration, structure, mineralogy and veining.

Sampling and Analysis

Sampling at the EGM has largely been limited to the sampling of drill holes although surface trenching, pitting and soil samples have also been collected by various operators.

Rock types encountered included sediments and granitoid lithologies, with the majority of mineralization hosted by granitoid intrusives. The width of mineralization varied between the deposits, ranging from 20 meters to in excess of 100 meters in thickness. The broad zones of mineralization and lack of discrete structures controlling grade distribution meant that selective sampling was not warranted and a sample length of two metres was used throughout the EGM with exception of Esuajah South, where one metre sample lengths were used. The steep nature of the deposits and occasional limited drill access meant that holes were at moderate to low angle to the mineralization and true thickness of intersections was typically half of the downhole thickness.

RC drilling was completed at all resource areas at spacings varying between 20 meters by 20 meters to 40 meters by 40 meters and 40 meters by 50 meters. RC drill samples were collected every metre from a rig mounted cyclone into large monitored plastic bags and two metre composite samples were made by splitting each one metre sample down 1.5 kilograms using a rifle splitter and combining adjacent samples. All samples were kept dry when possible with the use of high pressure air. Where it was not possible to keep the sample dry, the sample was collected from the cyclone into a plastic bag and a sub-sample was collected using a plastic spear. There is some evidence of down hole smearing, depletion or enrichment during wet RC drilling. The current practice is for holes to be drilled until the hole becomes wet at which time the rig switches to diamond drilling.

Diamond drilling was completed at all resource areas to test deeper mineralization or where the influx of ground water forced the termination of RC drilling. The spacing for diamond drill holes for depth testing was typically 40 meters by 40 meters with infill drilling at 20 metres by 40 metres throughout several of the deposits. The core was cut in half using a diamond cutting saw and on one metre intervals. Typically the core was not sampled to geological intervals but on the even metre intervals. The right hand side of the core was always submitted for analysis with the left side being stored in trays on site. Core recovery was typically very good with no evidence of core loss.

The authors of the Central Ashanti Technical Report concluded that the samples were representative of the mineralization, no bias was present and no other factors were present that could materially impact the accuracy and reliability of results.

For Perseus drilling, after cutting or splitting, the samples were bagged by Perseus employees and then sent to Intertek Minerals Ltd. (“**IML**”) in Tarkwa for preparation and analysis. All samples followed a standard path of drying, crushing and grinding. Samples were pulverised using a LM5 ring mill and thoroughly mixed on a rolling mat prior to the 200g sub sample being collected. Two sample analysis methods were used by Perseus depending on the drilling method used. RC samples were subject to a bulk leach extractable gold (“**BLEG**”) and 24 hour bottle roll with atomic absorption spectrometry (“**AAS**”) analysis, while diamond core samples were subjected to a 50g fire assay and AAS analysis.

Sample preparation and analysis for the Cluff and AGC samples is not well documented. However it is known that samples were assayed using a variety of methods.

Duplicate samples, standards and blanks were submitted with all RC and diamond drill sample batches at a rate of one standard and one field duplicate for every 20 samples submitted for the diamond drilling and RC drilling. In addition, selected samples were sent to SGS Laboratory Services (Ghana) Ltd. for check analysis.

IML also has several control procedures to monitor the precision and accuracy of results, including internal standards, internal duplicates, internal repeats, reagent and sample blanks, inter-laboratory cross checks, sizing tests on pulverized material, blank tests on jaw crushers, roll mills and pulverizing mills and fire assay copper maps and loss-lead maps.

The authors of the Central Ashanti Technical Report concluded that the sample preparation, security and analytical procedures used by Perseus have been to a high standard, though poor repeatability of field duplicates warrants further investigation. The authors further concluded that overall the quality assurance and quality control (“**QAQC**”) analysis does not indicate any bias and supports the assay data used in the mineral resources estimate contained in the Central Ashanti Technical Report. The authors did recommend that the number of field duplicates and umpire samples be increased to represent at least 8% of the total mineralised samples.

Data verification involved the comparison of the digital data for 23 holes against the hard copy data, this included the assay, geology, collars and down hole survey information. The verification process noted: (i) one assay error; (ii) nine holes with incomplete or no down hold surveys on the hard copy sheets while the database contains complete suite of survey entries to the end of the hole; and (iii) minor errors for geology entries on ten holes where either alteration or intensity values were incorrect at certain depth intervals. However, from the small amount of data verified the authors of the Central Ashanti Technical Report concluded that the digital data provided by Perseus represents the original data gathered from field activities, with the foregoing only representing minor errors between the digital data and hard copy data.

Security of Samples

The measures taken by Perseus to ensure the validity and integrity of samples taken include the following:

- RC samples are combined in the field to two metre composite samples which are packed into large bags and the numbers are recorded;
- core is transported to the Ayanfuri exploration office either by Perseus staff or drill contractors;
- core samples are stored in the core logging area of a fenced compound where the sample intervals are rechecked, recoveries are noted and core is photographed;
- half core samples are placed in plastic bags, stapled shut and combined in numerical sequence in larger bags;
- a sample submission form accompanies each shipment of core sample to the assay laboratory in trucks operated by laboratory employees or contractors; and
- assays and analyses are sent electronically by the laboratory to a pre-determined list of recipients with final paper certificates sent to the office site.

Mineral Processing and Metallurgical Testing

Bulk composite samples were prepared from drill core intervals from each of the deposits representing the primary west (Abnabna, AF-Gap, Fobinso), primary east (Esuajah North, Esuajah South and Fetish) and global oxide/transitional mineralization types. Each of the bulk composite samples were tested to determine ore characterization, gold recovery by gravity concentration and extraction using sodium cyanide, gold recovery by bulk sulphide flotation, gold recovery by gravity concentration and bulk sulphide flotation on the gravity tail, oxygen requirements during the concentrate leach stage, combined gold, silver and copper loadings, viscosity and density.

Based on the metallurgical testwork, the preferred process flowsheet consists of the following unit process stages: (i) primary jaw crusher; (ii) single stage SAG mill; (iii) gravity circuit; (iv) flotation circuit; (v) regrind ball mill; (vi) concentrate CIL circuit; and (vii) elution circuit.

Mineral Resource and Mineral Reserve Estimates

Mineral Resource Estimate

The Mineral Resource estimate for the EGM as contained in the Central Ashanti Technical Report is summarised below. More recent Mineral Resource estimates are set out earlier in this AIF.

Deposit	Measured Mineral Resource		Indicated Mineral Resource		Measured and Indicated Mineral Resource			Inferred Mineral Resource		
	Mt	Gold (g/t)	Mt	Gold (g/t)	Mt	Gold (g/t)	Au (Ounces)	Mt	Gold (g/t)	Au (Ounces)
Abnabna/AF Gap/Fobinso	42.9	1.2	23.3	0.9	66.2	1.1	2,324,000	4.6	1.2	173,000
Esuajah South	8.3	1.8	6.2	1.7	14.5	1.8	818,000	5.3	1.3	224,000
Esuajah North			20.2	0.9	20.2	0.9	579,000	9.3	0.7	213,000
Fetish			17.4	1.1	17.4	1.1	597,000	8.0	1.4	360,000
Chirawewa			—	—	—	—	—	12.5	0.8	341,000
Mampong			—	—	—	—	—	6.9	0.9	208,000
Dadieso			—	—	—	—	—	3.2	1.6	201,000
Total	51.2	1.3	67.1	1.0	118.4	1.2	4,318,000	49.8	1.0	1,720,000

Notes:

1. Estimates include mineral reserves.
2. Using cut-off grade of 0.4g/t gold.

The reported Mineral Resource for the EGM was prepared using standard Surpac block models using Ordinary Kriging (“OK”) grade interpolation within wireframes which were based on a 0.2g/t gold grade cut-off. Selection of 0.2g/t gold as the mineralized threshold for defining the wire frames was based on visual review of the grade distribution and was supported by the analysis of raw sample data. OK was used for the grade interpolation and the wire frames were used as hard boundaries for the grade estimation of each object. The models have all been reported at a 0.4g/t gold cut-off for the material above -100mRL and 0.8g/t gold for material below -100mRL. Small pods at Esuajah South were estimated using Inverse Distance Squared grade interpolation due to the sparsity of data.

For all deposit, the granite/metasediment contact was modelled due to the preferential development of gold mineralization within the granite bodies. Where geological contacts were not clearly controlling the distribution of Mineral Resource grade mineralization, a grade cut-off of 0.2g/t gold was used to construct Mineral Resource boundaries and to provide overall geometry to mineralized zones.

The interpreted geology and grade boundaries were manually triangulated to form wireframes. The wire framed objects were then validated and set as solids. The wireframes were used to select the sample data for grade estimation and to constrain the block model for estimation purposes. Only assays within each wireframe were used to estimate blocks within that wire frame. To assist in the selection of appropriate high grade cuts, log-probability plots and histograms were generated.

To assist in the continuity analysis the data was transformed using a normal scores transformation. Down hole variograms were generated from the data to determine the nugget variance and then directional variograms were prepared to define the directional continuity of gold grades. These models were then back transformed to generate the final OK parameters.

To confirm that the interpolation of the block model correctly honoured the drilling data, validation was carried out by comparing the interpolated block grades to the composited sample grades.

Mineral Reserve Estimate

The reported Mineral Reserve for EGM was prepared based on the Mineral Resource estimate of the Abnabna/Fobinso, Fetish, Esuajah North and Esuajah South deposits. Other deposits were excluded either due to their more preliminary stage of delineation or the more limited nature of their economic potential.

