



ABN 27 106 808 986

NOTICE OF MEETING

AND

EXPLANATORY MEMORANDUM

AND

MANAGEMENT INFORMATION CIRCULAR
in respect of the

ANNUAL GENERAL MEETING OF SHAREHOLDERS

to be held on Friday, 21 November 2014 at 3p.m. (Perth time), Perth, Western Australia

As at and dated 3 October 2014

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.



ABN 27 106 808 986

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the "**Meeting**") of holders of ordinary shares (the "**Shareholders**") of Perseus Mining Limited (the "**Company**") will be held at the Rydges Hotel, 815 Hay Street, Perth, Western Australia on Friday, 21 November 2014 at 3.00 p.m. (Perth time) for the purpose of transacting the business set out below.

The enclosed explanatory memorandum ("**Explanatory Memorandum**") and management information circular ("**Management Information Circular**") accompany and form part of this Notice of Meeting.

AGENDA

ORDINARY BUSINESS

1. Financial Report for the Year Ended 30 June 2014

To receive and consider the financial report of the Company for the year ended 30 June 2014, together with the reports by the directors and auditors thereon.

2. Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution in accordance with section 250R(2) of the *Corporations Act 2001 (Cth)* (the "**Corporations Act**"):

"That the Remuneration Report as set out in the Directors' Report section of the 2013 Annual Report of the Company be adopted."

Note: The vote on this resolution is advisory only and does not bind the directors or the Company.

Voting Exclusion applies and is described below.

3. Resolution 2 - Re-Election of Mr. Colin Carson as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr. Colin Carson, who retires in accordance with Clause 3.6 of the Constitution of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as a director of the Company."

4. Resolution 3 - Re-Election of Mr. Michael Bohm as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr. Michael Bohm, who retires in accordance with Clause 3.6 of the Constitution of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as a director of the Company."



ABN 27 106 808 986

5. Resolution 4 - Renewal of Performance Rights Plan

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 7.2, Exception 9(b), section 613 of the TSX Company Manual, and all other purposes, the directors be and are hereby authorised to maintain the performance rights plan of the Company known as the "Perseus Mining Limited Performance Rights Plan" (the "PR Plan"), a summary of which is set out in the Explanatory Memorandum accompanying this Notice, and the grant of Performance Rights and the issue of shares thereunder, be and is hereby approved as an exception to ASX Listing Rule 7.1, provided that the Company shall only have the ability to issue Performance Rights thereunder until 20 November 2017, whereupon the PR Plan must be re-approved by Shareholders."

Voting Exclusion applies and is described below.

GENERAL BUSINESS

6. To transact any other business which may lawfully be brought forward.

Accompanying this Notice of Meeting is (i) an explanatory memorandum and management information circular, which provide additional information relating to the matters to be dealt with at the Meeting; and (ii) a Form of Proxy or a Voting Instruction Form ("VIF").

Voting Exclusions and Explanatory Notes

Voting restrictions apply to Resolution 1 and to Resolution 4 as follows.

A vote on Resolutions 1 and 4 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the key management personnel, details of whose remuneration are included in the Remuneration Report;
- (b) a closely related party of such a member which includes a spouse, dependent, certain other close family members as well as any companies controlled by the member.

However, a person (the "Voter") described above may cast a vote on these Resolutions as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the Voter is the chair of the Meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

Directors (who, by definition, form part of the key management personnel in any case) or any of their associates must not cast votes in relation to Resolutions 1 and 4 except as a proxy in the circumstances described above. Lastly, pursuant to the TSX Company Manual, the votes attached to the Shares held by any person that is an "insider" of the Company for the purposes of the TSX



ABN 27 106 808 986

Company Manual and eligible to participate in the Plan ("Eligible Insiders") must be excluded from any vote in respect of Resolution 4. As of the date of this Explanatory Memorandum and Management Information Circular, 3,934,450 Shares held by Eligible Insiders will be excluded from the vote on Resolution 4.

If you wish to appoint a member of the key management personnel (which includes each of the directors and the Chair) as your proxy, please read the voting exclusion above and in the proxy form carefully. Shareholders are encouraged to direct their proxies how to vote.

How the Chair will vote available proxies

The Chair of the Meeting intends to vote all available proxies in favour of all of the resolutions set out in the Notice. The proxy form expressly authorises the Chair to exercise undirected proxies in favour of remuneration related resolutions (Resolutions 1 and 4).

Default to the Chair

Any directed proxies that are not voted on a poll at the Meeting will automatically default to the Chair of the Meeting, who is required to vote those proxies as directed.

Registered Shareholders

A registered Shareholder may attend the Meeting in person or may be represented thereat by proxy. In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- the proxy need not be a shareholder of the Company;
- each Shareholder may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

Accordingly, if you are a registered Shareholder of the Company and are unable to attend the Meeting in person, please execute the accompanying form of proxy in accordance with the instructions contained in the form and return it in accordance with the following:

1. **in respect of Shareholders registered on the Company's Australian share register**, prior to 3pm (Perth time) on Wednesday, 19 November 2014:
 - (i) by mail to Advanced Share Registry Limited, PO Box 1156, Nedlands, Western Australia 6909
 - (ii) by facsimile to +61 (0) 8 9262 3723;
 - (iii) by voting online at www.advancedshare.com.au (you will need your SRN or HIN to log in);
2. **in respect of Shareholders registered on the Company's Canadian register**, not later than 48 hours prior to the Meeting, by mail to TMX Equity Transfer Services Inc, attention Proxy Department, at 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1 or by facsimile at +1 416 595-9593.



ABN 27 106 808 986

Beneficial Shareholders

If you are a beneficial Shareholder of the Company and receive these materials through your broker or through another intermediary, please complete and return the VIF or proxy in accordance with the instructions provided to you, by your broker, or by the other intermediary.

The board of directors of the Company (the "**Board**") has fixed 3 October 2014 as the record date for determining the registered Shareholders of the Company entitled to receive the Notice of Meeting and 5pm (Perth time) on Wednesday, 19 November 2014 as the record date for determining the Shareholders of the Company entitled to vote at the Meeting. However, any shareholder who acquires shares in the Company after 3 October 2014 can obtain a copy of the Notice of the Meeting and a Proxy Form by contacting the Company.

By Order of the Board of Directors

A handwritten signature in dark ink, appearing to read "Martijn Bosboom", is written over a faint, horizontal grey line.

