November 13, 2013

MANAGEMENT'S DISCUSSION & ANALYSIS
For the three months ended September 30, 2013

This Management's Discussion and Analysis ("MD&A") of Perseus Mining Limited and its controlled entities ("Perseus" or the "Company") is dated November 13, 2013 and provides an analysis of the Company's performance and financial condition for the three months ended September 30, 2013 (the "September 2013 Quarter" or "Quarter").

This MD&A should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended June 30, 2013 (the "2013 Financial Report"), and the Company's unaudited interim consolidated financial statements for the September 2013 Quarter. The financial statements (and the financial information contained in this MD&A) comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These documents are available under the Company's profile on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at sedar.com and on the Company's website, www.perseusmining.com.

This MD&A may contain forward-looking statements that are subject to risk factors set out in a cautionary note contained herein. Examples of some of the specific risks associated with the operations of the Company are set out under "Risk Factors". All monetary amounts are stated in Australian dollars, except as otherwise stated.

COMPANY OVERVIEW

Perseus was incorporated in Australia on October 24, 2003. Perseus's corporate office is in Perth, Western Australia. On September 22, 2004, the Company's shares were listed for trading on the Australian Securities Exchange ("ASX") and on February 3, 2010 the Company's shares commenced trading on the Toronto Stock Exchange ("TSX"). The Company's shares are also listed on the German Stock Exchange.

Perseus is an integrated gold company whose activities include exploration and evaluation, development and gold production. The Company conducts its activities on under-explored gold belts located in West Africa.

Its principal assets are:

- A 90% interest in the Edikan Gold Mine ("EGM") (previously referred to as the Ayanfuri gold deposit or the Central Ashanti Gold Project), a gold mine located in Ghana. In July 2009, the Company completed a definitive feasibility study (''DFS'') on developing a mine and associated treatment facility for the EGM and based on the positive outcome of that DFS, construction of a gold mine and associated processing facility commenced in June 2010. The first gold pour and the first revenue received from the EGM took place on August 21, 2011 and on September 28, 2011 respectively. Commercial Production was declared on January 1, 2012. The remaining 10% interest in the EGM is a free-carried interest in the mine-owning company held by the Government of Ghana.

- An 85% interest in the Sissingué gold deposit, a development stage gold project (the ''Sissingué Gold Project'' or "SGP"). The Sissingué gold deposit was discovered during an exploration programme (the "Tengréla Gold Project") focussed on the Tengréla exploration tenements located in the north of Côte d'Ivoire. In November 2010, the Company completed a DFS on developing an open cut mining operation together with a conventional carbon in leach ("CIL") gold processing plant and related infrastructure based on the Sissingué gold deposit. The Company's 85% interest in the SGP reflects (as if it had been granted) a 10% free carried interest in the mine-owning company which is required to be allocated to the Government of Côte d'Ivoire in consideration of the issue of an Exploitation Permit pursuant to the current Ivorian Mining Code, and 5% owned by local interests.

- A 90% interest in the Kayeya gold deposit which forms part of the Grumesa Gold Project ("GGP''), an exploration stage gold project located 30 kilometres to the east of the EGM in Ghana. Previous studies indicated that the GGP represents a potential satellite production opportunity to the larger EGM. The Company's 90% interest in the GGP reflects a 10% free carried interest in the mine-owning company which is required to be allocated to the Government of Ghana upon the issue of a mining lease.

In addition, Perseus owns (i) a 23.0% interest in Burey Gold Limited ("Burey"), an ASX-listed junior exploration company holding a portfolio of gold exploration properties in the Republic of Guinea in West Africa; and (ii) a 19.7% interest in Manas Resources Limited (''Manas''), an ASX-listed company that owns a portfolio of gold properties in Central Asia that were sold to Manas by Perseus in mid-2008.

As at the date of this report, Perseus has no long term debt obligations and has reduced its Available Commitment limit on its US$100 million revolving line of credit to nil as part of a cost reduction program. Associated with the debt facility, the Company has a commitment to deliver 147,000 ounces of gold at a weighted average gold price of US$1,432/oz under outstanding gold hedging contracts. (Refer to the section below titled *"Liquidity and Capital Resources"*).

OVERVIEW OF THE SEPTEMBER 2013 QUARTER

Summary

Gold production during the September 2013 Quarter at Perseus's EGM was 45,830 ounces. Total site cash costs (including production, royalties, development and sustaining capital) were US$1,342/oz for the Quarter. Implementation of business improvement initiatives commenced across the EGM site targeting improvements in the efficiency and the cost of the operation. Key production statistics for the Quarter are as shown below in Table 1. Subsequent to the end of the Quarter, the trend of improving performance of the SAG mill has continued as discussed below.

Table 1: Key Production Statistics

Parameter	Unit	September Quarter 2013	June Quarter 2013	March Quarter 2013	December Quarter 2012	September Quarter 2012
Total material mined	bcm	**2,562,917**	3,097,974	3,688,301	4,056,246	4,119,664
	tonnes	**6,960,972**	7,794,700	7,509,354	8,547,094	8,858,557
Waste to ore strip ratio	bcm:bcm	**2.83**	3.80	4.81	5.59	4.66
	tonnes:tonnes	**2.89**	3.53	3.63	4.20	3.41
Ore mined						
• Oxide	tonnes	**42,178**	227,787	326,615	152,481	130,004
• Primary	tonnes	**1,747,592**	1,494,354	1,296,779	1,492,711	1,878,573
Ore grade mined						
• Oxide	g/t gold	**1.0**	0.8	0.7	1.1	1.0
• Primary	g/t gold	**1.0**	1.2	1.4	1.3	1.2
Ore stockpiles						
• Quantity	tonnes	**4,472,546**	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	**1,628,900**	1,511,162	1,493,961	1,359,023	1,283,195
Milled head grade	g/t gold	**1.05**	1.21	1.47	1.39	1.46
Gold recovery	%	**83.4**	80.7	81.2	84.2	87.7
Gold produced	ounces	**45,830**	47,565	57,179	51,090	52,610

Total ore and waste movement of 2,562,917 bank cubic metres ("bcm") for the Quarter was nearly 17% less than the June 2013 Quarter (the "June Quarter") of 3,097,974 bcm. Relative to prior quarters, material improvements were recorded during the Quarter in the availability and metallurgical performance of the process plant. Mill head grade at 1.05 g/t was 13% lower than the June Quarter head grade, while recovery of 83.4% had improved 3% on the June Quarter recovery. The average mill throughput rate of 874 dry tonnes per hour ("dtph") was higher than the June Quarter, and from October 1, 2013 to October 25, 2013 the average SAG mill throughput rate was 946 dtph.

An updated Mineral Reserve estimate for the EGM was completed by independent mining consultants RungePincockMinarco indicating Proved and Probable Mineral Reserves totalling 82.7Mt of ore grading 1.1 g/t of gold and containing 2.925M ounces of gold as at 1 July 2013.

Based on the updated Mineral Reserve, a revised life of mine plan ("LOMP") for the EGM was prepared based on seven open pits designed using US$1,200 per ounce pit shells. Ore containing 6% less gold will be mined however total ore and waste movements will be reduced by 15% compared to the previous LOMP. The LOMP estimates average gold production of 230,000 ounces/year at an all-in site cash cost of US$937/oz from FY2014 to FY2024. Production guidance for FY2014 is unchanged but an intra-year adjustment has been made to production guidance to reflect the updated LOMP

Discussions with the Ivorian government on fiscal terms to be included in the new Mining Code have advanced positively but Perseus remains committed to its decision to defer development of Sissingué pending an assessment of the mineral potential of the nearby Mahalé prospect and or more favourable market conditions. Drilling of 16,435m was completed in Côte d'Ivoire resulting in significant drill intercepts from multiple prospects at the Mahalé and Mbengué Projects.

As at September 30, 2013 Perseus had an available cash balance of $23.1 million (excluding $10.1 million in escrow), plus 2,922 ounces of gold on hand or at the refinery valued on that date at $4.2 million.

EGM, Ghana

The EGM is located on the Ayanfuri and Nanankaw mining leases in the Republic of Ghana, in West Africa. These mining leases, together with the adjoining exploration license areas of Grumesa, Kwatechi, Dunkwa, Nsuaem and Nkotumso that are also held by the Company, cover a total area of about 650 square kilometres.

Mining

A total of 2,562,917bcm of ore and waste was mined during the Quarter, nearly 17% less than in the June Quarter. The ore mined included 42,178t of oxide ore at 1.0g/t gold and 1,747,592t of transitional and primary ore at 1.0g/t gold. Notwithstanding the quarter-on-quarter decline in total material movements the total quantity of ore mined during the Quarter increased by 4% relative to the prior period.