The Mineral Reserve estimate for the EGM as set out in the Central Ashanti Technical Report is summarised below. More recent Mineral Reserve estimates are set out earlier in this AIF.

Deposit	Proven Mineral Reserves		Probable Mineral Reserves		Proven & Probable Mineral Reserve		
	Mt	Gold (g/t)	Mt	Gold (g/t)	Mt	Gold (g/t)	Gold (Moz)
Abnabna// Fobinso	40.2	1.2	12.3	0.9	52.6	1.1	1,880,000
Fetish	—	—	13.7	1.1	13.7	1.1	500,000
Esuajah North	—	—	11.9	1.0	11.9	1.0	390,000
Esuajah South	7.5	1.8	1.2	2.0	8.7	1.80	510,000
Total	47.7	1.3	39.1	1.0	86.9	1.2	3,280,000

Notes:

1. Cut-off grade of 0.4g/t gold for Abnabna -Fobinso. Cut-off grade of 0.5g/t gold applied to other deposits.

In preparing the mineral reserve estimate, cut-off grades were calculated for each of the four different weathering stages and three primary pit locations using a gold price of US\$1,000/oz. The reserve estimate was then prepared on the following basis:

- the measured and indicated mineral resource for the Abnabna/Fobinso, Esuajah North, Esuajah South and Fetish deposits were used in the pit optimisation;
- the optimisation results were used to provide a guide for the final pit designs using current operating costs and production parameters; and

- reporting of the in-situ material within these pit designs as a mineable inventory for the creation of working production schedules.

In addition the estimated Mineral Reserve for Esuajah North and Fetish was based on optimisation work that used the following criteria: (i) gold processing recovery of between 75% to 94% oxide to fresh rock; (ii) processing throughput of 5.5Mtpa; (iii) mining recovery of 95% and mining dilution of 10%; (iv) total process and administration costs of US\$6.95/t; and (v) sensitivity ranges of operating costs 15%, gold price US\$600/oz to US\$1200/oz and wall slopes with 15% ranges.

The estimated Mineral Reserve for Abnabna, AF Gap, Fobinso and Esuajah South was based on optimisation work that used the following criteria: (i) gold processing recovery of between 66% to 91% oxide to fresh rock; (ii) processing throughput of 5.5 Mtpa; and (iii) mining recovery of 100% and mining dilution of 3%.

The Mineral Resource and Mineral Reserve estimates are not materially affected by metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political and other relevant issues.

Development

Mining Operations

The Abnabna-AF Gap deposit will be mined in two stages. The first stage consists of separate interim pits over the Abnabna and AF Gap deposits while stage two consists of a cutback on both to create a single pit. The Fobinso deposit will be mined in two stages, stage one is an interim pit and stage two is a cutback to the ultimate pit. The Fetish deposit will be mined in two stages and Stage 2 will share a section of wall with Stage 1. The Esuajah North deposit will be mined in one stage. The Esuajah South pit will be designed to target a ramp exit to facilitate access to the waste dump and ROM pad, both on the west side of the deposit.

Float tailings from the process operation will be discharged from the plant to the float tailings storage facility and tailings from the carbon in leach will be discharged to the concentrate tailings storage facility.

Production Schedule

The mining schedule targets a mill feed rate of 8.0 Mtpa of primary ore material. The low grade material will be stockpiled and fed in years where schedule constraints prevent the delivery of 8.0 Mtpa of high grade material.

The following table shows the planned annual material movements resulting from the mining production and mill feed schedules.

		Total	Year 2011	Year 2012	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022
Ore	Kt	87,852	4,614	7,491	8,414	9,105	7,679	8,739	8,346	7,464	8,215	7,538	6,602	3,645
Waste	Kt	248,119	15,420	25,430	25,084	24,460	25,979	25,642	26,530	27,051	25,016	15,790	10,759	957
Total	Kt	335,970	20,033	32,921	33,498	33,565	33,658	34,381	34,876	34,515	33,231	23,328	17,360	4,602

Markets and Contracts

Ghana allows for direct export of the gold doré to refiners, with the proviso that all gold may be purchased by the Bank of Ghana at the standing sale price. No contracts for the sale of product have been entered into, except for the delivery of gold under bullion forward sales contracts referred to elsewhere in this AIF.

Environmental Conditions

Environmental reclamation costs for all current and historical activities have been estimated at US\$14 million. Reclamation will be progressively completed during the operation of the mine.

Taxes

The economic analysis is based on the EGM being subject to the following taxes:

- (i) corporate tax at a rate of 25% per annum of profits (which rate has increased to 35% for mining companies since the date of the Central Ashanti Technical Report);
- (ii) a capital allowance claim of 105%; and
- (iii) a simplified depreciation schedule was applied that allows for 80% of the capital to be amortized in the year in which the asset is put into use in the production of income with 50% of the reducing balance amortized annually thereafter.

Since the date of the Central Ashanti Technical Report, the capital allowance claim and the 80% simplified depreciation schedule was replaced with a depreciation schedule that allows 20% of the capital to be amortized over a five-year period.

Mine Life

In the Central Ashanti Technical Report the mine life is estimated at 11.2 years, with exploration potential in the mineral resources identified but not yet included in the Mineral Reserve estimate. Mine life estimates have been updated since the date of the Central Ashanti Technical Report. Reference is made to the 2013 LOMP discussed earlier in this AIF.

DETAILS OF THE SISSINGUÉ GOLD PROJECT

Unless otherwise stated, the information, tables and figures that follow relating to the SGP are derived from, and in some instances are extracts from, the technical report entitled “*Technical Report — Tengrela Gold Project, Ivory Coast*” dated December 22, 2010 by Paul Payne, Executive Consultant, WA Consulting and Graham de la Mare, consulting geologist (the “**Tengrela Technical Report**”), available under the Company’s profile on www.sedar.com.

Property Description and Location

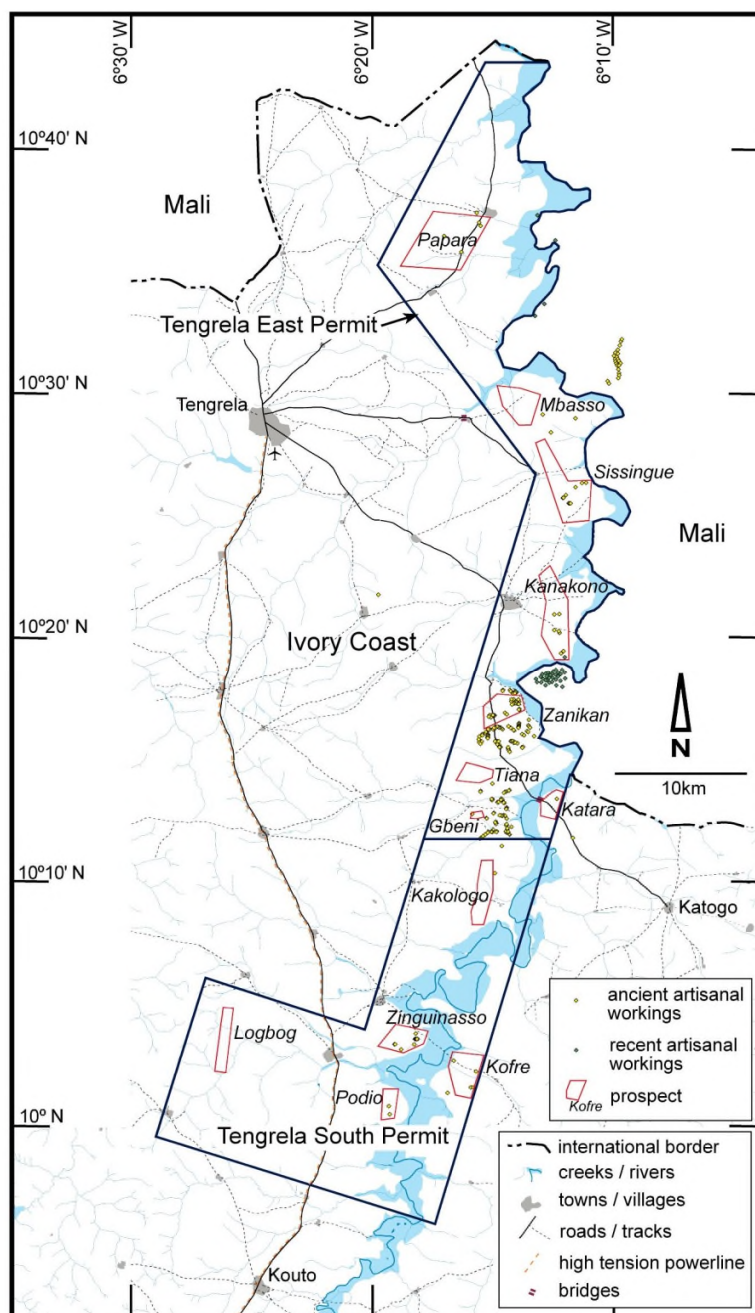
The SGP is situated within Côte d’Ivoire adjacent to the Malian border, approximately 700 kilometres north of the commercial capital Abidjan and 15 kilometres from the town of Tengréla, the nearest population centre.