Martijn Bosboom

Company Secretary

Perth, Western Australia

Dated: 3 October 2014



ABN 27 106 808 986

EXPLANATORY MEMORANDUM AND MANAGEMENT INFORMATION CIRCULAR

This Explanatory Memorandum and Management Information Circular is furnished in connection with the solicitation of proxies by Perseus Mining Limited ("**Perseus**" or the "**Company**") for use at the annual general meeting of the holders of the ordinary shares (the "**Shares**") of the Company (the "**Shareholders**") to be held on Friday, 21 November 2014 at 3:00 pm (Perth time), and any adjournment thereof (the "**Meeting**"), at the place and for the purposes set forth in the accompanying notice of meeting (the "**Notice**").

In this Management Information Circular and Explanatory Memorandum, unless otherwise indicated all dollar amounts are expressed in Australian dollars. Unless otherwise stated, the information contained in this Management Information Circular and Explanatory Memorandum is as of the date of the Notice.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the matters set forth in the Notice attached hereto for approval at the Meeting. The directors recommend that Shareholders read this Explanatory Memorandum and Management Information Circular in full before making any decision regarding the matters set forth in the Notice.

1. Financial Statements and Reports

In accordance with the requirements of the Company's Constitution and the *Corporations Act 2001 (Cth)* Australia (the "**Corporations Act**"), the audited consolidated financial statements for the financial year ended 30 June 2014, together with the report of the auditor thereon and the Directors' Report (the "**Annual Report**"), will be tabled at the Meeting. Shareholders will have the opportunity at the Meeting to discuss the Annual Report, make comments and raise queries in relation to the Annual Report.

Representatives of the Company's auditors, Ernst & Young, will be present to take questions and comments from Shareholders about the conduct of the audit and the preparation and content of the audit report.

Companies are no longer required to mail out a hard copy of their annual report to shareholders except to those shareholders who have elected to receive a hard copy and notified the Company to that effect. Shareholders who have not already made such an election may obtain a hard copy of the Annual Report by contacting the Company. Alternatively, the Annual Report is available on the Company's website at www.perseusmining.com and may be downloaded or read online.

2. Resolution 1 - Adoption of Remuneration Report

Pursuant to section 250R(2) of the Corporations Act, the Company submits to Shareholders for consideration and adoption, by way of a non-binding resolution, its remuneration report for the year ended 30 June 2014 (the "**Remuneration Report**"). The Remuneration Report is a distinct section of the Annual Report which deals with the remuneration of directors and executives of the Company.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out the remuneration details for each director and executive officer named in the Remuneration Report for the financial year ended 30 June 2014.

The directors recommend that Shareholders vote in favour of the adoption of the Remuneration Report. As previously stated, this resolution is advisory only and does not bind the directors or the Company. However, the Board will take the outcome of the vote on this resolution into consideration when reviewing the remuneration practices and policies of the Company in the future.

The Chairman of the Meeting will provide Shareholders with reasonable opportunity at the Meeting to ask questions about, or to make comments on, the Remuneration Report.

If at least 25% of the votes cast at the Meeting on Resolution 1 are voted against adoption of the Remuneration Report, and then again at the Company's 2015 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider the appointment of new directors of the Company ("**Spill Resolution**").

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene a general meeting ("**Spill Meeting**") within 90 days of the Company's 2015 annual general meeting. All of the directors who are in office when the Company's 2015 Directors' Report is approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Chairman authorised to exercise undirected proxies: Where Shareholders have appointed the Chair of the Meeting as their proxy, the Chair will vote in favour of Resolution 1 "Adoption of Remuneration Report" unless the Shareholder has expressly indicated a different voting intention. This is so notwithstanding that the resolution is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chair.

3. Resolutions 2 and 3 - Re-Election of Colin Carson and Michael Bohm as Directors

In accordance with the requirements of the Company's Constitution and the ASX Listing Rules, one-third of the directors of the Company (excluding the managing director), and those who were last re-elected more than three years ago, must retire from office at the Meeting but if they are eligible, may offer themselves for re-election. In accordance with these requirements, Mr. Colin Carson and Mr. Michael Bohm must retire at the Meeting. Being eligible, both Mr. Carson and Mr. Bohm have offered himself for re-election.

Details of Mr. Carson's and Mr. Bohm's qualifications and experience are available in the Annual Report.



ABN 27 106 808 986

Exemption from TSX Rules

The Company has sought and been granted an exemption from the requirements of Section 461.1 and 461.2 of the TSX Company Manual, the effect of which is that not every director of the Company must submit himself for re-election at the Meeting. Effectively, the re-election of directors for the purposes of this Meeting is subject only to the requirements of the Company's Constitution, the ASX Listing Rules and the Corporations Act.

The Company sought the exemption on the basis that: (i) the Company is subject to director retirement and re-election rules already provided for in the Company's Constitution, the ASX Listing Rules and the Corporations Act (as described above); and (ii) more than 75% of trading in the Company's shares by value and volume was on the ASX in comparison to the TSX. The Company will be required to apply for such an exemption at each successive annual general meeting.

Director Information

The following table sets out the names of the nominees for election as a director of the Company and each other person whose term of office as a director will continue after the Meeting, the province or state and the country in which each is resident, all positions with the Company now held by each of them, their present principal occupation, business or employment in the five preceding years, the period of time for which each has served as a director of the Company, and the number of Shares of the Company or its subsidiaries beneficially owned or controlled or directed, directly or indirectly, by each such person as at the date hereof.

Name and Residence	Position(s) with Perseus	Principal Occupation During Past Five Years	Director Since	Number of Shares Controlled or Directed
REGINALD N. GILLARD ⁽¹⁾⁽²⁾ Western Australia, Australia	Non-executive chair	Acting as director of various public companies.	2003	1,100,000
JEFFREY A. QUARTERMAINE Western Australia, Australia	Managing director	Managing director, Perseus (February 2013 to present); Chief Financial Officer, Perseus (May 2010 to January 2013); Director, Chief Financial Officer & Company Secretary TriAusMin Ltd (January 2008 to April 2010).	2013	200,000
COLIN J. CARSON* Western Australia, Australia	Executive director	Executive director, Perseus (2003 to present); Executive director, Equus Mining Ltd., mineral explorer from 1996 to 30 September 2012.	2003	853,200
T. SEAN HARVEY ⁽¹⁾⁽²⁾ Ontario, Canada	Non-executive director	Self-employed consultant (June 2006 to present); Chairman, Andina Minerals Inc., a precious metal exploration and development company (2004 to March 2013); President & Chief Executive Officer, Orvana Minerals Corp., a gold producing company (April 2005 to June 2006); Self-employed consultant (January 2004 to April 2005)	2009	1,000,000
MICHAEL A. BOHM* ⁽¹⁾⁽²⁾ Western Australia, Australia	Non-executive director	Self-employed consultant (July 2012 to present); Director, Ramelius Resources Limited (November 2012 to present); Managing director, Herencia Resources plc, a mineral exploration and development company from January 2009 to 30 June 2012; Chief Development Officer, Mineral Securities Operations Ltd., a resource evaluation and exploration company (August 2005 to	2009	420,000

Name and Residence	Position(s) with Perseus	Principal Occupation During Past Five Years	Director Since	Number of Shares Controlled or Directed
December 2008)				

Notes:

(1) Member of the Audit and Risk Committee.