During the Quarter, the ROM ore stockpiles that include both high and low grade ore (but not mineralised waste), plus crushed ore, increased to 4,472,546t grading 0.6 g/t gold, containing approximately 88,109 ounces of gold. These ore stockpiles were made up of approximately 37% oxide ore and 63% transitional/primary ore. Approximately 19% of the stockpiled ore is classified as medium/high grade, containing greater than 0.6g/t gold, while 81% of the ore is classified as low grade containing 0.4 to 0.6 g/t gold.

Processing

Total mill throughput for the Quarter was 1,628,900, up 8% on throughput in the June Quarter and up 9% relative to the March 2013 Quarter. Gold production of 45,830 ounces during the Quarter was 4% below June Quarter production, mainly due to the head grade of ore treated (1.05g/t gold), being approximately 13% lower than in the June Quarter (1.2g/t gold). The reduction in head grade was in line with expectations and was a reflection of the strategy of processing a blend of ore drawn from stockpiles and the existing open pits in FY2014.

The effect on production of the decreased head grade was partially offset by a 3% improvement in the gold recovery rate (83.4% compared to 80.7%) and improvements in the availability and usage of the EGM process plant, including the primary crusher, oxide circuit and SAG mill. These parameters are summarised below.

Table 2: Plant Performance Statistics - EGM

Description	Unit	June 2013 Quarter	September 2013 Quarter	Quarter on Quarter change
Primary Crusher				
Tonnes Crushed	Wmt[1]	1,158,829	**1,577,104**	**+36%**
Availability	%	79%	**72%**	**-9%**
Utilisation	%	58%	**77%**	**+33%**
Runtime	%	46%	**56%**	**+22%**
Run Time	hrs	1,001	**1,229**	**+23%**
Throughput rate	wmtph	1,158	**1,284**	**+11%**
Oxide Circuit				
Tonnes Fed	wmt	202,473	**188,717**	**-7%**
Run Time	%	59%	**68%**	**+15%**
Run Time	hrs	1,288	**1,496**	**+16%**
Throughput rate	wmtph	157	**125**	**-20%**
SAG Mill				
Tonnes Milled	Dmt[2]	1,511,162	**1,628,900**	**+8%**
Availability	%	90%	**93%**	**+3%**
Utilisation	%	84%	**90%**	**+7%**
Run Time	%	75%	**84%**	**+12%**
Run Time	hrs	1,739	**1,863**	**+7%**
Throughput rate	dmtph	869	**874**	**+1%**

Notes: 1. Denotes wet metric tonnes.
2. Denotes dry metric tonnes.

The improved performance of the plant during the Quarter is encouraging and further material improvements are being targeted in coming periods, particularly in the areas of recovery, run time and throughput rate of the SAG mill.

Subsequent to the end of the Quarter, the trend of improving performance of the SAG mill has continued and as at October 25, 2013, the following month-to-date parameters had been achieved:

Table 3: Plant Performance Statistics for October Month-to-Date

	Primary Crusher	**SAG Mill**
Run time	65%	88%
Throughput rate	1,122wmtph	946 dmtph
Gold recovery rate	Not applicable	84.2%

Site Operating Costs

Total all-in site cash costs (including production, royalties, development and sustaining capital) were US$1,342/oz for the Quarter which was 5% lower than in the June Quarter. A range of business improvement initiatives have been implemented on the site during the Quarter. While the impact of some of these initiatives has been immediate, it is expected that further significant efficiency gains and cost improvements will be recorded in future periods. The all-in site cash costs for the Quarter were based on the following unit production costs:

Department	**Units**	**June 2013 Quarter**	**September 2013 Quarter**	**Change in Physical Parameter**	**Change in Unit costs**
Mining	US$/t material mined	3.42	**4.16**	Decreased by 10.7%	Increased by 22%
Processing	US$/t ore processed	14.42	**11.61**	Increased by 7.8%	Decreased by 19.5%
G&A	US$M per month	2.02	**1.63**	Not applicable	Decreased by 19.3%

Both the unit mining and processing costs have been materially impacted by the quantities of material mined and ore processed respectively.

Of the US$0.74/t increase in unit mining cost, $0.45/t (or 60%) is attributable to a reduction in the quantity of material moved. The remaining $0.29/t (or 40%) can be mainly attributed to:

- An increase in load and haul charges resulting from the adoption of a more accurate haul rate calculator and longer haul distances as the pit floors are lowered;

- Back payment of incremental management fee related to an increase in the scope of material movements under the mining contract; and

- Increase in grade control drilling and drill and blast costs aimed at re-establishing a logical mining sequence and improving blasted stocks.

Perseus is working closely with its mining contractor, African Mining Services, to materially improve productivity on the mine site and it expects to see this reflected in lower mining costs in future periods.

Of the US$2.81/t reduction in processing costs, US$0.90/t (or 32%) of the decrease is attributable to an increase in mill throughput, but the remaining US$1.91/t or 68% was due to initiatives aimed at improving operational efficiency and reducing operating costs.

In addition, US$99/oz of gold produced was spent on sustaining capital. Of this amount, approximately 50% related to payments associated with crop compensation committed in prior periods. The remaining 50% related to an assortment of carry over expenditure relating to maintenance, security and projects.

A credit was also recorded against the capital account for net movements in pre-stripping and ore stockpiles. These capital costs are summarised below.

Item	**Units**	**June 2013 Quarter**	**September 2013 Quarter**
Investment/(Reduction) in Pre-stripping	US$/oz	27	**(44)**
Investment/(reduction) in Inventory	US$/oz	(63)	**(57)**
Other sustaining Capital	US$/oz	167	**99**
Total	**US$/oz**	**131**	**(2)**

Royalties for the Quarter totalled US$92/oz in line with the June Quarter royalty.

Of the 49,069 ounces of gold sold during the Quarter (June Quarter: 52,626 ounces) at a weighted average delivered price of US$1,342/oz, a total of 23,000 ounces were delivered into forward sales contracts at an average price of US$1,255/oz, with the remaining gold sales occurring at prevailing spot prices.

As at September 30, 2013, Perseus had a total outstanding hedge commitment of 147,000 ounces of gold deliverable in quarterly instalments up to and including 31 December 2015 at a weighted average price of US$1,432/oz. This includes a total of 70,000 ounces of gold deliverable in quarterly instalments during the 2015 calendar year at an average price of US$1,600/oz.

The total hedge position was "in the money" to the extent of US$14.4M as at 30 September 2013. In the December 2013 Quarter, 23,000 ounces of gold will be delivered at an average price of US$1,263/oz under the hedge programme.

Table 4: Key Quarterly Financial Statistics - EGM

Parameter	Units	September Quarter 2013	June Quarter 2013	March Quarter 2013	December Quarter 2012	September Quarter 2012
Gold produced	ounces	**45,830**	47,565	57,179	51,090	52,610
Total gold sales[1]	ounces	**49,069**	52,626	53,618	48,080	50,785
Average sales price	US$/oz of gold sold	**1,342**	1,308	1,494	1,581	1,463
Mining cost	US$/t material mined	**4.16**	3.42	3.57	3.11	2.89
Processing cost	US$/t ore milled	**11.61**	14.42	13.25	9.56	10.61
G & A cost	US$M / month	**1.63**	2.02	2.06	1.39	1.24
Royalties	US$/oz	**92**	93	88	107	94
Gold Production Cost:						
Cash Cost	US$/oz	**1,252**	1,181	863[2]	617	614
Royalties	US$/oz	**92**	93	88	107	94
Total production cost	US$/oz	**1,344**	1,274	951	724	708
Capital Costs:						
Inventory and Stripping	US$/oz	**(101)**	(36)	60	239	203
Other Capital	US$/oz	**99**	167	121	97	116
Total capital cost	US$/oz	**(2)**	131	181	336	319
Total Site Cost	US$/oz	**1,342**	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.

During the Quarter, on a notional cash basis the EGM site was breakeven.

EGM Mineral Resource Estimate

The Company's Measured and Indicated Mineral Resource base at EGM is 5.7M ounces of gold and the Inferred Mineral Resource base is 2.4M ounces and is tabulated below in Tables 5 and 6. The Company's Proven and Probable Mineral Reserves at EGM are as shown in Table 7.

Table 5: M&I Mineral Resources – EGM[1]

Deposit	Measured Resources[2]			Indicated Resources[2]			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
Abnabna/AFGap/Fobinso[3]	42.9	1.1	1,529,000	27.7	0.9	789,000	70.6	1.0	2,318,000
Esuajah South	9.5	1.8	546,000	7.3	1.6	370,000	16.8	1.7	916,000
Esuajah 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.

Table 6: Inferred Mineral Resources – EGM[1]

Deposit	Inferred Resources[2]		
	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.