At the time of the Tengrela Technical Report, the SGP area consisted of two contiguous exploration permits, RP145 (“**Tengrela East**”) and RP146 (“**Tengrela South**”) and together with Tengrela East, the “**Tengrela Exploration Permits**”, covering an aggregate area of approximately 876 km². Exploration permits confer on holders, within boundaries, surface and depth, the exclusive right to explore for mineral substances as well as the free disposal of the products extracted during exploration. The Tengrela Exploration Permits were last renewed on April 21, 2009 and expired on November 19, 2011. In replacement of the Tengrela East exploration permit, the Company’s subsidiary OG was granted an exploitation permit for the development of the Sissingué gold deposit in August 2012. That permit was subsequently transferred to another subsidiary company, PMCI, in July 2013. RP146 expired in November 2011 and a new exploration permit RP291 was granted to Perseus’s joint venture partner Société Minière De Côte d’Ivoire SARL (“**SOMICI**”) with a slightly reduced area of 398.7 km² on June 13, 2013.

At the time of the Tengrela Technical Report, the Company also held two reconnaissance permits covering an aggregate area of approximately 1,839 km², one of which shares, in part, a common border with Tengrela South. The Company has been issued with three new exploration permits, two of which replaced the reconnaissance permits, with a total area of 1,195 km².

The location of all known mineralized zones, mineral resources and important natural features and improvements relative to outside property boundaries is set out below.



After the effective date of the Tengrèla Technical Report, OG exercised its option in respect of an additional 5% interest in the SGP increasing its interest to 85% (after giving effect to the 10% free carried interest reserved for the government of the Côte d'Ivoire (applicable upon grant of a mining permit)) and reducing SOMICI's interest to 5%.

The terms of the various permits require minimum expenditures, completion of a minimum work programme, payment of annual rent and submission of annual reports and exploration program.

The SGP is subject to the following royalties:

- US\$0.80 per ounce of gold produced from Tengrèla East, payable by OG;

- a royalty of 0.5% of the value of all minerals recovered from Tengréla East and Tengréla South, less transportation, smelting, treatment and refining costs, payable by PMCI; and
- a 3% royalty on total production from the SGP payable to the government of Côte d'Ivoire.

Other than as set out above, the SGP is not subject to any royalties, overrides, back-in rights, payments or other agreements.

The Tengréla Exploration Permits (including the exploitation permit referred to above) are the only permits required to conduct the proposed work on the SGP.

The SGP has no known environmental liabilities.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Principal access to the SGP is by sealed road to Boundiali and thereafter by all-weather formed gravel road through Mbengué to Tengréla. As previously stated, the SGP is approximately 15 kilometres from Tengréla, the nearest population centre.

The SGP area is situated in an area of low to moderate relief, lying to the west of the Bagoé River. The relief is generally gently rolling, relatively flat peneplain with areas of lateritic plateaux. The highest point of the area reaches approximately 370 metres above sea level. The vegetation is mainly savannah with long grass and moderately sparse trees and bushes.

The climate is semi-arid with only one wet and one dry season. Rainfall is heaviest in summer, culminating in September, and lightest in January. The average rainfall is 109 centimetres annually. At Bouaké, located in the centre of the country, the minimum and maximum temperatures range from 21° to 35° Celsius in November and from 20° to 29° Celsius in July.

The local infrastructure is currently poorly developed, and all consumables and services required to support an exploration program, are sourced from cities such as Korhogo, Bouake or Abidjan, to the south. The town of Tengréla is, however, connected to grid power, and running water is readily available.

Detailed investigation of potential site infrastructure has not been completed, however there is abundant land for all site infrastructure requirements. Power will ultimately be sourced from the state grid while a rental diesel power station will provide power for the first year of operation. It is expected that sufficient local water will be available for any planned mining operations.

After the date of the Tengréla Technical Report surface rights for mining, processing waste dumping and tailings disposal were provided with the granting of the mining permit.

Expert mining and exploration staff is available in West Africa with an established mining industry in Ghana and Mali. Several large contracting and consulting companies in West Africa are able to provide specialized exploration, drilling and sampling support services.

History

For the ownership history of the SGP see “*General Development and Description of the Business — SGP*”, above.

Past exploration activities were conducted by Randgold Resources Limited (“**RRL**”), who negotiated but subsequently withdrew from a joint venture agreement with OG entered into in June 1998, as well as Aflminex Limited and OG, before OG was purchased by Perseus.

Past exploration activities, conducted between 1998 and 2004, are summarised in the table below:

Period	Explorer	Surveys	Geochemical samples	Pitting	Drilling (m)
1998 - 1999	RRL	Magentics, Radiometrics, VLF	12,254	370	—
2001 - 2002	Occidental-Afminex		5,737	119	2,211
2003 - 2004	No exploration conducted due to civil unrest		—	—	—

Exploration by RRL

Lag sampling (1,841 sites) at a density of 1.1 samples per km² was undertaken over the area of the SGP outside the regional soil grids. Significant lag gold anomalies were identified in several locations. The anomalies appeared to closely coincide with regional structural trends, confirmed by broader targets generated in finer fraction sampling. The aggregate area of anomalous results approximated 180 km².

Regional sampling on a 500 metre by 100 metre pattern was completed over a 288 km² area covering the structurally complex western portion of the Tengréla South permit. This soil sampling defined a single discrete anomaly from 200 metres to 400 metres wide and extending for 3.5 kilometres, incorporating values from 20ppb to 200ppb gold.

However, no further exploration was completed and RRL withdrew from the joint venture having spent US\$500,000.

Exploration by OG

OG explored from April 2002 with a program of soil sampling and pitting designed to refine the extensive lag anomalies defined by RRL along the southern extensions of the Syama tectono-stratigraphic corridor. In addition to mapping and limited rock chip sampling, initial soil sampling was undertaken at 50 metre intervals along 800 metres to 1,600 metres spaced lines.

The initial results from a number of areas were encouraging and 624 of the 50 metre sub-sample residues were analysed for gold individually. Infill soil sampling was variously completed on an 800 metre by 50 metre, 400 metre by 50 metre or 200 metres by 50 metres grid spacing in five separate areas for gold analysis.

Sixteen potentially significant lag anomalies and two soil anomalies had been defined at the completion of the program in July 2002. Prior to commencement of the 2002 program, 13 of the lag anomalies had been tested and three remained untested. Of the 13 tested anomalies, ten were confirmed and refined by soil sampling, while three were rejected as being of little significance. Seven anomalies were considered to be of major regional significance and a further three targets required additional assessment before their significance could be accurately determined. The majority of the more significant targets were associated with elevated arsenic values. Weakly to moderately anomalous gold and arsenic values were also identified from pitting at the Papara and Kanakono prospects.

Exploration work was suspended at the SGP in 2003 and 2004 due to civil unrest in the country.

Exploration work was carried out by Perseus starting in 2004. See “*Details of the SGP — Exploration*”, below.

No substantial mining or production has been carried out at the SGP. Small scale artisanal mining has been carried out in a number of areas in the SGP.

Geological Setting

Regional Geology

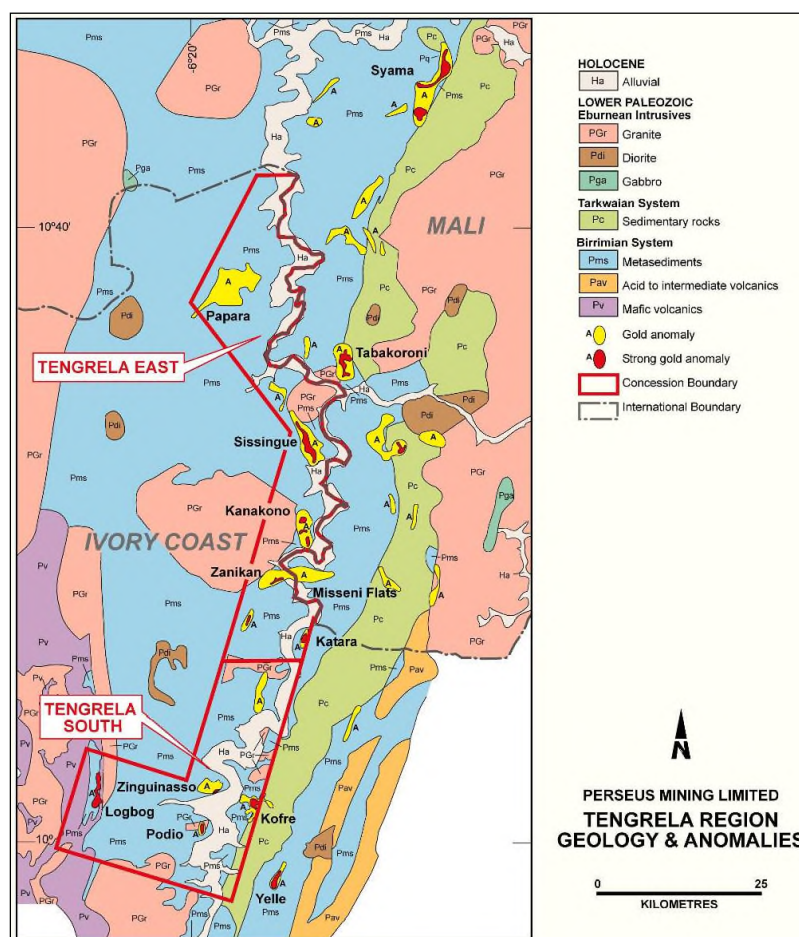
Most gold and base metal deposits in the Proterozoic Birimian Shield of West Africa occur in volcano-sedimentary greenstone belts. These belts generally consist of fine-grained sedimentary rocks and tholeiitic to calc-alkaline volcanic rocks. Regionally, the most prominent feature is a north-south striking airborne magnetic feature that separates an interpreted mafic bearing rock package to the west and a siliceous sediment/granitic package of rocks to the east.