(2) Member of the Remuneration Committee.

* Denotes candidates eligible for election as directors.

The directors do not have a fixed term in office. In accordance with the requirements of the Company's Constitution and the ASX Listing Rules, one-third of the directors of the Company (excluding the managing director), and those who were last re-elected more than three years ago, must retire from office at annual general meetings but if they are eligible, may offer themselves for re-election.

The directors (with Messrs Bohm and Carson abstaining) recommend that Shareholders vote in favour of the election of Mr. Carson and Mr. Bohm.

No director or proposed director of the Company is, as at the date hereof or has been within the ten years prior to the date hereof, a director, chief executive officer or chief financial officer of any company (including Perseus) that was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, issued: (1) while that person was acting as director, chief executive officer or chief financial officer; or (2) after the director ceased to be a director, chief executive officer or chief financial officer but which resulted from an event that occurred while that person was acting in that capacity.

Other than as described below, no director or proposed director (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including Perseus) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such proposed director.

From November 1996 to June 2008, Mr. Gillard was a non-executive director of Voyager Resources Limited ("**Voyager**") (previously Lafayette Mining Limited), an issuer listed on the ASX. Mr. Quartermaine was also an executive director and chief financial officer of Voyager from May 2006 to December 2007. On December 18, 2007, Voyager entered into voluntary administration under the provisions of the Corporations Act. In April 2008, Voyager entered into a deed of company arrangement with the consent of its creditors. In August 2009, the deed of company arrangement was effected, completing the term of the deed administrator. Voyager's securities were reinstated to quotation on the ASX in September 2009.

From August 2005 to November 2008, Mr. Bohm was a director of certain unlisted subsidiaries of Mineral Securities Limited ("Minsec"), an ASX listed company, including Mineral Securities Operations Limited, Kadina Pty Ltd, Platmin Holdings Pty Ltd and Mineral Securities Holdings Pty

Ltd, (collectively, the “Minsec Subsidiaries”). In August 2008, CopperCo Limited (“CopperCo”), an ASX listed company, acquired Mineral Securities Limited and the Minsec Subsidiaries. In late November 2008, CopperCo and a number of its subsidiaries, including the Minsec Subsidiaries, were placed in voluntary administration and receivership. Mr. Bohm resigned as a director of the Minsec Subsidiaries immediately prior to the Minsec Subsidiaries being placed in voluntary administration. The Minsec Subsidiaries subsequently became wholly-owned subsidiaries of Cape Lambert Iron Ore Ltd. and as of the date hereof, are no longer in voluntary administration and receivership.

4. Resolution 4 - Renewal of Performance Rights Plan

Background

The Company adopted the Performance Rights Plan (the “**PR Plan**”) in November 2012. The PR Plan was established in order to provide incentive compensation to eligible employees, consultants or contractors of the Company and its subsidiaries as well as to assist the Company and its subsidiaries attract, motivate and retain qualified management personnel, employees and consultants. Rights granted under the PR Plan can vest and convert to Shares based on performance criteria specified by the Company when making an offer of such rights to eligible participants.

Pursuant to its rules, the ASX Listing Rules and TSX rules, the PR Plan is to be re-presented to shareholders for approval every three years. Although the PR Plan was approved on 23 November 2012 and the Company may issue Performance Rights under the PR Plan until 23 November 2015, Shareholder approval for the renewal of the Plan for a further three year period to 21 November 2017 in accordance with the rules of the PR Plan, TSX Rules and ASX Listing Rule 7.2, Exception 9 is being sought at this time as some amendments have been made to the PR Plan. The key features of the PR Plan and amendments to the PR Plan are set out in **ATTACHMENT 2** and a full copy of the Plan may be obtained by contacting the Company. If the PR Plan is not approved by Shareholders in accordance with Resolution 4, the Company will not be able to grant further Performance Rights without the approval of Shareholders after 23 November 2015, however any the Performance Rights currently outstanding or granted before 23 November 2015 will remain outstanding until their expiry date.

The directors recommend that Shareholders vote in favour of renewal of the PR Plan.

Status of the Plan

The table below shows the number of Performance Rights that have been issued under the PR Plan since the previous approval by Shareholders of the PR Plan and the number that remains outstanding as at the date of this Notice. No Performance Rights have vested to date.

Grant date	Performance period	Issued	Cancelled due to termination of employment	Outstanding as at the date of this Notice
25/11/2012	01/07/2012 - 30/06/2015	600,000	300,000	300,000
01/01/2013	01/07/2012 - 30/06/2015	2,922,093	1,633,318	1,288,775
01/01/2014	01/01/2014 - 30/06/2015	2,625,000	350,000	2,275,000
01/01/2014	01/01/2014 - 31/12/2016	2,625,000	350,000	2,275,000
04/06/2014	01/01/2014 - 30/06/2015	562,500	-	562,500
04/06/2014	01/01/2014 - 31/12/2016	562,500	-	562,500

	Total	9,897,093	2,633,318	7,263,775
--	-------	-----------	-----------	-----------

The key vesting condition for the grant of rights to date is the performance of the Company's total shareholder return ("TSR") against a peer group's TSR over the performance periods as shown in the above table. In adopting the PR Plan, the Board's remuneration philosophy with respect to employee securities based compensation plans and long term incentives is to use the PR Plan instead of the Employee Option Plan approved by Shareholders at the 2010 annual general meeting and renewed at the 2013 annual general meeting (the "2010 Plan") with respect to senior executives. However, the Board may from time to time continue to grant options under the 2010 Plan to middle level staff who are not necessarily in a position to have an impact on the Company's financial and operating performance but whose performance may nevertheless benefit from or be rewarded by the grant of options as an incentive or as a bonus. There are currently no options outstanding under the 2010 Plan.