EGM Mineral Reserve Estimate

Mining consultant RungePincockMinarco completed an independent estimate of the Mineral Reserves for the EGM as at July 1, 2013 in accordance with the requirements of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 Edition).

The Mineral Reserves, which comprise material from seven open pits including Abnabna, Fobinso, Fetish, Chirawewa, Bokitsi, Esuajah North and Esuajah South plus stockpiles, are as follows:

Table 7: Mineral Reserves – EGM[1]

Deposit	Proved Reserves[2]			Probable Reserves[2]			Proved & 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	
AF Gap[4]	21.6	1.2	806	5.9	0.8	148	27.5	1.1	954	2.3
Fobinso[4]	8.0	1.1	290	1.3	1.0	39	9.3	1.1	330	3.3
Fetish	7.8	0.9	224	6.1	1.1	219	13.9	1.0	442	2.1
Esuajah South	5.9	1.7	327	1.0	1.8	55	6.9	1.7	382	8.1
Esuajah North	11.8	0.9	354	3.9	0.9	111	15.7	0.9	465	1.4
Chirewewa	-	-	-	2.9	1.1	106	2.9	1.1	106	3.9
Bokitsi	-	-	-	2.1	2.3	158	2.1	2.3	158	6.3
ROM Stockpiles	4.4	0.6	89	-	-	-	4.4	0.6	89	-
Total	**59.6**	**1.1**	**2,089**	**23.1**	**1.1**	**836**	**82.7**	**1.1**	**2,925**	**2.7**

1. Based on June 2013 Resource estimation.
2. Oxide – 0.6g/t cut-off; Transitional – 0.5g/t cut-off; Fresh – 0.4g/t cut-off, regular block.
3. Inferred mineral resources considered waste.
4. Last updated in June 2013 and allows for material mined to 30 June 2013.

The Mineral Reserve estimate for the EGM was based on actual operating performance and ongoing test work and applied the following criteria:

1. Proven and Probable Mineral Reserves found within the economic pit limits designed based on Measured and Indicated Mineral Resources.
2. Gold price US$1,200/oz.
3. Key mining parameters include:
   a. Mining recovery 100%, mining dilution varies by deposit as result of block regularisation resulting in a range, due to multiple block models used, of 3-12%;
   b. Overall pit slopes of 30 to 50 degrees inclusive of berms spaced at between 5m and 20m vertically and berm widths of 5m to 12m. These parameters were derived from ongoing geotechnical studies commenced by George Orr and Associates in August 2012;
   c. Pit ramps have been designed for the current Cat 777 truck fleet and are set at a net width of 16m (single lane) to 26m (dual lane); and
   d. Vertical mining advance has been set at 60 to 80m/year based on the size of the pit.
4. Ore cut-off grades are based on the gold price and mining parameters described in (2) and (3) above and are as follows:

Material Type	Gold Grade (g/t gold)
Oxide	0.6
Transitional	0.5
Sulphide	0.4

5. Gold processing recovery ranging from 61% for oxide to 88% for fresh rock.
6. Processing throughput 7.5Mtpa.
7. Mining operating costs based on rates negotiated in November 2009 with mining contractor (African Mining Services) adjusted for historical rise and fall factors, currently at 25% for load and haul cost and 10% for other mining costs and an additional US$2.15/t ore for crusher feed haulage from the Eastern Pits. The average life of mine mining cost is US$3.43/t of material moved.
8. Unit processing costs are assumed to be US$9.05/t of ore processed plus a further US$0.09/t of ore processed for refining costs. A General and Administration unit cost of US$2.82/t of ore processed has been assumed, which equates to approximately US$2M per month.

EGM Life of Mine Plan

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

Table 8: LOMP Production Statistics

Parameter	FY2014	FY2015	FY2016	FY2017	FY2018	LOMP Avg[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 (kozs)	**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 3 months beyond 30 June 2024 at a lower production rate and is not included in the above data.

Compared to the previous LOMP for EGM, which was based on the 2012 Mineral Reserve, the updated LOMP results in the following:

- Tonnes of ore and waste moved - Down by 15%
- Life of mine strip ratio - Down by 16%
- Head grade - Unchanged
- Contained gold in Mineral Reserve - Down by 6%
- Life of mine - Increased by 0.6 years to 2024

On a pit by pit basis, the technical parameters of each pit are as follows:

Table 9: Comparison LOMP Production

Pit	2012 LOMP[1,2]					2013 LOMP[1,3]				
	Waste (Mt)	**Ore (Mt)**	**Grade (g/t)**	**Gold (koz)**	**Strip Ratio**	**Waste (Mt)**	**Ore (Mt)**	**Grade (g/t)**	**Gold (koz)**	**Strip Ratio**
AF Gap	78.1	29.9	1.1	1,021	2.6	63.4	27.5	1.1	953	2.3
Fobinso	40.1	11.5	1.2	429	3.5	30.6	9.3	1.1	330	3.3
Sub-total	118.2	41.4	1.1	1,450	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	8.1
Esuajah Nth	32.5	17.1	0.9	501	1.9	22.2	15.7	0.9	465	1.4
Chirawewa	-	-	-	-	-	11.2	2.9	1.1	106	3.9
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 Measured and Indicated Mineral Resources only, adjusted for mining depletion to 30 June 2013.
2. Based on August 2012 Proved and Probable Ore Reserve; 0.4g/t and 0.5g/t cut-off, sub-blocks.
3. Based on June 2013 Measured and Indicated Mineral Resource; Oxide – 0.6g/t cut-off; Transitional – 0.5g/t cut-off; Fresh – 0.4g/t cut-off, regular block.

Applying the stated unit cost assumptions to this production profile, the forecast unit all-in site cash costs for the EGM are estimated to be as follows:

Table 10: LOMP Costs[1]

US$/oz Cost	FY2014	FY2015	FY2016	FY2017	FY2018	LOMP Avg
Mining	479	481	474	551	486	410
Processing	344	282	291	293	276	297
General & Admin	118	95	95	96	88	91
Sub-Total	941	858	860	940	850	798
Royalty	79	82	82	78	78	79
Sustaining Capital	87	80	79	101	94	60
Total All-in Site Cost	**1,107**	**1,020**	**1,021**	**1,119**	**1,022**	**937**

Note 1: Before taking silver credits of US$5/oz into account.

These estimated unit costs are based on the following assumptions:

1. Mining costs include the total cash cost of mining both ore and waste (including pre-strip) during the period. Mining costs are based on contracted rates negotiated in November 2009 with mining contractor, African

Mining Services, adjusted for historical rise and fall factors (currently at 25% for load and haul cost and 10% for other mining costs) and an additional US$2.15/t ore for crusher feed haulage from the Eastern Pits. The average life of mine mining cost is US$3.43/t of material moved.

2. Unit processing costs are assumed to be US$9.05/t of ore processed plus a further US$0.09/t of ore processed for refining costs. This cost is based on actual costs adjusted to remove one-off costs incurred in recent periods that related to one-off maintenance events, electricity back-pay etc.
3. A General and Administration unit cost of US$2.82/t of ore processed has been assumed, which equates to approximately US$2M per month.
4. Future costs do not include estimates of inflation, nor do they assume that the benefits of cost optimisation programmes being implemented across the EGM site will be realised.
5. Royalty is based on a US$1,200/oz gold price and assumes a 5% royalty paid to the Ghanaian government and a 1.5% royalty payable to Franco Nevada.
6. Sustaining capital expenditure is estimated at US$151M for the remaining life of mine, or on average US$13.7M/ year for 11 years of processing. This estimate includes the cost of site rehabilitation net of equipment salvage value in the final year of the mine. The single largest item of forecast capital expenditure relates to the cost of compensating landowners for loss of crops, structures and livelihood as well as the cost of relocation housing. This accounts for slightly more than half of the sustaining capital estimate and includes expenditure associated with accessing open pits on both the western and eastern sides of the mining lease. The use of underground mining techniques on the Esuajah South Resource could result in a material decrease in the estimate. However, as the feasibility of using this mining technique has not yet been demonstrated, it has been assumed that open pit methods requiring relocation of infrastructure and dwellings will be applied.

It is intended that the EGM LOMP will be reassessed annually taking into account any incremental Mineral Resources delineated during the preceding period and any revisions to design parameters (including, but not limited to, gold price and operating costs) in the design of the pit shells.

EGM Production and Cost Guidance

Following completion of the revised LOMP, planning engineers have developed detailed mining schedules for the remaining nine months of the financial year incorporating the updated pit designs for the Fobinso and Abnabna pits that along with existing ROM stockpiles are the sources of ore for processing in FY2014.