Local Geology

The SGP is situated on the Syama-Boundiali Greenstone Belt. The geology of the northern portion of the belt has many similarities to the better-explored Ashanti Gold Belt in neighbouring Ghana, where Birimian volcanoclastics dominate over competent volcanics, with the development of inner belt basins filled with Tarkwaian epicrostics. In the Bago River region (near Tengréla), the terrain is comprised of undifferentiated granitoids, flysch sediments, intermediate volcanics, and small occurrences of mafic intrusives and molasse sediments.

Property Geology

The Sissingué prospect is defined by a four kilometres long and up to 1.5 kilometres wide gold-in-soil anomaly situated in the Syama-Boundiali greenstone belt. Rocks encountered in outcrops and drilling comprise predominantly north-north east striking, steeply dipping and isoclinally folded sediments of the Birimian Supergroup, interpreted as units of turbiditic flows.



Exploration

Previous extensive systematic exploration on the SGP, including airborne geophysics and extensive surface geochemical sampling, identified a series of soil anomalies over a strike length of 75 kilometres, mostly along the Syama shear.

Past exploration activities have been carried out by RRL and OG. Since 2004 and currently, all the exploration activities have been carried out by OG as a wholly-owned subsidiary of Perseus.

An airborne geophysical survey was carried out by High Sense Geophysics Limited in December 1998, and flown at 75 metres above ground level on east-west oriented lines. The digital airborne magnetics, radiometric and VLF database

were re-interpreted by Southern Geoscience Consultants in Perth, Australia. From this, detailed structural and geological interpretations of the area were prepared and used to assist with exploration planning.

Since 2005, extensive rotary air blast (“**RAB**”), RC and diamond core drilling has been completed by Perseus over several of the soil anomalies (principally Sissingué). Contract drillers were used for the programs including Drillex Limited (“**Drillex**”) and Boart Longyear. A summary of the exploration completed at Tengréla is set out below.

Period	Explorer	Surveys	Geochemical samples	Pitting	Drilling m
1998 - 1999	RRL	Magentics, Radiometrics VLF	12,254	370	—
2001 - 2002	Occidental-Afminex		5,737	119	2,211
2003 - 2004	No exploration conducted due to civil unrest		—	—	—
2005	Occidental-Perseus		1,546	55	4,608
2006	Occidental-Perseus		1,836	—	14,271
2007	Occidental-Perseus		—	—	26,905
2008	Occidental-Perseus	VTEM, Ground IP	—	—	58,233
2009	Occidental-Perseus		2,978	—	45,050
2010	Occidental-Perseus				47,317
Total			24,351	544	198,595

There are nine principal soil anomalies within the SGP that are currently regarded as regionally significant and represent high priorities for further exploration. Seven of these nine targets occur within a 60 kilometres long and seven kilometres wide corridor interpreted to represent the southern extension of the Syama Shear Zone.

These anomalies cover a total area greater than 40 km². To date first-pass RAB and Aircore drilling has been conducted on all principal soil anomalies for a total of 3,241 holes representing 123,788 meters testing approximately 31 kilometres of strike. Six anomalies have subsequently been followed up with RC drilling with 744 holes drilled for 63,957 meters. Several prospects have returned encouraging results from initial RC drilling and warrant further RC and possibly diamond core drilling.

Mineralization

Primary gold mineralization styles in the West African Birimian include structurally controlled, rheologically contrasting environments, and vary from shear hosted ductile environments to brittle-ductile brecciated horizons. Styles vary from quartz-poor lode to quartz vein deposits or hydrothermal. Mineralization is spatially associated with intrusives and shallow dipping shear zones. Other styles of mineralization are associated with brittle deformation and disseminated mineralization associated with quartz-feldspar porphyry dykes locating in dilational zones within shear systems.

Gold mineralization at the SGP is characterized by silica-feldspar alteration and sulphide mineralization consisting of arsenopyrite, pyrrhotite, pyrite and trace chalcopyrite, or characterized by variable combinations of fine-grained albite, calcite and silica with deposition of pyrite, or arsenopyrite, chalcopyrite and chlorite and haematite and gold.

Gold mineralization at the Sissingué prospect is closely associated with veined, altered and sulphidised felsic intrusive bodies. The gold mineralization is found as three distinct styles:

- (i) disseminated or fracture related mineralization in the felsics associated with silicification, chlorite alteration and pyrite and arsenopyrite;
- (ii) coarse gold has been observed in milky quartz veins cutting the intrusive or adjacent sediments; and
- (iii) significant low grade mineralization within the meta-greuwackes immediately adjacent to the intrusive bodies, either in veins or in a more dispersed form through micro-fractures and sulphidisation.

Resource grade mineralization has been defined over a total strike length of 3.1 kilometres. Individual lodes and zones have lengths of up to 840 metres, widths of up to 100 metres and down dip extents of up to 250 metres.

Drilling

A total of 3,948 holes have been drilled at the SGP for 225,219 meters.

Hole Type	In Project		In Mineral Resource		
	Drill Holes		Drill Holes		Intersection
	Number	Metres	Number	Metres	Metres
DD	119	25,578	77	17,909	4,466
RC	1,285	103,894	533	44,494	11,026
RAB	2,544	95,747			
Total	3,948	225,219	610	62,403	15,492

RC drilling was conducted mainly over previously defined gold anomalies and on infill lines defined from earlier RC, Diamond and RAB drilling and soil sampling. RC drilling was completed by Drillex and Boart Longyear with CoreMaster drill rigs equipped with 5¹/₄ inch diameter hammers to a maximum depth of 150 metres. All RC drill holes were inclined between -50° and -60°.

Diamond drilling has been completed by Boart Longyear using a Longyear 44 drill rig and by Drillex using a modified diamond drill rig completed at HQ size in weathered material and NQ size in fresh rock. The majority of diamond drill holes were drilled inclined at -50° to either the east or west although drill hole SD080 was drilled at -50 to the north. Diamond drilling intersected both sediment and granitic dyke lithologies.

The majority of holes were drilled orthogonal to the mineralization and, as such, the intersection length is a good indication of the true thickness of the mineralization. Those holes drilled to the east in the dyke mineralization will have a true width of less than 50% of the intersection length.

The majority (92%) of the RC and Diamond drill hole collars at the Sissingué prospect were surveyed. Typically the surveyed collar locations are within 0.01 metres of accuracy. Unsurveyed holes are located within two to three metres accuracy using a handheld GPS. Only 8 holes included in the Mineral Resource were not accurately surveyed.

All diamond holes drilled by Boart Longyear were routinely surveyed downhole nominally every 30 metres with a “Flexit SmartTool” digital downhole survey instrument. Downhole surveys were not taken for any of the RAB and RC drilling, as well as the first three diamond holes drilled by Drillex (SD051-SD053). All subsequent Drillex diamond holes were surveyed downhole with a flexit tool every 30 metres.

Sampling and Analysis

RC Drilling was mainly carried out at Sissingué West and East, within an area of 5.7 kilometres along strike and 2.5 kilometres in width and using nominal spacings of 80 metres by 80 metres followed by 40 metres by 40 metres and 20 by 20 metres infill. RC drilling samples were collected every metre at a cyclone, and split through a multi-stage riffle splitter.

The natural water table varies by season, but is typically at around 30 metres to 40 metres depth. If a booster compressor is used during drilling, samples generally stay dry until approximately 60 metres depth. Wet samples were taken from the drill bag at the cyclone using a spear. There is no evidence of downhole smearing, depletion or enrichment during wet RC drilling.

RC drill chip bounds were prepared and the chips were logged geologically.

RC sampling was conducted for the full length of the drill hole at regular one metre intervals with two metre composites submitted for analysis.

Diamond drilling was completed over an area of 2.5 kilometres along strike by 500 metres in width. Spacing varied from 40 metres by 40 metres to 40 metres by 80 metres spacing over the main zone at Sissingué East, and 80 metres by 60 metres spacing at Sissingué Central and West. Core was orientated using a spear.

Diamond core drill samples were geologically and structurally logged, then sawn in half using a motorized diamond blade saw. Half core samples of oxide and transitional material were taken according to core run (1.5 metres) and every metre in fresh rock where core recovery usually was close to 100%.

Core sampling was conducted for the full length of the drill holes at regular intervals typically 1.5 metres in oxidized material and one metre in fresh rock. No attempt was made to selectively sample portions of holes.

Samples collected from RC and diamond drilling are considered by the authors of the Tengréla Technical Report to be representative of mineralization.

Two analytical laboratories are used to assay samples from the SGP. RC samples have been prepared and analysed by ALS Chemex Laboratories (“ALS”) in Mali and diamond core is prepared and analysed by IML in Ghana.

Both RC and core samples followed a standard path of drying, crushing and grinding. Two types of analysis for gold have been performed, namely a standard FA50 fire assay and a BLEG bottle roll.

Nominally every 25th RC and RAB sample was duplicated and a blank inserted at a ratio of 1 in 25. Since April 2007 certified standard material was also submitted at a rate of 1 in 50 samples and then at a rate 1 in 25 since early 2008. Diamond core samples were submitted with standards of 1 in 25. A few selected $\frac{1}{4}$ core duplicates were also submitted. A total of 3,003 field duplicates were inserted into RAB and RC drilling during the 2008 to 2010 drilling season, representing approximately 3% of the total sample submissions.