The aggregate maximum number of Shares available for issuance under the PR Plan at any given time is 5% of the Company's currently outstanding Shares as at that time for the purposes of compliance with Australian law. However, compliance with this 5% limit has to be by reference to all employee incentive plans in aggregate.

The Company presently has 526,656,401 Shares on issue. Therefore, a maximum of 19,069,045 Shares can be reserved for issuance in aggregate under the 2010 Plan and the PR Plan (which is equal to 5% of the issued and outstanding Shares on a non-diluted basis as of the date hereof less the performance rights on issue under the PR Plan (7,263,775)). The aggregate number of securities that can be issued under PR Plan may not exceed 10% of the Company's total number of issued and outstanding securities for the purposes of compliance with TSX rules.

Other Business

Management is not aware of any other business to come before the Meeting other than as set forth in the accompanying Notice. If any other business properly comes before the Meeting, it is the intention of the persons named in the form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.



ABN 27 106 808 986

MANAGEMENT INFORMATION CIRCULAR

The Company is a “reporting issuer” in Canada. Accordingly, pursuant to the requirements of National Instrument 51-102 - Continuous Disclosure Obligations (“NI 51-102”) of the Canadian Securities Administrators, the following disclosure is required to be included with this Explanatory Memorandum.

GENERAL INFORMATION RESPECTING THE MEETING

Purpose of Solicitation

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the Meeting. The Meeting will be held at the Rydges Hotel, 815 Hay Street, Perth, Western Australia on Friday, 21 November, 2014 at 3.00 p.m. (Perth time), for the purposes set forth in the Notice accompanying this Explanatory Statement and Management Information Circular. References in the Management Information Circular to the Meeting include any adjournment(s) or postponement(s) thereof.

It is expected that the solicitation of proxies will be primarily by mail but may also be solicited by telephone, facsimile or in person by directors, officers and employees of the Company who will not be additionally compensated therefor. All costs of this solicitation will be borne by the Company.

The board of directors of the Company (the “Board”) has fixed 3 October 2014 as the record date for determining the registered Shareholders of the Company entitled to receive the Notice of Meeting and 5.00 p.m. (Perth time), 19 November 2014 as the record date for determining the Shareholders of the Company entitled to vote at the Meeting. However, any Shareholder who acquires Shares after 3 October 2014 may obtain a copy of the Notice, Explanatory Statement and Management Information Circular and a Proxy Form by contacting the Company.

Appointment of Proxies by Registered Shareholders

Enclosed herewith is a form of proxy for use at the Meeting. A Shareholder has the right to appoint up to two persons (who need not be Shareholders) to attend and act for the Shareholder and on the Shareholder’s behalf at the Meeting other than the person designated in the form of proxy and may exercise such right by inserting the full name of the desired person(s) in the blank space provided in the form of proxy.

The proxy to be acted upon must be delivered:

- (a) **in respect of Shareholders registered on the Company’s Australian share register**, prior to 3 pm (Perth time) on 19 November 2014:
 - (i) by mail to Advanced Share Registry Limited, PO Box 1156, Nedlands, Western Australia 6909;
 - (ii) by facsimile to +61 (0) 8 9262 3723; or
 - (iii) by voting online at www.advancedshare.com.au (you will need your SRN or HIN to log in);
- (b) **in respect of Shareholders registered on the Company’s Canadian share register**, not later than 48 hours **prior** to the time set for the Meeting or any adjournment(s) or postponement(s) thereof, by mail to TMX Equity Transfer Services Inc, attention Proxy Department, at 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1 or by facsimile at +1 416 595-9593.



ABN 27 106 808 986

Revocation of Proxies

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

Voting of Proxies

The form of proxy accompanying this Explanatory Memorandum and Management Information Circular confers discretionary authority upon the proxy with respect to any amendments to the matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting. At the time of printing this Information Circular, management knows of no such amendment or other matter.

It is intended that the person designated by management in the form of proxy (the **"Proxy Form"**) (this being the Chairman of the Meeting) will vote the securities represented by the proxy **IN FAVOUR** of each matter identified in the proxy form and **FOR** the election of the proposed directors to the Board of the Company. Shares represented by the Proxy Form will be voted on or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. **A Shareholder has the right to appoint a person or company to represent the Shareholder at the Meeting other than the person designated in the Proxy Form.**

Voting exclusions apply to Resolutions 1 and 4 under the Corporations Act and the ASX Listing Rules. Details of these voting exclusions are contained in the Notice of Meeting. In the absence of specific indication to the contrary, the Proxy Form provides express authority to the Chair to vote undirected proxies in favour of Resolutions 1 and 4 where you have appointed the Chair as your proxy. **Therefore, if you wish to appoint the Chair as your proxy but do NOT want your votes to be cast in favour of any or both of Resolutions 1 and 4, you must indicate your voting intention by marking either 'against' or 'abstain' against these Resolutions in the Proxy Form.**

Advice for Beneficial Holders

Shares may not be registered in the Shareholder's name but in the name of an intermediary (which is usually a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates). **A non-registered Shareholder cannot be recognized at the Meeting for the purpose of voting his Shares unless such holder is appointed by the applicable intermediary as a proxyholder.**

The Company is distributing Meeting materials to non-objecting beneficial owners in accordance with National Instrument 54-101 – *Communications with Beneficial Shareholders* ("**NI 54-101**"). Persons who are objecting beneficial owners for the purposes of NI 54-101 will not receive Meeting materials unless the beneficial owner's intermediary assumes the cost of delivery.

Non-registered Shareholders who receive meeting materials will be given a voting instruction form (a **"VIF"**) which must be completed and signed by the non-registered Shareholder in accordance with the instructions noted on it. In this case, the mechanisms described above for registered Shareholders cannot be used and the instructions on the VIF **must** be followed (which in some cases may allow completion of the VIF by telephone or the Internet). The VIF is provided instead of



ABN 27 106 808 986

a proxy. By returning the VIF in accordance with its instructions, a non-registered owner is able to instruct the registered Shareholder how to vote on behalf of the non-registered owner.

The purpose of these procedures is to allow non-registered Shareholders to direct the voting of the shares that they own but that are not registered in their name. Should a non-registered Shareholder wish to attend and vote at the Meeting in person (or have another person attend and vote on his behalf), the non-registered Shareholder should carefully follow the instructions provided on the VIF.

Proxies returned by intermediaries as “non-votes” because the intermediary has not received instructions from the non-registered Shareholder with respect to the voting of certain shares or, under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those Shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having those Shares voted in respect of any such matter.