The detailed mine planning has resulted in a rescheduling of mining compared to the previous plan. This has had the effect of altering the timing of mining specific ore and waste blocks which has altered the processing schedule for the financial year. In terms of the total 12 month period to 30 June 2014, there is no change to the expected production, and therefore full year guidance. However, in terms of the individual half year periods, there has been a change to forecast production schedule and accordingly, production guidance is amended as shown in Table 11.

In terms of cost guidance, a slight amendment has been made to cost guidance for the period, recognising that improvements in efficiency and cost savings take slightly longer to flow through to reported all-in site cash costs. As previously noted, efficiency improvement and cost reduction programmes are in place across the EGM site and are expected to yield improvements in site costs in coming periods. Cost guidance is also shown below in Table 11.

Table 11: FY2014 Production and Cost Guidance

Parameter	Units	Six Months to 31 December 2013	Six Months to 30 June 2014	Twelve Months to 30 June 2014
Prior Guidance				
Production	Ounces	99,000 - 109,000	91,000 – 101,000	190,000-210,000
All-In Site Cash Costs	US$/oz	1,000 – 1,200	1,000 – 1,200	1,000 – 1,200
Revised Guidance				
Production	**Ounces**	**91,000 – 101,000**	**99,000 - 109,000**	**190,000-210,000**
All-In Site Cash Costs	**US$/oz**	**1,050 – 1,250**	**1,050 – 1,250**	**1,050 – 1,250**

Sissingué Development Project, Côte d'Ivoire

The SGP is located in the north of Côte d'Ivoire and is situated within an 885sq km land package consisting of the Sissingué exploration permit area and the adjoining Tengrela South exploration permit area, together referred to as the Tengrela 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.

Development

Perseus remains committed to its decision not to proceed with the development of SGP until it is confident it can finance the mine development and generate an acceptable rate of return on its investment. This decision will be reviewed in early January 2014 taking into account, inter alia, the results of the following tasks that will be undertaken:

1. Participate in discussions with the Ivorian Ministry of Mining on the terms to be included in the soon-to-be legislated new mining code in Côte d'Ivoire;
2. Discuss changes to the terms of the current Exploitation Licence for SGP to provide for a deferral of the currently specified project start-up date of August 2014;
3. Explore nearby exploration licence areas such as Mahalé for new deposits of gold mineralisation that might be added to the existing Mineral Resource inventory to be processed at the proposed SGP processing facility.
4. Complete a review of the capital and operating cost estimates for SGP taking into account any changes in the market for relevant goods and services.

SGP Mineral Resource Estimate

The Company's Measured and Indicated Mineral Resource base at SGP is 0.9M ounces of gold and the Inferred Mineral Resource base is 0.3M ounces and is tabulated below in Tables 13 and 14. The Company's Proven and Probable Mineral Reserves at SGP are as shown in Table 8.

Table 12: M&I Mineral Resources - SGP

Weathering Domain	Measured Resources			Indicated Resources			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
Oxides	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**

Table 13: Inferred Mineral Resources - SGP

Weathering Domain	Inferred Resources		
	Quantity Mt	Grade g/t gold	Gold Ounces
Oxides	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**

SGP Mineral Reserve Estimate

Work on the re-design of the SGP open pit based on the current Mineral Resource estimate is underway and will be completed later this financial year leading to a restatement of Mineral Reserves for the SGP. The current Mineral Reserves for the SGP are as follows:

Table 14: Ore Reserves - SGP

Ore type	Proved Reserves			Probable Reserves			Proved & Probable Reserves		
	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
Oxide/Transition	-	-	-	3.4	2.1	224	3.4	2.1	224
Primary	-	-	-	6.3	2.1	433	6.3	2.1	433
Total	**-**	**-**	**-**	**9.7**	**2.1**	**657**	**9.7**	**2.1**	**657**

1. Reserve estimated by Coffey Mining using a pit design based on a US$950/oz gold price optimisation.
2. All Measured and Indicated Mineral Resources in pit designs designated as Probable Ore Reserves, Inferred Mineral Resources considered as waste.
3. A mining dilution of 5% was applied at a grade of 0.0g/t. In addition, a mining ore loss of 3% was assumed.
4. The Probable Ore Reserve as estimated in the DFS was estimated at a 0.55g/t gold cut-off.

Exploration

Ghana

There was no drilling conducted in Ghana during the Quarter (7,378 metres in June Quarter). Exploration activities were limited to geological mapping and prospecting plus data interpretation for planning of future Resource / Reserve drilling programs at the EGM.

Tengréla Gold Project (Including Sissingué Deposit) – Côte d'Ivoire

The Company completed 16,435 metres of drilling in Côte d'Ivoire during the September 2013 Quarter (32,713 metres June Quarter). No exploration work was conducted on the Tengréla licences during the Quarter.

Mbengué License, Côte d'Ivoire

A total of 10,802m was drilled at the Mbengué project during the Quarter consisting of 3,416m of follow up reverse circulation ("RC") drilling on the K1 Prospect of the Kanadi Anomaly plus 7,386m of rotary air blast ("RAB") drilling to test gold and arsenic anomalism in auger drilling along strike from K1.

RC drilling on the K1 Prospect to follow up MKRC079 (28m at 8.1g/t and 27m at 3.7g/t gold) reported on June 27, 2013 returned several additional significant drill intercepts along strike. Holes MKRC118 and MKRC120 drilled 80m along strike to the southwest returned 36m at 2.0g/t gold from surface and 58m at 1.5g/t gold from 18m down-hole respectively. Hole MKRC127 drilled 80m along strike to the northeast returned 6m at 6.0g/t gold from 44m including 2m at 16.9g/t gold from 48m down-hole. Several additional infill and step-out holes returned anomalous results.

Highlights of recent RC drilling at K1 include:

MKRC118 - 36m at 2.0g/t gold from 0m including 2m at 8.5g/t gold
MKRC120 - 58m at 1.5g/t gold from 18m including 8m at 3.4g/t gold
MKRC127 - 6m at 6.0g/t gold from 44m including 2m at 16.9g/t gold

Although the strike length of the K1 Prospect mineralisation appears to be constrained by weak RC drilling results along strike, the drill testing to date has been shallow, broadly spaced and limited. Further drilling will probe in detail for the continuation of the K1 zone and/or additional lodes further along strike and will test the mineralised zone at depth.

Several anomalous RC and RAB drill intercepts were also returned from the Kanadi East area situated 4 to 6 kilometers to the east-northeast of K1, with intercepts of **4m at 8.4g/t gold, 4m at 3.7g/t gold and 8m at 1.8g/t gold**. Assays for all drilling conducted to date at Mbengué have been received.

A 1,694 line kilometre high resolution helicopter-borne magnetic and radiometric survey covering an area of 153 km² on 100m spaced lines was completed over the Kanadi Anomaly area by New Resolution Geophysics of South Africa. Once the data has been processed, imaged and interpreted RAB and RC drilling will resume at Mbengué to follow up significant drilling results returned thus far plus targets generated from the airborne survey.

Mahalé License, Côte d'Ivoire

A total of 5,265m of drilling was completed on the Mahalé licence during the Quarter consisting of 5,173m of air core ("AC") drilling plus the commencement of RC drilling to follow up significant AC drilling results at the Bélé Prospect that is located 40 kilometres west-southwest of the SGP. A total of 92m of RC drilling has been completed at Bélé to date.

AC drilling results from the Bélé Prospect received during the Quarter, included two very significant gold intercepts. Hole MHAC220 returned **3m at 17.5g/t gold** from 18m down-hole including 1m at 48.2g/t gold. This intercept is situated in an area of gold in auger anomalism, 550m east of mineralised holes MHAC006 through to MHAC010 which were reported on June 27, 2013. Hole MHAC285, located 1,350m further to the east-southeast intercepted **10m at 10.2g/t gold** from 7m down-hole including 4m at 23.3g/t gold plus 9m at 5.8g/t gold from 34m down-hole including 4m at 11.7g/t gold, likewise in an area of strong gold in auger anomalism. Several additional anomalous drill intercepts were returned.

Drilling to date at the Bélé Prospect has consisted of limited first pass shallow (24m on average) AC drilling on widely spaced lines. Further planned drilling has been hindered by pre-harvest crops, mechanical breakdowns of the AC rig and heavy rains which have caused access trails to deteriorate. AC drilling, however, is continuing where access is possible. A small program of RC drilling commenced towards the end of the Quarter to follow up the several areas of mineralisation delineated thus far in AC drilling.

The mineralisation at the Bélé Prospect is hosted in altered granite near the contact with sediments and mafic volcanics and is associated with quartz veining and sulphides.