ALS also has QAQC measures and protocols consisting of:

- (i) at the crushing and splitting stage, a second split is taken for every batch of 20 samples, and pulverised to create the duplicate CD sample;
- (ii) in every batch of 20 samples a second scoop is taken from the same pulverized split, this is the duplicate check or repeat sample;
- (iii) screening samples selected randomly from each batch of 20 is used to verify the quality of grind;
- (iv) rock labs analytical gold reference materials are inserted in every batch of 20 samples analysed;
- (v) a sample blank from the quartz washes and reagent blanks are used alternately for every batch of 20 samples; and
- (vi) duplicates and repeats from preparation are also inserted in every batch of 20 samples and analysed.

IML also has QAQC procedures consisting of internal standards, internal duplicates, internal repeats, reagent and sample blanks, inter-laboratory cross-checks, sizing tests in pulverized material, blank tests on jaw crushers, roll mills and pulverising mills and fire array copper maps and loss-lead maps.

Validation of the digital database against hard copies of the records noted no major discrepancies.

Security of Samples

Samples from RC drilling are collected and bagged at the drill site during the drilling operation. Core samples are cut in a central facility placed into sample bags as they are cut. All samples are then catalogued and placed in large woven bags and sealed prior to dispatch to ALS or IML for preparation and analysis. Dispatch from site to Korhogo is by Perseus staff and vehicles. Samples are collected from Korhogo by the laboratory transport service. All aspects of the process are supervised by Perseus personnel and limited opportunity exists for tampering with samples.

Mineral Resource and Reserve Estimates

Mineral Resources

The Mineral Resource estimate for the Sissingué deposit is based on data from 610 surface RC and diamond drill holes completed by Perseus between 2007 and 2010. All RAB holes were excluded from the estimate due to the typically poor quality of sample collection achieved from RAB drilling and potential risk of downhole grade contamination. Two holes were also excluded on the basis that assays conflicted with others that indicated a clear trend in the mineralisation.

The Mineral Resource estimate for the Sissingué gold deposit as at June 2010 is set out below.

Type	Measured		Indicated		Measured & Indicated			Inferred		
	Tonnes	Gold (g/t)	Tonnes	Gold (g/t)	Tonnes	Gold (g/t)	Gold (Ounces)	Tonnes	Gold (g/t)	Gold (Ounces)
Oxide	10,000	1.9	2,028,000	2.2	2,038,000	2.2	144,000	599,000	2.1	40,000
Transitional	83,000	3.0	1,134,000	2.8	1,218,000	2.8	111,000	232,000	1.6	12,000
Primary	794,000	3.2	5,929,000	2.4	6,723,000	2.5	542,000	2,473,000	1.5	119,000
Total	888,000	3.2	9,091,000	2.4	9,979,000	2.5	796,000	3,304,000	1.6	171,000

Notes:

1. Cut-off of 1.0g/t gold.

Type	Measured		Indicated		Measured & Indicated			Inferred		
	Tonnes	Gold (g/t)	Tonnes	Gold (g/t)	Tonnes	Gold (g/t)	Gold (Ounces)	Tonnes	Gold (g/t)	Gold (Ounces)
Oxide	0	0.0	1,702,000	0.8	1,702,000	0.8	41,000	612,000	0.7	15,000
Transitional	1,000	0.8	706,000	0.8	707,000	0.8	18,000	495,000	0.7	11,000
Primary	43,000	0.8	3,101,000	0.8	3,144,000	0.8	76,000	2,530,000	0.7	60,000
Total	44,000	0.8	5,509,000	0.8	5,553,000	0.8	135,000	3,637,000	0.7	86,000

Notes:

1. Cut-off of 0.5g/t gold – 1.0g/t gold.

The Mineral Resource estimate was prepared using a standard Surpac block model using OK grade interpolation within wireframes which were based on a 0.5g/t gold grade cut-off and geological contacts.

The key assumptions, parameters and methods used to estimate the mineral resources are set out below:

- the three main host lithologies are granite, porphyritic dykes and sediments;
- where geological contacts were not clearly controlling the distribution of mineral resource grade mineralisation, a grade cut-off of 0.5g/t gold was used to construct the boundaries and to provide overall geometry to mineralized zones;
- the interpreted geology and grade boundaries were manually triangulated to form wireframes;
- a total of 57 wireframes were created and used to select the sample data to be used for grade estimation and to constrain the block model for estimation purposes;
- statistical analysis was completed on the composites from the different mineralized domains and these domains were used to separate the data for continuity analysis and grade estimation;

- approximately 60% of the samples collected are two metres in length and 32% of the data was sampled at one metre intervals so the data was composited to two metre intervals for the grade estimation;
- to assist in the selection of appropriate high grade cuts, log-probability plots and histograms were generated;
- high grade cuts were determined for each object by noting distinct breaks in the stage of each distribution and determining the change in inflection on the curve on the mean and variance plots;
- continuity analysis was completed separately for each mineralized domain to prevent cross lode interference;
- downhole variograms were generated to determine nugget variance and directional variograms were prepared to define the directional continuity of gold grades;
- a block model was created using a primary block size of 20 metre north-south by 5 metres east-west by 10 metres vertical with subcells of 5 metres by 1.25 metres by 2.5 metres;
- the parent block size was selected on the basis of 50% of the average drill hole spacing and the size and orientation of the mineralized zones;
- the wireframes were used as a hard boundary for the OK interpolation (OK was selected as it allowed the measured spatial continuity to be incorporated into the estimate and the author considered it appropriate for the diffuse and irregular nature of the mineralization);
- oriented search ellipses with an ellipsoidal search were used to select data for interpolation and where necessary were rotated to reflect major local changes in the orientation of the mineralization;
- the Measured Resource was defined within the granite domain where the drill spacing was less than 20 metres by 20 metres and lode continuity was robust with good support from high Kriging efficiencies of greater than 80%;
- the Indicated Resource was defined where drill spacing was predominantly less than 40 metres by 40 metres and lode continuity was good with good support from Kriging efficiencies of between 60% and 90%; and
- the Inferred Resource included areas of the resource where sampling was greater than 40 metres by 40 metres.

To confirm that the interpolation of the block model correctly honoured the drill data, the interpolated block grades were compared to the composited sample grades. Volume validation was completed by comparing the volume of the mineralization wireframes against the volume of the model.

Mineral Reserves

The Mineral Reserve (proven and probable) estimate for the SGP is 9.7 Mt at 2.1g/t gold with a cut-off grade of 0.55g/t gold. The Mineral Reserve estimate was prepared as follows:

- using the Measured and Indicated Mineral Resource estimate for the main and satellite pits at Sissingué in the pit optimization;
- using the optimisation results to provide a guide for the final pit designs using the current operating costs and production parameters; and
- reporting *in situ* material within these pit designs as mineable inventory to create working production schedules.

The optimization work referred to above used the following criteria: (i) processing recovery of between 90% and 92% fresh to oxide rock; (iii) processing throughput of 1.90 Mtpa; (iii) mining recovery of 97% and mining dilution of 5%; (iv) total process and administrative costs of US\$13.00/t; and (v) sensitivity ranges of 15% in respect of operating costs, gold price and wall slopes.

Mining Operations

Mining Method

The mining system relies upon bulk mining of a relatively continuous ore zone. To achieve production targets, fresh rock must be heavily blasted using control blasting. Ore and waste will be loaded in accordance with marked ore and waste boundaries to ensure minimum contamination and maximum recovery.

Metallurgical Process

A detailed metallurgical testwork program was conducted to support selection of an ore processing flowsheet to recover gold dore from open cut mined ore consisting of: (i) comminution testing; (ii) testwork to evaluate the upgrading potential of the ore; and (iii) wet processing testwork.

From the comminution testwork it was determined that a moderately high crushing power demand and ball milling power demand will be high. In addition, primary ore is expected to be very abrasive and comminution circuit design countermeasures will be required to mitigate the effects of highly abrasive material in feed chutes and as slurry in pipework.

Mineralogical testwork on samples of fresh ore composites revealed an opportunity to upgrade the gold concentration by using flotation prior to conventional cyanide leaching.

Total gold recovery from processing primary ore is predicted to be 86% at a 1.5g/t ore feed grade and 89% at 2.5g/t ore feed grade. Gold recovery from processing oxide-transitional ore is predicted to be 85% at a feed grade of 2.5 g/t and 91% at a feed grade of 4.0 g/t.