Notice-and-access Delivery

The Company is using the notice-and-access model for the delivery of meeting materials to both its beneficial and registered shareholders on its Canadian share register in respect of the Meeting. Under notice-and-access, instead of receiving paper copies of this Management Information Circular, and the financial statements and MD&A for the year ended June 30, 2014 (collectively, the “Meeting Materials”), shareholders will be able to access the Meeting Materials electronically.

A separate notice has already been issued to Shareholders providing prescribed information required under the notice-and-access model. Shareholders will continue to receive a proxy or voting instruction form, as applicable, enabling them to vote at the Meeting. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and it will also reduce the Company’s printing and mailing costs.

Interest of Certain Persons or Companies in Matters to be Acted Upon

Other than as disclosed below, no director or officer of the Company who has held such position at any time since the beginning of the Company’s last financial year, no proposed nominee for election as a director of the Company, and no associates or affiliates of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting.

Voting Securities

The authorized capital of the Company consists of an unlimited number of Shares. As at the date hereof, there are 526,656,401 Shares issued and outstanding as fully paid. The Shares are the only shares of the Company entitled to be voted at the Meeting and subject to certain exclusions of votes described above, each Share is entitled to one vote on all matters to be acted upon at the Meeting.

All ordinary resolutions require the affirmative vote of not less than a majority of the votes cast by Shareholders who vote in respect thereof, in person or by proxy, at the Meeting. All special resolutions require the affirmative vote of not less than three-fourths of the votes cast by Shareholders who vote in respect thereof, in person or by proxy, at the Meeting.

Principal Holders of Shares

Other than as described in the table below, to the knowledge of the directors and executive officers of the Company, as at the date hereof no person or company beneficially owns, or controls or



ABN 27 106 808 986

directs, directly or indirectly, Shares carrying 10% or more of the voting rights attached to all of the issued and outstanding Shares.

<u>Name</u>	<u>Total Number of Shares Owned, Controlled or Directed</u>	<u>Percentage of Voting Shares</u>
Van Eck Associates Corporation	59,424,587	11.28%

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets out information in respect of the equity compensation plans under which equity securities of the Company are authorised for issuance, as at June 30, 2014.

	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights</u>	<u>Weighted-average exercise price of outstanding options, warrants and rights</u>	<u>Number of securities remaining available for future issuance under equity compensation plans</u>
Equity Compensation Plans approved by securityholders.	7,983,911 ⁽¹⁾	refer note ⁽¹⁾	18,348,909 ⁽¹⁾
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	7,983,911	n/a	18,348,909

Notes:

- (1) Equity compensation plans comprise the 2010 Plan and the PR Plan. As no options are outstanding under the 2010 Plan the total of 7,983,911 shares comprises shares to be issued upon vesting and conversion of performance rights granted under the PR Plan. Performance rights have a nil exercise price but vesting is subject to satisfaction of specified performance criteria.

During the year ended 30 June, 2014, no options to purchase Shares were granted pursuant to or became subject to the 2010 Plan, no options were exercised, and 1,990,000 options expired or were cancelled. Following approvals received at the 2012 annual general meeting, 3,522,093 performance rights were issued during the year ended June 30, 2013 and a further 6,375,000 during the year ended June 30, 2014. However 486,464 rights were forfeited during the year ended June 30, 2013 and a further 1,426,718 during the year ended June 30, 2014 due to termination of employment leaving a balance of 7,983,911 rights at June 30, 2014.

As at the date hereof there were no options outstanding and 7,263,775 performance rights, representing approximately 1.38% of the current issued and outstanding Shares of the Company. At this time there were five (5) insiders holding 3,163,572 performance rights representing in aggregate approximately 0.60% of the current issued and outstanding Shares of the Company.



ABN 27 106 808 986

Employee Stock Option Plan

In November 2010, the Company adopted the 2010 Plan following its listing on the TSX. The 2010 Plan is designed to provide incentives, assist in the recruitment, reward, retention of employees and provide opportunities for employees (both present and future) to participate directly in the equity of the Company. The 2010 Plan does not allow for the issue of options to directors of the Company. Options under the 2010 Plan carry no dividend or voting rights. When exercisable, each option is convertible into one Share. The key terms and conditions of the 2010 Plan are described in **Attachment 1** and are qualified in their entirety by the full text of the 2010 Plan.

Performance Rights Plan

The Company adopted the PR Plan at its annual general meeting in November 2012. The key terms and conditions of the PR Plan are described in **Attachment 2** and are qualified in their entirety by the full text of the PR Plan.

Named Executive Officers

Perseus's compensation practices are designed to attract, motivate and retain highly qualified employees and executives to manage the business of the Company by rewarding individual and corporate performance and aligning the interests of the Named Executive Officers (as defined in Form 51-102F6 — *Statement of Executive Compensation*) (the "**Named Executive Officers**" or "**NEOs**") with those of the Company's shareholders.

As at June 30, 2014, the Company had five NEOs: Jeffrey A. Quartermaine, the Chief Executive Officer ("**CEO**") and Managing Director ("**MD**"); Elissa Brown, Chief Financial Officer ("**CFO**"); Colin Carson, an Executive Director; Martijn Bosboom, General Counsel & Company Secretary; and Kevin Thomson, Exploration Manager. The employment of two NEOs terminated during the year ended June 30, 2014: Jon Yelland, Chief Operating Officer, who resigned effective March 10, 2014, and Rhett Brans, Executive Director, who resigned as a director on November 15, 2013 and whose employment terminated on December 20, 2013.

Compensation Discussion & Analysis

The Company has adopted a remuneration framework that is designed to align (i) internal and security holders interests by: attracting and retaining high calibre people who are capable of delivering outcomes required by shareholders; promoting the achievement of net operating income targets and meeting /exceeding shareholder expectations; and focusing people on both key financial outcomes and non-financial drivers of security value; and (ii) organisational interests by: rewarding people capability and superior performance; recognising individual's contributions to the Company; and providing its people with clarity in terms of reward structures and opportunities to maximise remuneration outcomes.

The objective of the Company's compensation strategy is to compensate NEOs such that they are motivated to pursue the long-term growth and success of the Company and there is a clear relationship between performance and compensation.

The Company aims to reward NEOs with a level of remuneration commensurate with their position and responsibilities within the Company and so as to: (a) align the interests of the NEOs with those of Shareholders; (b) ensure rewards are consistent with the strategic goals and performance of the Company; and (c) ensure total remuneration is competitive.