Significant AC drilling highlights from the Bélé Prospect during the quarter are as follows:

MHAC220	-	3m at 17.5g/t gold from 18m including 1m at 48.2g/t, plus 3m at 1.7g/t from 24m
MHAC285	-	7m at 10.2g/t gold from 7m including 4m at 23.2g/t, plus 9m at 5.8g/t from 34m

Napié License, Côte d'Ivoire

RAB drilling on the Napié Project concluded early in the Quarter with 368 meters drilled. There were no significant assays from this drilling. A 3,045 line kilometre high resolution helicopter-borne magnetic and radiometric survey covering an area of 273 km² and flown by New Resolution Geophysics of South Africa was completed on the Napié licence. Once the data has been processed, imaged and interpreted it will be used to help guide further drilling programs at Napié.

COMPANY OUTLOOK FOR THE QUARTER ENDING DECEMBER 31, 2013

Based on current work schedules for the Quarter ending December 31, 2013 the Company provides the following outlook:

Edikan Gold Mine

- Production and cost guidance for the six months ending December 2013 is 91,000 -101,000 ounces of gold at an all-in site production cost of between US$1,050/oz and US$1,250/oz;
- Fine tune plant metallurgical performance;
- Continue training of operating and maintenance staff;
- Implement steps to augment working capital.

Sissingué Gold Project

- Participate in discussions surrounding soon-to-be legislated mining code in Côte d'Ivoire ;
- Seek deferral of start up date in terms of current Exploitation Licence;

Exploration

- Continue exploration for additional Mineral Resources.

OVERALL FINANCIAL PERFORMANCE OF THE COMPANY

The financial performance of the Company will be affected by the operation of the EGM and potential development and future operation of the SGP and GGP as well as ongoing exploration and evaluation activities being conducted on its properties. The financial performance of the Company is closely linked to the gold price following the commencement of commercial production at the EGM and, potentially, the SGP and GGP. The gold price also affects the economic viability of the Company's other projects and prospects. To protect against changes in gold price the Company has entered a number of hedging contracts, including put options and forward sales contracts which are discussed in further detail below under "Financial Instruments and Related Risks".

The Company reports its financial results in Australian dollars (AUD or $). However, the Company's costs are currently incurred in several currencies including AUD, United States dollars (USD), Canadian dollars (CAD), Ghanaian Cedis, and CFA francs. Furthermore, for the EGM or any of the Company's other projects that commence commercial production, metals sales revenue will be denominated in USD. Fluctuations in the rates of exchange between the AUD and the currencies in which the Company transacts business may therefore significantly affect the results of operations of the Company and are discussed further below under "Financial Instruments and Related Risks".

The exploration, evaluation, development and operation of the Company's properties may require substantial additional financing. Failure to obtain sufficient financing in the future may result in delay or indefinite postponement of the exploration, evaluation, development or operation of any or all of the Company's properties. There can be no assurance that bank financing, equity capital or other types of financing will be available when needed or that, if available, the terms of such financing will be acceptable to the Company. See ''*Risk Factors*'' for a further discussion of these and other risk factors associated with the Company and an investment in the Company's shares.

DISCUSSION OF OPERATING RESULTS

The operating results for the eight most recent quarters are as follows:

Operating Results[1] for the three months ended	**Sep 30 2013**	**Jun 30 2013***	**Mar 31 2013**	**Dec 31 2012**	**Sep 30 2012**	**Jun 30 2012**	**Mar 31 2012**	**Dec 31 2011**
Total revenue and other income	71.988	69.301	77.254	71.992	75.187	84.553	60.960	7.549
Net profit / (loss) after tax	2.854	7.286	(0.892)	15.109	17.388	19.053	19.722	12.907
Basic profit / (loss) per share (cents)	0.41	1.95	(0.23)	2.96	3.20	3.01	4.41	2.96

[1]All amounts shown above are in millions of Australian dollars except as otherwise indicated

*Balances have been restated. Refer to "Changes in accounting policies including initial adoption" for further details

The operating results for the September 2013 Quarter included revenue earned from the sale of precious metals (September 2013 Quarter: $71.975 million; September 2012 Quarter: $75.104 million) less the cost of the goods sold (September 2013 Quarter: $48.084 million; September 2012 Quarter: $29.089 million). The increase in total income, from $69.301 million in the June Quarter to $71.988 million in the September 2013 Quarter, is a result of an increase in average sales prices (September 2013 Quarter: US$1,342/oz of gold sold; June Quarter: US$1,308/oz of gold sold) slightly offset by lower gold production (September 2013 Quarter: 45,830 oz; June Quarter: 47,565 oz).

In addition, the result includes interest income (September 2013 Quarter: $0.013 million; September 2012 Quarter: $0.084 million), depreciation and amortisation (September 2013 Quarter: $10.337 million; September 2012 Quarter: $9.570 million), administration and corporate overheads (September 2013 Quarter: $1.755 million; September 2012 Quarter: $1.413 million). In the September 2013 Quarter a foreign exchange loss ($4.787 million) was incurred (September 2012 Quarter: $5.870 million) that arose from an appreciation of the AUD relative to the USD during the period (September 30, 2013: 0.9322; June 30, 2013: 0.9146).

DISCUSSION OF FINANCIAL CONDITION

The quarter-on-quarter movements in the financial position of the Company over the last eight quarters are shown below.

Financial Position[1] as at:	**Sep 30 2013**	**Jun 30 2013***	**Mar 31 2013**	**Dec 31 2012**	**Sep 30 2012**	**Jun 30 2012**	**Mar 31 2012**	**Dec 31 2011**
Cash and cash equivalents	23.091	35.480	38.409	39.674	108.758	105.497	117.120	131.455
Total Assets	572.552	585.211	520.820	519.653	561.896	528.971	531.544	507.721
Total Liabilities	105.558	106.726	117.685	128.696	220.325	169.103	201.204	196.120
Net Assets	466.994	478.485	403.135	390.957	341.571	359.868	330.340	311.601

[1]All amounts shown are in millions of dollars

*Balances have been restated. Refer to "Changes in accounting policies including initial adoption" for further details

Total Assets
Total assets have decreased in the September 2013 Quarter by $12.659 million (June Quarter increase of $64.391 million). The September Quarter decrease is due to a decrease in non-current assets of $15.132 million offset by an increase in current assets of $2.473 million. Details of movements in specific accounts follow.

Cash and cash equivalents
At September 30, 2013, the Company had available cash or cash equivalent resources of $23.091 million plus a further $10.123 million of restricted funds on deposit securing environmental obligations. This cash balance represents a decrease relative to the position as at June 30, 2013 ($35.480 million plus restricted cash of $10.318 million). The decrease in cash reserves of $12.389 million during the September 2013 Quarter is due to payments associated with capital work in progress and operation of the EGM, purchase of other fixed assets and payments for exploration and administration activities; offset by the sale of gold and silver during the period, which were at higher prices than the previous quarters due to recovering gold and silver markets.

The net decrease in cash reserves of $12.389 million during the September 2013 Quarter is discussed in some detail in the "Discussion on Cash flows".

Receivables
At September 30, 2013 the Company's current receivables were $5.543 million (June 30, 2013: $8.203 million) while non-current receivables amounted to $56.268 million (June 30, 2013: $53.101 million). The decrease in current receivables during the September 2013 Quarter relative to prior periods is a result of the timing of gold sales and the receipt of the debtor payments while the increase in non-current receivables in this period is due to an increase in a VAT refund due from the Ghana Revenue Authority.

Inventory
At September 30, 2013 the Company held inventories of $49.698 million (June 30, 2013: $32.135 million). The net increase in inventory during the September 2013 Quarter ($17.563 million) relative to the position at June 30, 2013, is the result of a write up of low grade stockpiles, an increase in materials and supplies on hand with an offsetting decrease in bullion on hand.

Property, plant and equipment
At September 30, 2013, the Company recognised on its balance sheet a total of $204.447 million for property, plant and equipment ("PP&E") (June 30, 2013: $211.343 million).

The Company capitalised $5.356 million of expenditure on PP&E during the September 2013 Quarter before expensing depreciation of $3.068 million. In addition, $7.527 million was reclassified from PP&E to mine properties. Due to the depreciation of the USD against AUD, a $1.657 million foreign exchange loss was recorded against PP&E during the September 2013 Quarter as the majority of these assets are recorded in USD in the subsidiary companies' accounts and are translated into AUD on consolidation.

Mine Properties
At September 30, 2013 the Company recognised mine properties of $149.485 million on its balance sheet (June 30, 2013: $150.165 million). During the September 2013 Quarter, $1.798 million of expenditure on mine properties (relating to a deferred waste accounting entry) has been capitalised and $7.269 million of amortisation has been expensed. In addition, $7.527 million was reclassified from PP&E to mine properties and the net depreciation of the USD against AUD during the period referred to above gave rise to $2.739 million foreign exchange loss being recorded against mine properties.