Production Forecast

The primary objective of the production schedule is to satisfy the planned mill feed target of 1.60 Mtpa of primary ore or 2.20 Mtpa of oxide ore material. Low grade material will be stockpiled and fed in years where the schedule constraints prevent the delivery of the required high grade material. The following table sets forth the forecasted annual material movements:

Item Diluted tonnes 5% dilution 97% ore recovery – as per Whittle		Unit	Period							Total
			Pre-Prod.	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
			0	1	2	3	4	5	6	
All Pits Combined										
Total Material Tonnes		[Mt]	4.28	13.4	13.2	12.7	5.3	0.0	0.0	48.8
Total Material		[Mbcm]	2.51	7.18	6.84	5.38	2.67	0.01	0.00	24.6
Waste		[Mbcm]	2.37	5.94	6.16	4.29	1.91	0.00	0.00	20.67
Strip Ratio		[w:o]	17.0	4.8	9.0	3.9	2.5	0.2	0.0	5.3
ROM	Tonnes	[Mt]	0.25	2.93	1.72	2.93	1.82	0.02	0.00	9.66
0.55+g/t	Gold	[g/t]	1.70	3.04	2.14	1.62	1.48	1.29	0.00	2.11
Oxide	Tonnes	[Mt]	0.25	1.65	0.83	0.09	0.52	0.02	0.00	3.36
	Gold	[g/t]	1.70	2.31	2.05	1.48	1.74	1.29	0.00	2.07
Fresh	Tonnes	[Mt]	0.00	1.28	0.89	2.83	1.30	0.00	0.00	6.30
	Gold	[g/t]	0.00	3.97	2.23	1.63	1.38	0.00	0.00	2.14
Total Material Milled										
Total Material Milled		[Mt]	0.18	1.83	1.85	1.61	1.70	1.62	0.88	9.66
Grade	weighted ave tonnes	[g/t]	1.88	3.89	2.56	2.15	1.71	0.76	0.74	2.11
Oxide Milled		[Mt]	0.2	0.94	0.90	0.02	0.37	0.06	0.88	3.36
Grade	note includes trans	[g/t]	1.9	3.03	2.41	1.47	2.28	0.95	0.74	2.07
Fresh Milled		[Mt]	0.0	0.89	0.94	1.59	1.33	1.56	0.00	6.30
Grade		[g/t]	0.0	4.81	2.70	2.16	1.55	0.75	0.00	2.14
Ore type percentage (milled)										
Oxide		[%]	100%	52%	49%	1%	22%	3%	100%	35%
Fresh		[%]	0%	48%	51%	99%	78%	97%	0%	65%
Au Metal	Insitu	[koz]	11	229	152	111	93	40	21	657
	Recovered	[koz]	10	208	138	100	85	36	19	596

Markets and Contracts for sale of Products

Côte d'Ivoire allows for direct export of gold doré to refiners. No contracts have been entered into for the sale of product.

Environmental Conditions

Perseus will fulfil its reclamation and remediation obligations throughout the development and operational phases of the project in accordance with industry standards. The costs of these activities will be incurred at the time they are performed.

Capital Costs

The initial capital costs of the Tengréla Gold Project are estimated to be US\$115 million (with an accuracy of 15%), including a contingency but excluding sustaining capital. It is estimated that a further US\$30 million is required to fund the construction of a high voltage power line to connect the SGP to the national electricity grid.

Taxes

The taxes payable in respect of SGP are derived from the Mining Code and the general tax code of Côte d'Ivoire and, ultimately, an investment convention between Perseus and Mineral Commission. Based on the Mining Code and general tax code the SGP is subject to tax on the following basis:

- exempt from income tax for the first five years of operation thereafter an income tax rate of 25% will apply;
- exempt from import duties otherwise payable on equipment and material during the development phase;
- exempt from the payment of value added tax associated with the purchase of goods and services during the development and operating phases;
- exempt from the payment of withholding tax on payments for services provided by foreign entities;
- a withholding tax on dividends to shareholders of 18% during the tax free period reducing to 12% thereafter; and
- withholding tax on interest paid to shareholders of 9% will be paid.

Mine Life

The SGP has a mine life of 5.6 years.

Neither the estimate of Mineral Resources nor the Mineral Reserves has been, or is expected to be, materially affected by metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing and political and other relevant issues.

DIVIDEND RECORD AND POLICY

Perseus has not, since the date of incorporation, declared or paid any dividends on its ordinary shares. Perseus's dividend policy is to pay dividends to its shareholders when the Directors consider that the Company is in a position to sustain the payment of dividends from internally generated cash flows, without compromising capital growth plans or detracting from the stability of its core business of discovering and developing gold mines in West Africa.

CAPITAL STRUCTURE

Description of Ordinary Shares

Under the Corporations Act and its constitution, the Company is authorized to issue an unlimited number of ordinary shares. However, under the ASX listing rules, in order for a corporation listed on the ASX to issue an amount of shares greater than 15% of the total number of existing shares then issued and outstanding, the corporation must seek separate shareholder approval. At the date of this AIF, Perseus has an aggregate of 457,962,088 fully paid ordinary shares issued and outstanding. No other shares in the capital of Perseus of any other class are issued or outstanding.

The holders of Perseus's ordinary shares are entitled:

- (i) to vote at all meetings of shareholders of Perseus;
- (ii) to receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of Perseus, any dividends declared by Perseus; and
- (iii) to receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of Perseus, the remaining property of Perseus upon the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary.

The ordinary shares do not carry any exchange, exercise pre-emptive, redemption, conversion or retraction rights.

MARKET FOR SECURITIES

The ordinary shares are currently listed on the ASX and the TSX under the trading symbol "PRU" and the German Stock Exchange under the symbol "WKN: AOB7MN". The greatest volume of trading occurs on the ASX.

Trading Price and Volume

The following table sets forth the reported high and low sale prices and the trading volume for the Company's ordinary shares on the TSX on a monthly basis for the year ended June 30, 2013.

Date	High	Low	Volume
	(C\$)	(C\$)	
July 2012	2.81	2.29	8,600,938
August 2012	2.84	2.29	15,806,761
September 2012	3.04	2.55	37,977,554
October 2012	3.07	2.52	24,773,008
November 2012	2.67	2.35	9,825,909
December 2012	2.40	2.06	14,617,526
January 2013	2.29	1.89	14,780,592
February 2013	2.08	1.57	12,198,045
March 2013	2.09	1.59	15,191,352
April 2013	1.94	1.26	26,018,458
May 2013	1.43	0.99	21,436,143
June 2013	1.11	0.40	37,605,206

Issues of Other Securities

In the year ended June 30, 2013, there were no issues of securities of Perseus that are not listed or quoted on a market place.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The name of each director and executive officer of Perseus and his or her province or state and country of residence, offices and positions held with the Company, principal occupations during the five preceding years and period in which each has served as a director of the Company, as of the date of this AIF, are as follows:

Name and Residence	Position(s) with Perseus	Principal Occupation During Past Five Years	Director Since⁽¹⁾
REGINALD N. GILLARD ⁽²⁾⁽³⁾ Western Australia, Australia	Non-Executive Chairman	Acting as director of various public companies	2003
JEFFREY A. QUARTERMAINE Western Australia, Australia	Managing Director and Chief Executive Officer	Managing Director, Perseus (2013 to present), CFO, Perseus (2010 to 2013), Senior finance roles with a number of publicly listed resource issuers, where he was Chief Financial Officer, an Executive Director and Company Secretary (1987 to 2010)	2013
COLIN J. CARSON Western Australia, Australia	Executive Director	Executive Director, Perseus (2003 to present); Executive Director, Equus Mining Ltd., an oil producer and explorer (1996 to 2012)	2003
RHETT B. BRANS Western Australia, Australia	Executive Director	Executive Director, Perseus (2010 to present), Managing Director, Proman Consulting Engineers (2008 to present)	2004
NEIL C. FEARIS ⁽²⁾⁽³⁾ Western Australia, Australia	Non-Executive Director	Legal practitioner and director of various public companies (1999 to present)	2004
T. SEAN HARVEY ⁽²⁾ Ontario, Canada	Non-Executive Director	Acting as a director of various public companies (June 2006 to present)	2009
MICHAEL A. BOHM ⁽³⁾ Western Australia, Australia	Non-Executive Director	Acting as a director of various public companies and consulting mining engineer (June 2012 to present). Managing Director, Herencia Resources plc, a mineral exploration and development company (January 2009 to June 30, 2012); Chief Development Officer and Managing Director (Asia), Mineral Securities Operations Ltd., a resource evaluation and exploration company (August 2005 to December 2008)	2009

Name and Residence	Position(s) with Perseus	Principal Occupation During Past Five Years	Director Since⁽¹⁾
ELISSA S. BROWN Western Australia, Australia	Chief Financial Officer	CFO, Perseus (February 2013 to present; Group Financial Controller, Perseus 2010 – February 2013); Group Accountant, Perilya Limited 2007 – 2010).	n/a
JON M. YELLAND Western Australia, Australia	Chief Operating Officer	Deputy General Manager of Sukari Gold Mining Ltd. and Mining Manager of Equinox Minerals.	n/a
SUSMIT M. SHAH Western Australia, Australia	Company Secretary	Director, Corporate Consultants Pty Ltd. (November 1996 to present)	n/a
KEVIN P. THOMSON Ontario, Canada	Exploration Manager	Exploration Manager, Perseus (April 2007 to present)	n/a

Notes:

1. Perseus's constituting documents provide that one-third of the directors, excluding the Managing Director, shall retire by rotation annually. Retiring Directors are eligible for re-election at the annual general meeting.
2. Member of the Audit Committee.
3. Member of the Remuneration Committee.

Shareholdings of Directors and Senior Officers

As at June 30, 2013, the directors and executive officers of Perseus, as a group, beneficially owned, controlled or directed, directly or indirectly, 4,636,182 ordinary shares representing approximately 1% of the issued and outstanding ordinary shares, and held options to acquire an additional 600,000 ordinary shares, representing approximately 0.3% of the ordinary shares on a fully-diluted basis.

Corporate Cease Trade Orders or Bankruptcies

No director or executive officer of the Company is, as at the date hereof or has been within the ten years prior to the date hereof, a director, chief executive officer or chief financial officer of any company (including Perseus) that was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, issued: (a) while that person was acting as director, chief executive officer or chief financial officer; or (b) after that person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in that capacity.