For the year ended June 30, 2014 the elements of compensation earned, awarded or paid to the NEOs included annual compensation in the form of a base salary, superannuation (pension) contribution required under the *Superannuation Guarantee (Administration) Act 1992* (Cth) (the

“Australian Legislation”), other benefits (if any) and, for certain NEOs, long term incentives through the grant of performance rights and/or cash bonuses. Since the adoption of the PR Plan, the Board’s remuneration policy is to use the PR Plan in preference to the 2010 Plan with respect to NEOs’ and other senior executives.

As part of the Company’s cost reduction program, all directors agreed to a 15% reduction in their annual base salary inclusive of superannuation contributions with effect from July 1, 2013.

Elements of Compensation

A NEOs base salary is set so as to provide a base level of remuneration, which is both appropriate to the position and competitive.

An NEOs base salary is reviewed annually by the Remuneration Committee. The review process consists of a review of companywide, business unit and individual performance, relevant comparative remuneration in the market and in the Company and, where appropriate, external advice on policies and practice. Independent advice on the appropriateness of remuneration packages is obtained, where necessary.

No cash bonuses were paid to NEOs during the year ended June 30, 2014.

As required under the Australian Legislation, NEOs receive superannuation (pension) contributions, which are a percentage of base salary.

The objective of the Company’s long term incentive policy is to reward executives and senior managers in a manner which aligns an element of their remuneration with the creation of shareholder wealth, as measured by increases in the price and value of the Company’s Shares. Given the small executive team, it is believed that the performance of the Company’s executives and the performance and value of the Company’s Shares are closely related. As such, the realisation of a benefit from the receipt of performance rights by certain NEOs depends on the performance of the Company as measured by its total shareholder return over a certain period in comparison to the performance of a group of peer companies.

Grants of long term incentives are generally determined by reference to market conditions, comparable companies within the industry and the amount of cash compensation paid to the relevant NEO. Given the evolving nature of the Company’s business, the Company’s overall compensation plan is under constant review so as to continue to address its objectives.

In setting the fixed remuneration and long-term incentive awards of its NEOs, the Company refers to the remuneration offered by comparable companies in the industry. More specifically, prior to making recommendations to the Board regarding compensation of NEOs, the Remuneration Committee identifies comparable issuers and gathers information regarding the compensation paid by those issuers to its senior executives. The Remuneration Committee then benchmarks the Company’s NEOs against positions of similar responsibilities and scope of those other issuers.

The issuers selected as being comparable for this purpose have been selected on the basis of meeting most or all of the following characteristics that are common to the Company:

- listed companies;
- comparable in size; and
- corporations in the production and development stage of mining and resources.

The issuers selected for the most recent fixed remuneration review were Beadell Resources Limited, Paladin Energy Limited, Papillon Resources Limited, Resolute Mining Limited and Troy

Resources Limited. The issuers selected in respect of the comparison of total shareholder return under the PR Plan were African Barrick Gold plc, Semafo Inc, Medusa Mining Limited, Golden Star Resources Ltd, Kingsgate Consolidated, Regis Resources Limited, Resolute Mining Limited, Teranga Gold Corporation, St Barbara Mines and Endeavour Mining Corp.

Risks Associated with Compensation Policies and Practices

The Company's compensation policies alleviate risk by having a balance of short term and long term compensation. For example, vesting of performance rights issued thus far by the Company will be measured by the Company's "total shareholder return", relative to its peer group, over a three year period. Therefore short term production or revenue targets are of no real consequence in determining long term executive compensation. Consequently, the Remuneration Committee is confident that its compensation policies and practices will not lead to inappropriate or excessive risk taking on the part of any of the Company's employees. Whilst, the Board does not have a formal process of considering the implications of the risks associated with the Company's compensation policies or practices, it is satisfied that its existing compensation policies and practices do not in themselves lead to inappropriate or excessive risk taking on the part of any of the Company's employees.

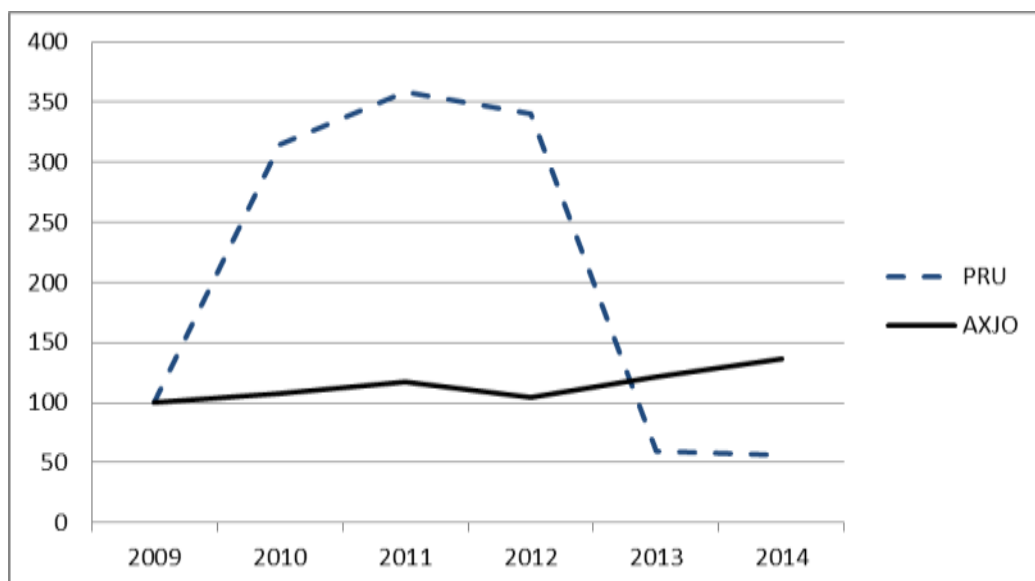
Financial Instruments

NEOs and directors of the Company are not permitted to purchase financial instruments, of any kind, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Performance Graph

The following graph compares, assuming an initial investment of \$100 in July 2009, the yearly percentage change in the Company's cumulative total shareholder return on its Shares against the cumulative total shareholder return of the S&P/ASX 200 Index for the Company's five most recently completed financial years.