Exploration and evaluation expenditure
At September 30, 2013 the Company recognised mineral interest acquisition and exploration expenditure of $48.362 million on its balance sheet (June 30, 2013: $47.311 million). The year on year movement in capitalised exploration and evaluation expenditure reflects the extensive exploration programmes conducted by the Company in recent years.

The Company capitalised $1.754 million of exploration and evaluation expenditure incurred on its Ghanaian and Ivorian exploration tenements during the September 2013 Quarter ($4.528 million in the June Quarter) before recording a foreign exchange loss of $0.703 million in the September 2013 Quarter.

Other assets
At September 30, 2013 the Company recognised other assets of $16.210 million on its balance sheet (June 30, 2013: $14.526 million), of which $12.852 million is classified as current and $3.358 million is classified as non-current. The increase in other assets during the September 2013 Quarter is due to an increase in prepayments slightly offset by the loss on the mark-to-market revaluation of the available for sale financial assets (investment in Manas). The increase in prepayments during the June 2013 Quarter reflects the normal commercial activity associated with the EGM, and the unwinding of capitalised borrowing costs classified as prepayments.

Derivative financial instruments
As at September 30, 2013 the Company held forward sales contracts for 147,000 ounces of gold and recorded an asset of $15.409 million (June 30 2013: 170,000 ounces of gold with a recorded asset of $32.295 million) on its balance sheet. The movement in mark-to-market value has been recorded as equity while $3.387 million (June 30, 2013: current asset of $2.548 million) of the balance has been classified as a current liability as these forward contracts settle within twelve months of balance date; the balance of $18.796 million (June 30, 2013: non-current asset of $29.747 million) has been classified as a non-current asset. The asset and liability reflects the difference in value of the hedge contracts on the respective balance dates relative to the value of the contracts on the date of inception of hedge accounting.

Total Liabilities
As at September 30, 2013, the Company had liabilities totalling $105.558 million compared to $106.726 million at June 30, 2013. The changes in total liabilities during the September 2013 Quarter are attributable to increases in current liabilities of $6.401 million and a decrease in non-current liabilities of $7.569 million. Details of movements in specific accounts follow below.

Payables
During, the September 2013 Quarter amounts owed to creditors, relating mainly to the operation of the EGM, decreased to $50.519 million from a total outstanding at June 30, 2013 of $53.084 million.

On a quarter on quarter basis, creditors at September 30, 2013 were $2.565 million lower than at the end of the June Quarter. The decrease relative to the June Quarter reflected catching up of the prior Quarter administrative delay in the timing of payments of outstanding invoices in the September 2013 Quarter.

Provision
A provision of $7.768 million as at September 30, 2013 for future rehabilitation work relating mainly to both old and new mining activity at EGM, was $0.215 million lower than the amount provided for at June 30, 2013 of $7.983 million. The change during the September 2013 Quarter reflects a slight increase in the area requiring rehabilitation as a result of increased mining activity and a depreciation of the USD against the AUD during the period, as highlighted above.

DISCUSSION ON CASHFLOWS

The eight most recent quarter-on-quarter movements in the cash flow of the Company are as shown below.

Cash flows[1] for three months ended	Sep 30 2013	Jun 30 2013	Mar 31 2013	Dec 31 2012	Sept 30 2012	Jun 30 2012	Mar 31 2012	Dec 31 2011
Operating activities	(0.332)	(2.048)	16.924	6.130	25.675	21.641	25.163	(1.829)
Investing activities	(10.285)	(7.861)	(17.448)	(13.658)	(19.745)	(23.446)	(26.206)	(6.857)
Financing activities	-	0.082	0.047	(60.729)	-	(10.664)	(8.240)	85.010

[1]All amounts shown are in millions of dollars

After considering the effects of foreign exchange movements, the Company's cash balance decreased by $12.389 million during the September 2013 Quarter while in the corresponding period in 2012 cash increased by $3.261 million.

Operating activities during the September 2013 Quarter, resulted in total cash receipts of $73.522 million (June Quarter: $74.478 million) from the sale of precious metals produced at the EGM and $0.022 million (June Quarter: $0.008 million) from bank interest that were offset by administration expenses and production expenses at EGM of $73.871 million (June Quarter: $75.958 million) and borrowing costs of $0.005 million (June Quarter: $0.576 million), giving a net cash outflow for Operating Activities during the period of $0.332 million (June Quarter: outflow of $2.048 million). This net cash outflow was $26.007 million less than the corresponding amount in the September 2012 Quarter when net inflows associated with Operating Activities totalled $25.675 million. In the September 2012 Quarter, there were cash receipts of $68.982 million from the sale of precious metals produced at the EGM. Interest received in the September 2012 Quarter was $0.102 million, administration expenses and production expenses were $42.798 million and borrowing costs of $0.611 million.

Investing activities during the September 2013 Quarter included development expenses at EGM and SGP of $6.956 million (June Quarter: $4.192 million), payments relating to exploration in Ghana and Côte d'Ivoire of $3.189 million (June Quarter: $3.613 million) and an investment in fixed assets of $0.140 million (June Quarter: $0.056 million) that generated a net cash outflow of $10.285 million (June Quarter: $7.861 million). In the corresponding Quarter in 2012, investing activities included development of EGM and SGP ($9.854 million), exploration associated with the EGM and SGP ($3.105 million), investment in fixed assets ($0.276 million) and a payment for a bank guarantee, resulting in a net cash outflow associated with investing activities of $19.745 million.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2013, the Company's cash and cash equivalents amounted to $23.091 million (June 30, 2013: $35.480).

The Company does not currently have a working capital deficiency. The Company has sufficient amounts of cash and cash equivalents in the short term to maintain capacity and meet its planned growth. As previously stated, the Company's short to medium term plans include maximising the cash margin at the EGM through improving recoveries, coupled with less waste stripping and implementing a cost reduction program, reviewing the decision on the development of the SGP and associated infrastructure after taking into account the results of optimised life of mine plans for both the EGM and the SGP and gold market conditions, and continued exploration on a limited basis for gold on exploration tenements associated with these projects as well as on other exploration tenements held by the Company in West Africa, all of which require significant levels of funding. The Company's ability to generate sufficient amounts of cash and cash equivalents in the long term (if required) to maintain capacity, meet planned growth and fund development of activities depends on its ability to generate sufficient cash from the EGM and failing that, to raise additional funds from the debt or capital markets.

The Company's liquidity is expected to fluctuate with production from the EGM and the price of gold. The Company's ability to raise funds from the debt or capital markets will be affected by, among other things, global economic conditions (including the price of gold). As mentioned above, 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 on its revolving line of credit to nil, following the decision to postpone development on the SGP. A commitment limit will be renegotiated with the lenders if a decision to go ahead with the development of the SGP is taken.

For a description of the balance sheet conditions or income or cash flow that may affect liquidity, please see the section below under "*Commitments*".

During the last three financial years, both the debt and equity capital markets have been used as sources of funding by the Company. The Company completed a 28.75 million share fundraising during the December 2011 Quarter. The Company received nil during the September 2013 Quarter (nil in the June Quarter; nil in the March 2013 Quarter; nil in the December 2012 Quarter; nil in the September 2012 Quarter; nil in the June 2012 Quarter; $2.401 million in the March 2012 Quarter; $0.752 million in the December 2011 Quarter) from the exercise of options to purchase ordinary shares in the Company pursuant to its Share Option Plan. During the June 2011 Quarter, the Company drew $80.211 million under its project debt facility. This was subsequently fully repaid in November 2012. There can be no assurance however that the Company will be successful in raising additional funds, as and when required, from the debt or capital markets in the future. See "*Risk Factors*".

The project debt facility agreement (the "Facility Agreement") contains covenants and imposes restrictions on the Company's ability to complete certain transactions. For example, the Facility 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 Facility Agreement also contains (i) certain conditions precedent to the drawing down 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 Facility Agreement. In particular, the Company has received waivers in respect of breaches of, and extensions to the time required for satisfaction of, the conditions subsequent that: (i) the Company enter into a term sheet in respect of a power supply agreement for the Edikan Gold Mine on or before December 31, 2011 (as extended); (ii) the Company use its best endeavours to complete a reorganization of its subsidiaries by December 31, 2011 (as extended); (iii) the Company grants additional security in favour of the lenders by December 31, 2011 (as extended) in the event the reorganization has not been completed by then; (iv) there is parliamentary ratification of the Edikan mining leases and stability agreement by December 31, 2011 (as extended); (v) the Company execute a foreign exchange retention account agreement with the Republic of Ghana, the Bank of Ghana, the lenders and a financial institution in Ghana by December 31, 2011 (as extended). While the Company is currently in compliance with the terms of the Facility Agreement and believes it will be able to satisfy the foregoing conditions subsequent in the prescribed time, it may require one or more waivers or extensions from the lenders in the future. A breach by the Company of certain provisions of the Facility Agreement, unless waived, will constitute an event of default, entitling the lenders to accelerate the payment of amounts due there under. The project loan is effectively secured by all (or substantially all) of the Company's interest in the Edikan Gold Mine. An obligation to repay the amount owing under the project loan before its stated maturity could have an adverse effect on the Company and its financial position. As at September 30, 2013 no amounts were drawn under the facility.