No director or executive officer of Perseus nor, to the knowledge of Perseus, any shareholder holding a sufficient number of securities of Perseus to affect materially the control of Perseus (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including Perseus) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or shareholder, other than as described as follows:

- (a) from November 1996 to June 2008, Mr. Gillard was a director of Voyager Resources Limited ("Voyager") (previously Lafayette Mining Limited), an issuer listed on the ASX. Mr. Quartermaine was company secretary and CFO of Voyager from May 2006 to May 2007 and May 2006 to December 2007

respectively. Mr. Quartermaine was also appointed to the Board of Voyager in May 2007 and remained a director until approximately June 2008. On December 18, 2007, Voyager entered into voluntary administration under the provisions of the Corporations Act. In April 2008, Voyager entered into a deed of company arrangement with the consent of its creditors. In August 2009, the deed of company arrangement was effected, completing the term of the deed administrator. Voyager's securities were reinstated to quotation on the ASX in September 2009; and

- (b) from August 2005 to November 2008, Mr. Bohm was a director of certain unlisted subsidiaries of Mineral Securities Limited, an ASX listed company, including Mineral Securities Operations Limited, Kadina Pty Ltd, Platmin Holdings Pty Ltd and Mineral Securities Holdings Pty Ltd, (collectively, the "**CopperCo Subsidiaries**"). In August 2008, CopperCo Limited ("**CopperCo**"), also an ASX listed company, acquired Mineral Securities Limited and the CopperCo Subsidiaries. In late November 2008, CopperCo and a number of its subsidiaries, including the CopperCo Subsidiaries, were placed in voluntary administration and receivership. Mr. Bohm resigned as a director of the CopperCo Subsidiaries immediately prior to the CopperCo Subsidiaries being placed in voluntary administration and receivership. The CopperCo Subsidiaries are now wholly-owned subsidiaries of Cape Lambert Iron Ore Ltd. and as of the date hereof, are no longer in voluntary administration and receivership.

Penalties or Sanctions

No director or executive officer of the Company or, to the Company's knowledge, a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities authority, or has had any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of the Company's knowledge, there are no known existing or potential conflicts of interest between the Company or a subsidiary of the Company and any director or officer of the Company or a subsidiary of the Company as a result of their outside business interest at the date hereof. However, certain of the directors and officers of the Company serve as directors and/or officers of other companies. Accordingly, conflicts of interest may arise which would influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Company.

AUDIT COMMITTEE

Audit Committee Charter

The full text of the charter of Perseus's Audit Committee is attached to this AIF as Appendix "B". The procedures and policies adopted for the engagement of non-audit services are set forth in the Audit Committee Charter.

Composition of the Audit Committee

The Audit Committee members are Messrs. Fearis, Gillard and Harvey, each of whom is financially literate and independent within the meaning of National Instrument 52-110 — "*Audit Committees*".

Relevant Education and Experience

The education and experience of each of Messrs. Fearis, Gillard and Harvey that is relevant to the performance of his responsibilities as an audit committee member is set out below.

Neil Christian Fearis LL.B(Hons) FAICD F FIN

Mr. Fearis has 35 years' experience as a commercial lawyer in the United Kingdom and Australia. Mr. Fearis practices principally in the area of mergers and acquisitions, takeovers, public flotations, and other forms of capital raising. Mr. Fearis is a member of several professional bodies associated with commerce and the law. Mr. Fearis is admitted as a solicitor of the Supreme Court of England and Wales and as barrister and solicitor of the Supreme Court of Western

Australia, is a Fellow of the Australian Institute of Company Directors and a Fellow of the Financial Services Institute of Australasia. Mr. Fearis is a graduate of the University of London.

Reginald N. Gillard BA FCPA FAICD JP

After practicing as an accountant for over 30 years, during which time Mr. Gillard formed and developed a number of service related businesses, Mr. Gillard now focuses on corporate management, corporate governance and the evaluation and acquisition of resource projects as a director of Corporate & Resources Consultants Pty Ltd. Mr. Gillard is a Fellow of the Australian Society of Practicing Accountants, a Fellow of the Australian Institute of Company Directors, and a Member of the Royal Association of Justices of Western Australia. Mr. Gillard is a graduate of the University of Western Australia and Perth Technical College.

Sean Harvey MBA LL.B MA

Mr. Sean Harvey has extensive experience in investment banking and the resources sector and brings valuable experience in capital markets. Mr. Harvey holds an Honours BA degree in Economics and Geography and an MA in Economics, both from Carleton University; an LLB from the University of Western Ontario; and an MBA from the University of Toronto and is a member of the Law Society of Upper Canada. Mr. Harvey was also an independent financial consultant and a director of Deutsche Bank Securities Limited (financial advisory services) and has served on the Boards of a number of companies in the mining sector.

External Auditor Service Fees

The following table provides detail in respect of audit, audit related, tax and other fees paid or payable by Perseus to external auditors:

	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
	(A\$)	(A\$)	(A\$)	(A\$)
Year ended June 30, 2013 ¹	165,804	-	15,590	72,145
Year ended June 30, 2012 ¹	162,467	-	-	18,047

Notes:

1. "Other fees" relate to professional services provided by Ernst & Young in the development of anti-bribery and corruption policies.

Audit fees were paid for professional services rendered by Ernst & Young for the audit and review of Perseus's annual and half yearly financial statements respectively.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Company or a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued and outstanding shares of the Company or any associate or affiliate of any of the foregoing persons or companies has any material interest, direct or indirect, in any transaction within the three most recently completed financial years of the Company or during the current financial year, that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar in Australia is Advanced Share Registry Limited at its principal offices in Nedlands, Western Australia. The Company's transfer agent and registrar in Canada is TMX Equity Transfer Services Inc at its principal offices in Toronto, Ontario.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of the Company, there are no legal proceedings or regulatory actions material to the Company to which the Company is or was a party, or to which any of its properties is or was subject, during the 2013 Financial Year, nor are there any such proceedings known by the Company to be contemplated. There have been no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority nor are there any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor making an investment decision and the Company has not entered into any settlement agreements before a court or with a securities regulatory authority during the financial period ended June 30, 2013.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the Company has not entered into any material contracts since the beginning of the 2013 Financial Year.

INTERESTS OF EXPERTS

Information of a scientific or technical nature regarding the EGM set out under the heading “*Details of the EGM*” in this AIF is, unless otherwise stated, based upon the Central Ashanti Technical Report. Information of a scientific or technical nature regarding the SGP set out under the heading “*Details of the Sissingué Gold Project*” in this AIF is, unless otherwise stated, based upon the Tengréla Technical Report. As at the date hereof, each of the authors of the aforementioned reports beneficially own, directly or indirectly, less than one percent of the outstanding securities of Perseus.

The scientific and technical information in this AIF, other than that derived from the Central Ashanti Technical Report or the Tengréla Technical Report was prepared by or under the supervision of Kevin Thomson, Exploration Manager of the Company. Mr. Thomson beneficially owns, directly or indirectly, less than one percent of the outstanding securities of Perseus.

The auditors of the Company, as of the date of this AIF, are Ernst & Young. Ernst & Young are independent in accordance with the auditor’s rules of professional conduct. The employees or partners of Ernst & Young beneficially own directly or indirectly, less than one percent of the outstanding securities of Perseus.

QUALIFIED PERSON STATEMENT

The scientific and technical information in this AIF, other than that set out under the headings “*Details of the Edikan Gold Mine*” and “*Details of the Sissingué Gold Project*”, was approved by Kevin Thomson, Exploration Manager of the Company, who 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*.

ADDITIONAL INFORMATION

Additional information, including particulars of directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s securities and securities authorised for issuance under equity compensation plans, if applicable, will be contained in the Company’s information circular for its most recent annual meeting of security holders, a copy of which will be filed on SEDAR at www.sedar.com.

Additional financial information is available in the Company’s audited financial statements and accompanying management’s discussion and analysis for the financial period ended June 30, 2013, a copy of which has been filed on SEDAR at www.sedar.com. For copies of documents, please contact the Company at Level 2, 437 Roberts Road, Subiaco, 6008, Western Australia, Australia.

GLOSSARY OF TECHNICAL TERMS

The following is a glossary of technical terms and abbreviations that appear in this AIF.