Perseus Mining Limited (PRU) - Share Price Performance versus the S&P ASX 200 Index



	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Perseus Mining Limited	315	359	340	60	56
S&P/ASX200 Index	108	117	104	121	136

As previously stated, the value of the NEOs performance rights is linked to the performance of the Company's share price and as a consequence is directly aligned with shareholder wealth. This relationship is demonstrated by comparing the cumulative total shareholder return of \$100 invested in the Company's ordinary shares, with the cumulative shareholder return of the S&P/ASX200 over a similar period.

Share-Based and Option-Based Awards

Share-based and performance rights-based awards are a component of long term incentive compensation. Performance rights are issued to NEOs at the discretion of the Board (and subject to Shareholder approval, where the NEO is a director of the Company), upon the recommendation of the Remuneration Committee. As explained previously, performance rights generally vest upon the holder remaining employed by the Company for a specified period of time and subject to the total shareholder return performance of the Company relative to its peer group. Previous grants of performance rights-based awards are taken into account when considering new grants.

Compensation Governance

Remuneration Framework

The Board established a Remuneration Committee in 2007 to ensure that the Company has a compensation program that is both motivational and competitive while meeting the objectives of the Company. The Remuneration Committee is governed by a Remuneration Committee Charter, last amended and adopted by the Board in May 2014. The Remuneration Committee assists the Board to fulfil its responsibilities to Shareholders and other stakeholders by ensuring the Company has remuneration policies for fairly and competitively rewarding executives with the overall objective of ensuring maximum stakeholder benefit from the retention of a highly qualified board and executive management team. The Remuneration Committee is responsible for, among other things, evaluating the performance of the Company's management and making recommendations to the Board with respect to the compensation of the Company's management.

Currently, the primary responsibilities, powers and opportunities of the Remuneration Committee are to assist the Board in fulfilling its oversight mandate by:

- (a) reviewing and approving and then recommending to the Board salary, bonus, and other benefits, direct or indirect, and any change of control packages of the members of the senior management team;
- (b) reviewing compensation of the Board on an annual basis;
- (c) considering, and if applicable, benchmarking against the Company's peer groups;

- (d) administering the Company's compensation plans, including the 2010 Plan and the PR Plan, and such other compensation plans or structures as may be adopted by the Corporation from time to time;
- (e) reviewing trends in employment benefits; and
- (f) establishing and periodically reviewing the Company's policies in the area of management benefits and perquisites.

The Remuneration Committee is comprised of three independent directors who meet as often as the committee deems reasonably necessary. The members of the Remuneration Committee at the date hereof are Messrs. Gillard, Harvey and Bohm. The Board believes that by virtue of their experience as former executive officers and directors of various mining and financial companies and their experience in corporate governance, the Remuneration Committee has the diversity of skills to make informed and independent decisions on compensation matters for the Company. These committee members regularly review remuneration trends externally and in the mining industry in particular and study publicly available information on remuneration practices and levels in other organisations.

The education and experience of each of Messrs. Gillard, Harvey and Bohm that is relevant to the performance of his responsibilities as a Remuneration Committee member is set out below.

- Reginald N. Gillard BA FCPA FAICD JP – After practicing as an accountant for over 30 years, during which time Mr. Gillard formed and developed a number of service related businesses, Mr. Gillard now focuses on corporate management, corporate governance and the evaluation and acquisition of resource projects. Mr. Gillard is a Fellow of the Australian Society of Certified Practising Accountants, a Fellow of the Australian Institute of Company Directors, and a Member of the Royal Association of Justices of Western Australia. Mr. Gillard is a graduate of the University of Western Australia and Perth Technical College.
- Michael Bohm B.AppSc (Mining Eng.) MAusIMM - Mr. Bohm is a mining engineer with over 24 years' extensive experience in operations management, evaluation and project development in Australia, Northern Europe, SE Asia and North and South America. Mr. Bohm's last 10 years of operations and management experience in the mining industry, included being Managing Director of Herencia Resources plc (until June 2012), a mineral exploration and development company, Chief Development Officer and Managing Director (Asia) of Mineral Securities Operations Ltd, Consultant/Project Director/ Operations Director, Sally Malay Mining Limited, a nickel production company and non-executive director of Ramelius Resources Ltd (since November 2012), a gold production, development and exploration company.
- T. Sean Harvey MBA LL.B MA - Mr. Harvey has extensive experience in the resources sector. Mr. Harvey holds an Honours BA degree in Economics and Geography and an MA in Economics, both from Carleton University; an LLB from the University of Western Ontario; and an MBA from the University of Toronto and is a member of the Law Society of Upper Canada. Mr. Harvey serves on the Boards and Remuneration Committees of a number of companies in the mining sector.

For additional information with respect to the Remuneration Committee, see the Company's Consolidated Financial Report for the year ended June 30, 2014, which includes a Remuneration Report and is available on SEDAR at www.sedar.com.

Compensation Consultants & Advisors

Independent remuneration consultants are engaged by the Remuneration Committee from time to time to ensure the Company's remuneration system and reward practices are consistent with current market practices. Various remuneration arrangements in relation to the Company's key management personnel during the most recently completed financial year were based on recommendations made by an independent remuneration consultant, PJ Kinder Consulting. The independent consultant's mandate was to review executive management and non-executive directors' compensation levels and make recommendations thereon. Under the Corporations Act, independent remuneration consultants can only take instructions from and report to non-executive directors. PJ Kinder Consulting has not provided services to any subsidiaries of the Company or any directors or management.

The following table provides a summary of fees paid to compensation consultants and advisors retained by the Company for the last two most recently completed financial years.

Year	Nature of Service	Executive Compensation-Related	
		Fees	All Other Fees
	(A\$)	A\$	A\$
2014	See below	5,000	-
2013	See below	11,000	-

The nature of the service was to review executive management and non-executive directors' compensation levels and make recommendations thereon.

Summary Compensation Table

The following table and the notes thereto summarize the compensation of the NEOs for the periods indicated.