During the December 2012 Quarter, the Company executed a Deed of Amendment and Restatement (the "Amending Deed") which documented amendments to the Facility Agreement that had the effect of converting the project debt facility into a revolving line of credit. In addition, the Amending Deed provides for an increase in the facility limit to

US$100 million, with the availability limit decreasing over time to zero as at December 28, 2015. The facility margin was revised to 4.0 percent per annum and the Commitment fee was reduced to 1.75 percent per annum. Permitted uses of funds drawn under the facility were amended to allow for repayment of intercompany loans owed by Perseus Mining (Ghana) Limited to Perseus.

During the Quarter and as part of the Company's cost reduction program, Perseus reduced the Available Commitment limit on its US$100 million line of credit to nil. This eliminates the 1.75% per annum undrawn line fee, and political risk insurance on the debt, that was payable in future periods. The Available Commitment limit will be renegotiated with the lenders if a decision to go ahead with the development of the SGP is taken.

As at September 30, 2013 a total of 147,000 ounces of gold (June 30, 2013: 170,000 ounces of gold) had been hedged under gold forward sale contracts for settlement from December 2013 to December 2015 at an average sale price of US$1,432 per ounce. The inception of this hedging was initially a pre-requisite for Perseus to be able to draw the full US$85 million debt facility in the June 2011 Quarter. A further total of 70,000 ounces of gold was sold forward in the September 2012 Quarter, following the successful restructure, extension and up-sizing of the debt facility. A total of 153,000 ounces of gold has been delivered under forward sales contracts up to and including September 30, 2013, leaving the outstanding balance of gold hedging at 147,000 ounces of gold. This hedging represents approximately 32% of the Company's total forecast gold production to December 31, 2015 and approximately 5% of the gold contained in the Company's currently defined total Ore Reserves. In addition, options granting Perseus the right but not the obligation to sell 12,500 ounces of gold at US$850 per ounce in the period from October 2013 to December 2013 are held as at September 30, 2013 as part of the Company's financial risk management strategy.

As at the date of this MD&A the Company had no material commitments for future capital expenditure over and above those that arise in the normal course of business.

COMMITMENTS

The following table sets forth information regarding the Company's contractual obligations as at September 30, 2013. The Company has no long term debt, finance lease obligations, operating leases or purchase obligations except as indicated below.

	Less than 1 Year	**1 - 3 Years**	**4 - 5 Years**	**After 5 years**
Exploration expenditure[1] (US$M)	0.950	0.875	0.875	1.000
Rent of corporate premises	0.382	1.022	-	-
Total (US$M)	**1.332**	**1.897**	**0.875**	**1.000**

Notes:

(1) The Company's mineral rights in Ghana and Côte d'Ivoire are subject to nominal statutory expenditure commitments on exploration activities and its mineral lease fees are paid annually, in advance.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The principal financial instruments used by the Company as at September 30, 2013 are cash, receivables, financial assets at fair value, derivative financial instruments, payables and prepayments. As a result of the use of these financial instruments, the Company is exposed to credit risk, liquidity risk and market risk (including currency risk, interest rate risk, commodity price risk and equity price risk).

Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted under a financial instrument resulting in a financial loss to the Company and arises from deposits with banks and financial institutions, favourable derivative financial instruments as well as credit exposures to customers including outstanding receivables and committed transactions. There has been no significant change in the Company's exposure to credit risk or its objectives and policies for managing these risks during the September 2013 Quarter.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that, as far as possible, it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows, matching maturity profiles of financial assets and financial liabilities, and by ensuring that surplus funds are generally only invested in instruments that are tradable in highly liquid markets or that can be relinquished with minimal risk of loss.

Market Risk
The Company is exposed to commodity price risk for its future gold production. These risks are measured using sensitivity analysis and cash flow forecasting and to manage exposures the Company enters into forward commodity price derivatives, details of which are discussed in “Liquidity and Capital Resources” above.

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity’s functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The Company is also exposed to foreign exchange risk arising from the translation of its foreign operations, the Company’s investments in its subsidiaries are not hedged as those currency positions are considered to be long term in nature. In addition, the parent entity has an intercompany receivable from its subsidiary denominated in US dollars which is eliminated on consolidation. The gains or losses on re-measurement of this intercompany receivable from US dollars to Australian dollars are not eliminated on consolidation. There has been no significant change in the Company’s exposure to currency risk or its objectives and policies for managing these risks during the September 2013 Quarter.

In November 2012 the Company fully repaid its project finance facility. Consequently, it presently has no borrowings at variable rates. During the September Quarter and as part of the Company’s cost reduction program, Perseus reduced the Available Commitment limit on its US$100 million line of credit to nil, eliminating the 1.75% per annum undrawn line fee, as mentioned above. There were no changes in the Company’s exposure to interest rate risk during the Quarter. The Company’s objectives and policies for managing these risks have not changed during the September 2013 Quarter.

OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements as at September 30, 2013.

TRANSACTIONS WITH RELATED PARTIES

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

Secretarial and corporate service fees paid or payable to Corporate Consultants Pty Ltd, a company in which the company secretary, Mr Susmit Shah, has a beneficial interest, totalled $43,996 during the September 2013 Quarter compared to $62,000 in the corresponding Quarter ending September 30, 2012.

The Company has no on-going contractual or other commitments arising from transactions with any of the related parties referred to above.

CRITICAL ACCOUNTING ESTIMATES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including the expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting will, by definition, seldom equal the actual results. Each critical accounting estimate is discussed below.

(i) Exploration and evaluation expenditure
In accordance with accounting policy note 1(n) in the June 2013 Financial Report, management determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. In determining this, assumptions, including the maintenance of title, ongoing expenditure and prospectivity are made.

(ii) Impairment of assets
In accordance with accounting policy note 1(g) in the June 2013 Financial Report, in determining whether the recoverable amount of each cash generating unit is the higher of fair value less costs to sell or value-in-use against

which asset impairment is to be considered, the Company undertakes future cash flow calculations which are based on a number of critical estimates and assumptions including, for its assets under construction, forward estimates of:

- *a)* Mine life including quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction with given technology;
- *b)* Estimated production and sales levels;
- *c)* Estimated future commodity prices;
- *d)* Future costs of production;
- *e)* Future capital expenditure;
- *f)* Future exchange rates; and/or
- *g)* Discount rates applicable to the cash generating unit.

Variations to expected future cash flows, and timing thereof, could result in significant changes to the impairment test results, which in turn could impact future financial results.

(iii) Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments as at the date at which they are granted. The Company measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes option pricing model, and the Monte Carlo Simulation model for performance rights taking into account the terms and conditions upon which the instruments were granted. Differences in estimated future stock price volatility, interest rates and other factors can have a material effect on the calculation of share-based compensation expense and derivative values. As such, the values derived may change significantly from period to period and are subject to significant uncertainty. The Company recorded a total share-based compensation expense of $0.051 million for the Quarter ended September 30, 2013 ($0.227 million for the Quarter ended June 30, 2013; nil for the Quarter ended March 31 2013; $0.245 million for the Quarter ended December 31, 2012; nil for the Quarter ended September 31, 2012; $(0.429) million for the Quarter ended June 30, 2012 as a result of options lapsing due to vesting conditions not being met and $1.528 million for the twelve months ended June 30, 2012).

The share based payment expense for the Quarter was $0.051 million compared to nil for the September 2012 Quarter.

(iv) Restoration and rehabilitation provisions

As set out in accounting policy note 1(t) in the June 2013 Financial Report, the value of the current restoration and rehabilitation provision is based on a number of assumptions including the nature of restoration activities required and the valuation at the present value of a future obligation that necessitates estimates of the cost of performing the work required, the timing of future cash flows and the appropriate discount rate. Additionally current provisions are based on the assumption that no significant changes will occur in either relevant legislation covering restoration of mineral properties. A change in any, or a combination, of these assumptions used to determine current provisions could have a material impact to the carrying value of the provision.