Albite.....	a common feldspar mineral, a sodium aluminosilicate that occurs most widely in pegmatites and felsic igneous rocks such as granites
Argillaceous.....	sediments which are silt- to clay-sized and have a very high clay mineral content
Arsenopyrite.....	a silver-white mineral consisting of a combined sulfide and arsenide of iron, the principal source of arsenic
Calc-alkaline.....	a series of igneous rocks generated along subduction zones and emplaced in volcanic arcs
Calcite.....	a mineral consisting of calcium carbonate crystallized in hexagonal form and including common limestone, chalk, and marble
Carbonate.....	a sediment formed by the organic or inorganic precipitation from aqueous solution of carbonates of calcium, magnesium, or iron; e.g., limestone and dolomite
Chalcopyrite.....	a copper iron sulphide mineral
Chlorite.....	chlorites are associated with and resemble micas (the tabular crystals of chlorites cleave into small, thin flakes or scales that are flexible, but not elastic like those of micas); they may also be considered as clay minerals when very fine grained
Epiclastics.....	pertaining to the texture of mechanically deposited sediments consisting of detrital material from pre-existent rocks
Facies.....	aspects of rock units such as rock type, mode of origin, composition, fossil content or environment of deposition
Fault.....	a tectonic break or fracture in a body of rock
Feldspar.....	a group of crystalline minerals that consist of aluminum silicates with either potassium, sodium, calcium, or barium and that are an essential constituent of nearly all crystalline rocks
Felsic.....	igneous rocks containing one or more of quartz, feldspar, or feldspathoids or the equivalent glasses
Fluvial.....	the processes associated with rivers and streams and the deposits and landforms created by them
Flysch.....	sequence of sedimentary rocks that is deposited in a deep marine facies in the foreland basin of a developing orogen
Granite.....	coarse-grained igneous rock, with quartz, feldspars and micas
Granitoids.....	resembling granite in granular appearance
Greenstone.....	a field term applied to any compact dark-green altered or metamorphosed basic igneous rock that owes its colour to the presence of chlorite, actinolite, or epidote
Greywackes.....	a variety of sandstone generally characterized by its hardness, dark colour, and poorly-sorted, angular grains of quartz, feldspar, and small rock fragments or lithic fragments set in a compact, clay-fine matrix
Haematite.....	a reddish-brown to black mineral consisting of ferric oxide, constituting an important iron ore, and occurring in crystals or as earthy red ocher
Igneous.....	a rock formed by the cooling of molten material
Intrusive.....	rock which, while molten, penetrated into or between other rocks but solidified before reaching the surface
Mafic.....	a group of usually dark-coloured minerals rich in magnesium and iron
Metamorphic.....	a rock produced by metamorphism
Metamorphism.....	the process by which rocks are altered in composition, texture, or internal structure by extreme heat, pressure, and the introduction of new chemical substances
Metasediment.....	a sediment or sedimentary rock that shows evidence of having been subjected to metamorphism
Metavolcanics.....	a type of metamorphic rock first produced by a volcano, then buried underneath subsequent rock and subjected to high pressures and temperatures, causing it to recrystallize

Ore.....	naturally occurring material from which a mineral or minerals of economic value can be extracted profitably or to satisfy social or political objectives
Oxidation.....	loosely, the sub-aerial weathering of rocks, generally with the presence of water
Porphyry.....	an igneous rock of any composition that contains conspicuous phenocrysts in a fine-grained groundmass; a porphyritic igneous rock
Pyrite	a common iron sulfide mineral FeS_2
Pyrrhotite.....	an iron sulfide FeS
Quartz.....	commonly referred to as SiO_2 ; silicon dioxide; and is very common mineral in rocks; occurs also as veins, and stockworks
RAB.....	rotary air blast
Radiometrics	the measure of natural radiation in the Earth's surface
RC.....	reverse circulation rotary and percussion drilling means rock drilling powered by compressed air
Sandstone	a sedimentary rock formed by the consolidation and compaction of sand and held together by a natural cement, such as silica
Sericite	white, fine-grained potassium mica, usually muscovite in composition, having a silky luster and found as small flakes in various metamorphic rocks
Shear.....	a deformation resulting from stresses that cause or tend to cause contiguous parts of a body to slide relatively to each other in a direction parallel to their plane of contact
Shear zone.....	a zone of shearing (intense foliation); shearing is the response of a rock to deformation usually by compressive stress
Silica.....	a white or colourless crystalline compound, occurring abundantly as quartz, sand, flint, agate, and many other minerals
Sulphide	a mineral compound characterized by the linkage of sulphur and metal
Sulphur.....	a non metallic chemical element found in many minerals and ores
Tholeiitic	a type of basalt
Variogram	mathematical and graphical way of representing variation of data as a function of separation distance
Volcanics.....	igneous rocks that solidified after reaching or nearing the earth's surface

PERSEUS MINING LIMITED
AMENDED AND RESTATED AUDIT COMMITTEE CHARTER

Introduction

The audit committee (the “**Committee**”) is a committee of the board of directors (the “**Board**”) of the Company.

The Committee’s purpose is to assist the Board in fulfilling its obligations and responsibilities relating to financial reporting, internal controls, corporate governance and the internal and external audit processes.

In this Charter, a reference to the “**Company**” means Perseus Mining Limited and the economic entity constituted by Perseus Mining Limited and the entities that it controls from time to time.

Committee Membership

The Committee shall consist of not less than three independent, non-executive members of the Board, each of whom shall satisfy the independence and financial literacy requirements of applicable securities regulatory requirements. Members of the Committee shall be selected by the Board. Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee upon ceasing to be a director of the Company.

Rotation of members, if required by the Committee, shall be limited to one per year. The decision as to which member to rotate, when appropriate, will be made by the Board. The Board shall review Committee membership on an annual basis and at other times as the Board may deem appropriate.

The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

Responsibilities of the Committee

While the Committee has the responsibilities and powers set forth in this Charter, the role of the Committee is oversight. Accordingly, the responsibilities of the Committee are to assist the Board fulfil its oversight responsibilities with respect to:

- reporting of financial information to users of financial reports;
- systems of internal controls;
- application of accounting policies and improving financial management;
- the internal and external audit process;
- compliance with applicable laws, regulations, standards and relevant best practice guidelines;
- improving the effectiveness of the external audit functions and being a forum for communication between the Board and the external auditor;
- improving the quality of internal and external reporting of financial information; and
- improving the credibility and objectivity of the accounting process (including financial reporting).

Authority of the Committee

In order to ensure the Committee is able to discharge its responsibilities efficiently and effectively, it is authorised by the Board to:

- investigate any activity within its terms of reference or involving financial accounting and financial reporting and internal controls;
- seek any information it requires from any employee and require all employees to co-operate with any relevant request made by the Committee;
- engage independent counsel and other advisors as it determines necessary to carry out its duties, set and pay the compensation for any advisors employed by the Committee, the cost of which shall be borne by the Company; and
- communicate directly with the internal and external auditors.

Meetings

The Committee shall have a chairman appointed by the Board (the “**Chairman**”), who shall not be the chairman of the Board. The Chairman shall have the duties and responsibilities set out in Schedule A hereto.

The Committee shall meet at least twice per annum, with those two meetings designed to coincide with the Company’s reporting of its half-year and annual results, and the Committee shall hold additional Committee meetings as and when the Committee may otherwise deem appropriate;

Committee meetings may be held in person, over the telephone or as the Committee may otherwise deem fit. The time at which, and the place where meetings of the Committee shall be held, and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided by the Company’s Constitution or by the Board.

No business may be transacted by the Committee except at a meeting at which a quorum of the Committee is present. Two committee members shall constitute quorum.

The secretary of the Committee (the “**Secretary**”) will be the company secretary or such other person appointed by the Board. Minutes of the Committee meetings shall be maintained by the Secretary who shall ensure that they are maintained in a secure environment; and

The Committee may invite such other persons to attend its meetings, including the managing director, the chief financial officer, the company secretary, general counsel and the external auditor, as it deems necessary.

Specific Duties

In carrying out its oversight responsibilities, the Committee will:

- Review and assess the adequacy of this Charter from time to time and recommend any changes to the Board for approval;
- Review, prior to public disclosure, the Company’s annual and interim financial statements and MD&A, including any financial statement contained in a AIF, information circular, registration statement or similar document;
- Review and approve earnings press releases before the Company public disclosure;
- Review, with reasonable frequency, the adequacy of the Company’s accounting and financial reporting controls (include the procedures for the review of the Company’s public disclosure financial information extracted or derived from the Company’s financial statements) and periodically assess the adequacy of those controls and procedures;
- Prepare a statement, in accordance with applicable law, for inclusion in the Company’s annual report that describes the Committee’s composition, activities and responsibilities;

- Recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company and the compensation to be paid to the external auditors;
- Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- Ensure that the external auditor is "independent" (within the meaning of applicable law) and that the external auditor reports directly to the Committee;
- Either (i) pre-approve all non-audit services to be provided to the Company or its subsidiaries by the external auditor (the Committee may delegate authority to pre-approve non-audit services to one or more members of the Committee, however, pre-approval of any non-audit services must be presented by any member to whom authority has been delegated to the full Committee at its first scheduled meeting after such approval); or (ii) adopt specific policies and procedures for the engagement of non-audit services provided that: (a) the policies and procedures are detailed as to the particular service; (b) the Committee is informed of each non-audit service; and (c) the procedures do not include delegation of the Committee's responsibilities to management;
- Review and approve the Company's hiring policies regarding current and former partners and employees of the present and former external auditor;
- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- Make regular reports to the Board concerning its activities.

SCHEDULE A

In addition to the duties and responsibilities set out in the Charter of the Audit Committee, the chairman of the Audit Committee has the duties and responsibilities described below:

1. Provide overall leadership to facilitate the effective functioning of the Committee, including:
 - (a) overseeing the structure, composition, membership and activities delegated to the Committee;
 - (b) chairing every meeting of the Committee and encouraging free and open discussion at meetings of the Committee;
 - (c) scheduling and setting the agenda for Committee meetings with input from other Committee members, the Chair of the Board of Directors and management as appropriate;
 - (d) facilitating the timely, accurate and proper flow of information to and from the Committee;
 - (e) arranging for management, internal and external auditors and others to attend and present at Committee meetings as appropriate;
 - (f) arranging sufficient time during Committee meetings to fully discuss agenda items;
 - (g) encouraging Committee members to ask questions and express viewpoints during meetings; and
 - (h) taking all other reasonable steps to ensure that the responsibilities and duties of the Committee, as outlined in its Charter, are well understood by the Committee members and executed as effectively as possible.
2. Foster ethical and responsible decision making by the Committee and its individual members.
3. Encourage the Committee to meet in separate, regularly scheduled, non-management, closed sessions with the independent auditors.
4. Following each meeting of the Committee, report to the Board of Directors on the activities, findings and any recommendations of the Committee.
5. Carry out other such duties as may reasonably be requested by the Board of Directors.