(v) Derivative financial instruments

The Company makes judgements on the effectiveness of all derivative financial instrument entered into, including forward metal contracts, metal options and foreign currency option contracts in accordance with accounting policy note 1(l) in the June 2013 Financial Report. Management's assessment is that, unless otherwise disclosed the derivatives have been highly effective in offsetting changes in the fair value of the future cash flows against which they have been designated and as such are compliant with the hedge effectiveness requirements of AASB 139.

(vi) Taxes

Judgement is required in determining whether deferred tax assets are recognised on the statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realise the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

(vii) Unit-of-production method of depreciation / amortisation

The Company uses the unit-of-production basis when depreciating/amortising life of mine specific assets, which results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's economic life, which is assessed annually, has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The Company amortises mine property assets utilising tonnes of ore mined and mine related plant and equipment over tonnes of ore processed.

(viii) Deferred stripping expenditure
The Company defers advanced stripping costs incurred during the production stage of its operations. This calculation requires the use of judgements and estimates such as estimates of tonnes of waste to be removed over the life of the mining area and economically recoverable reserves extracted as a result. Changes in a mine's life and design will usually result in changes to the expected stripping ratio (waste to ore reserves ratio). Changes in other technical or economical parameters that impact reserves will also have an impact on the life of mine ratio even if they do not affect the mine's design. Changes to the life of mine are accounted for prospectively.

(ix) Inventory
Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based in prevailing spot metals prices at the reporting date, less estimated costs to complete production and bring the product to sale. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated recovery percentage based on expected processing method. Stockpile tonnages are verified by periodic surveys.

(x) Reserves and resources
Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. The Company estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body and this requires complex geological judgements to interpret data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgements made in estimating the size and grade of the ore body. Changes in the reserve or resource estimates may impact upon the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, goodwill, provision for rehabilitation, recognition of deferred assets, and depreciation and amortisation charges.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

In the period ended 30 September 2013, the group has reviewed all of the new and revised Standards and interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2013.

From 1 July 2013 the group applied AASB Interpretation 20 *Stripping costs in the production phase of a surface mine*. The change in accounting policy has been applied to the earliest period presented and therefore there has been a restatement of certain 30 June 2013 closing balances as follows:

As of and for the year ended 30 June 2013:
Increase in inventories of $1,458,000
Decrease in mine properties of $5,855,000
Decrease in deferred tax liability of $1,539,000
Decrease in reserves of $282,000
Decrease in retained earnings of $2,290,000
Decrease in non-controlling interest of $286,000

The effect on earnings per share related to the restatement in 2013 was a reduction of $0.005.

OUTSTANDING SECURITIES DATA

At September 30, 2013 the Company had issued 457,962,088 shares (June 30, 2013: 457,962,088; March 31, 2013: 457,962,088; December 31, 2012: 457,962,088; September 30, 2012: 457,962,088; June 30, 2012: 457,962,088), 1,990,000 options (June 30, 2013: 1,990,000; March 31, 2013: 2,770,000; December 31, 2012: 2,870,000; September 30, 2012: 3,730,000; June 30, 2012: 4,470,000) and 2,687,408 performance rights (June 30, 2013: 3,035,629; March 31, 2013: 3,251,611; December 31, 2012: 600,000; September 30, 2012: nil; June 30, 2012: nil).

The following is a summary of the Company's capital structure as at the date of this MD&A:

Ordinary shares	457,962,088
Options over unissued shares	1,540,000
Performance rights over unissued shares	2,628,475

Since September 30, 2013 and up to the date of this MD&A, the Company has not issued any shares, options or performance rights.

CONTROLS AND PROCEDURES

The Company maintains appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete and reliable. The Company continues to review and develop internal controls, including disclosure controls and procedures for financial reporting that are appropriate for the nature and size of the Company's business.

Disclosure Controls and Procedures

The Company's disclosure controls and procedures ("DCP") are designed to provide reasonable assurance that all relevant information relating to the Company is communicated to the Company's senior management and information required to be disclosed in its annual filings, interim filings and other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the specified time period. Access to material information regarding the Company is facilitated by the small size of the Company's senior management team and workforce. The Company is continuing to develop appropriate DCP for the nature and size of the Company's business.

As at September 30, 2013, the Chief Executive Officer and Chief Financial Officer, with participation of the Company's management, concluded that there were no material weaknesses in the design of DCP at that date or changes to the Company's DCP during the September 2013 Quarter which have materially affected, or are considered to be reasonably likely to materially affect, the Company's disclosure or its DCP.

Internal Controls over Financial Reporting

Internal controls over financial reporting ("ICFR") are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Board is responsible for ensuring that management fulfils its responsibilities in this regard. The Audit Committee is in turn responsible for ensuring the integrity of the reported information through its review of the Company's interim and annual financial statements. There has been no change in the Company's ICFR during the September 2013 Quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. As at September 30, 2013, the Chief Executive Officer and Chief Financial Officer have concluded that there is no material weakness relating to the design of the Company's ICFR.

Limitations of Controls and Procedures

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

The Company's Chief Executive Officer and Chief Financial Officer have not limited the scope of their design of DCP and ICFR to exclude controls, policies and procedures of any proportionately consolidated entity, variable interest entity or business acquired within the preceding 12 months.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws. This forward-looking information may include but is not limited to information with respect to the Company's plans respect the EGM and the SGP, the estimation of ore reserves and mineral resources, realization of ore reserve and resource estimates, the timing and amount of future production, costs of production, capital expenditures, 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, 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 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, continuing commercial production at the Edikan Gold Mine without any material disruption, the receipt of required governmental approvals, the accuracy of capital and operating cost estimates, 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, or results, 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 risks set out below under the heading "*Risk Factors*".

Although Perseus has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as 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. Perseus undertakes no obligation to reissue or update forward-looking information as a result of new information or events after the date of this MD&A, except in accordance with applicable securities laws. All forward-looking information disclosed in this document is qualified by this cautionary statement.

RISK FACTORS

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

- risks related to the Company's compliance with restrictions and covenants in the Facility Agreement;
- risks associated with the price of gold;
- risks related to potential development of the SGP;
- risks related to capital cost increases at the SGP;
- risks related to operating and capital cost increases at the EGM;
- risks related to the availability of additional financings as and when required;
- the risk of unrest and political instability in West Africa;
- risks related to the periodic renewal of the Company's various exploration and exploitation permits;
- risks related to global economic conditions;
- risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations;
- risks related to negative operating costs flow;
- results of initial feasibility, pre-feasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations;
- risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined;
- mining and operating risks, including risks related to accidents, equipment breakdowns, labour disputes (including work stoppages and strikes) or other unanticipated difficulties with or interruptions in exploration and development;
- the potential for delays in exploration or development activities or the completion of feasibility studies;
- risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses;
- risks related to interest rate and foreign exchange rate fluctuations;
- the uncertainty of profitability based upon the cyclical nature of the industry in which the Company operates;
- the risk of changes to fiscal terms or operating approval conditions;
- risks related to environmental regulation and liability; and
- other risks and uncertainties related to the Company's prospects, properties and business strategy.

A detailed discussion of these and other factors that may affect the Company's prospects, actual results, performance, achievements or financial position is contained in the Company's Annual Information Form dated September 26, 2013.

TECHNICAL DISCLOSURES

The information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Kevin Thomson, who is a Professional Geoscientist with the Association of Professional Geoscientists of Ontario. Mr Thomson is an employee of the Company. Mr Thomson has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'") and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mr Thomson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. For a description of Perseus' data verification process, quality assurance and quality control measures, the effective date of the mineral resource and mineral reserve estimates contained herein, details of the key assumptions, parameters and methods used to estimate the mineral resources and reserves set out in this report and the extent to which the estimate of mineral resources or mineral reserves set out herein may be materially affected by any known environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues, readers are directed to the technical report entitled "Technical Report - Central Ashanti Gold Project, Ghana" dated May 30, 2011 and the technical report entitled ''Technical Report - Tengréla Gold Project, Côte d'Ivoire'' dated December 22, 2010 in relation to the Edikan Gold Mine (formerly the Central Ashanti Gold Project) and the Tengréla Gold Project respectively.

The information in this report that relates to Mineral Resources for the Edikan Gold Mine is based on information compiled by Mr Trevor Stevenson a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy and a CP Geo. Mr Stevenson is a full time employee of RungePincockMinarco. Mr Stevenson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mr Stevenson consents to the inclusion in the report of the matters based on his information in the form and context that the information appears.

The information in this report that relates to the Ore Reserves of the Edikan Gold Mine, is based on information compiled and reviewed by Mr Joe McDiarmid, who is a Chartered Professional Member of the Australasian Institute of Mining and Metallurgy, and is an employee of RungePincockMinarco Ltd. Joe McDiarmid has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Joe McDiarmid consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.