Name and Principal Position	Year Ended June 30	Non-equity Incentive Plan							Total Compensation
		Salary / Fees	Share-based Awards	Option-based Awards	Annual incentive plans	Long-term incentive plans	Pension Value	All Other Compensation	
		(A\$)	(A\$)	(A\$)	(A\$)	(A\$)	(A\$)	(A\$)	(A\$)
Jeff Quartermaine	2014	697,500	52,143	—	—	—	25,000	—	774,643
(1) (3) (4)	2013	609,167	33,129	—	17,760	—	25,000	—	685,056
MD & CEO	2012	432,500	—	264,139	40,000	—	25,000	—	761,639
Elissa Brown ⁽²⁾	2014	342,225	37,156	—	—	—	17,775	—	397,156
(3)	2013	263,530	21,741	—	16,280	—	16,470	—	318,021
Chief Financial Officer	2012	—	—	—	—	—	—	—	—
Colin Carson ⁽³⁾	2014	305,225	91,600	—	—	—	17,775	—	414,600
(4)	2013	363,530	88,708	—	—	—	16,470	—	468,708
Executive director	2012	304,000	—	—	40,000	—	25,000	—	369,000

Kevin Thomson ⁽³⁾ ...	2014	458,744	46,438	—	—	—	—	—	505,182
	2013	449,502	28,298	—	—	—	—	—	477,800
Exploration Manager	2012	267,619	—	211,311	—	—	—	24,827	503,757
Jon Yelland.....	2014	366,707	-33,129	—	—	—	23,521	60,496	417,595
Chief	2013	432,496	33,129	—	24,975	—	25,000	—	515,600
Operating Officer ⁽³⁾⁽⁶⁾	2012	314,858	—	—	—	—	30,000	—	344,858
Rhett Brans ⁽³⁾⁽⁴⁾⁽⁶⁾ ...	2014	179,924	-88,708	—	—	—	20,253	147,316	258,785
	2013	469,250	88,708	—	—	—	10,750	—	568,708
Executive director	2012	418,250	—	—	40,000	—	43,000	—	501,250
Martijn Bosboom ⁽³⁾	2014	254,250	3,985	—	—	—	23,120	—	281,355
⁽⁷⁾	2013	—	—	—	—	—	—	—	—
	2012	—	—	—	—	—	—	—	—
General Counsel & Company Secretary									

Notes:

- (1) Mr. Quartermaine was appointed Managing Director and Chief Executive Officer on February 1, 2013. Before this appointment he was the Company's Chief Financial Officer. Amounts shown above include all of Mr. Quartermaine's remuneration during the reporting periods, whether as Managing Director and Chief Executive Officer or Chief Financial Officer. The amount received in his position as Managing Director and Chief Executive Officer for the year ended June 30, 2013 was \$354,167, made up of cash salary of \$343,750 and superannuation of \$10,417.
- (2) Ms. Brown was appointed Chief Financial Officer on February 1, 2013. Before this appointment she was the Company's Group Financial Controller. Amounts shown above include all Ms. Brown's remuneration during the reporting periods, whether as Chief Financial Officer or as Group Financial Controller. The amount received in her position as Chief Financial Officer for the year ended June 30, 2013 was \$150,000, made up of cash salary of \$143,137 and superannuation of \$6,863.
- (3) Share-based Awards relate to the vesting expense for the financial year of performance rights issued to directors and employees under the terms of the company's PR Plan. The fair value of the performance rights is calculated at the date of grant using the Monte-Carlo Simulation pricing model.
- (4) Remuneration for the executive directors (Messrs. Quartermaine, Brans and Carson) does not include any component for acting as directors.
- (5) Mr. Yelland resigned effective March 10, 2014.
- (6) Mr. Brans's employment with the Company terminated on December 20, 2013.
- (7) Mr. Bosboom was appointed on July 15, 2013.

Narrative Discussion

As at June 30, 2014, the directors and executive officers of the Company, as a group beneficially owned, controlled or directed, directly or indirectly 3,934,450 Shares representing approximately 0.75% of the issued and outstanding Shares and held performance rights to acquire an additional 3,163,572 Shares, representing approximately 0.60% of the Shares on a fully-diluted basis.

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table discloses the individual outstanding share-based awards and option-based awards at the end of the most recently completed financial year (including awards granted before the most recently completed financial year) to each NEO.

Named Executive Officer ⁽¹⁾	Option-Based Awards				Share-Based Awards	
	Number of Securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options	Number of share or units of shares that have not vested ⁽²⁾	Market or payout value of share-based awards that have not vested ⁽²⁾
	(#)	(A\$)	(date)	(A\$)	(#)	(A\$)
Jeffrey Quartermaine MD & CEO	—	—	—	n/a	999,286	409,707
Colin Carson Executive Director	—	—	—	n/a	700,000	287,000
Elissa Brown Chief Financial Officer	—	—	—	n/a	580,000	237,800
Kevin Thomson Exploration Manager	—	—	—	n/a	634,286	260,057
Martijn Bosboom General Counsel & Company Secretary	—	—	—	n/a	250,000	102,500

(1) Messrs Yelland's and Brans's performance rights lapsed when their employment terminated during the year.

(2) The numbers disclosed are performance rights (each of which has the right to convert to one Share) issued under the PR Plan and which remain unvested at the end of the financial year. The market value is calculated simply by reference to the closing share price at the end of the financial year without any reference to the number of performance rights, if any, which may ultimately vest.

Incentive plan awards – value vested or earned during the year

No options or performance rights vested during the year with respect to any NEO. Following the adoption of the PR Plan in November 2012, performance rights were issued during the year to the NEOs' noted in the table above. The "Summary Compensation Table" disclosed above provides the fair value of the performance rights at the date of grant using the Monte-Carlo Simulation pricing model.

Narrative Discussion

As at June 30, 2014 there were no options held by NEOs.

As at June 30, 2014 there were 3,163,572 performance rights held by NEOs, none of which have vested. Vesting will be determined by reference to the Company's total shareholder return as measured against a peer group's performance as follows:

Performance period	Held by NEOs as at the date of this Management Information Circular
01/07/2012 - 30/06/2015	988,572
01/01/2014 - 30/06/2015	1,087,500
01/01/2014 - 31/12/2016	1,087,500
Total	3,163,572

Pension Plan Benefits

The Company does not have a pension plan and has not provided any pension plan benefits, other than statutory superannuation, to its NEOs.

Termination and Change of Control Benefits

Messrs. Quartermaine, Carson, Bosboom and Thomson and Ms. Brown (collectively, the "Executives") have employment contracts (the "**Executive Contracts**") which provide for termination benefits which are payable on early termination by the Company, other than for gross misconduct. Executives receive payment of between two and twelve months' salary.

The Company can terminate the Executive Contracts without notice under certain circumstances including but not limited to material breaches of contract, grave misconduct, dishonesty, fraud or bringing the Company into disrepute. The Company or the Executives may also terminate the Executive Contract by giving between two and three months' notice, or in the case of the Company, upon payment in lieu of notice.

Other than automatic vesting of Performance Rights in the event of a change of control for NEOs, entitlements and benefits do not arise upon a change in control. However, if the terms of the Executive Contracts are materially changed to their detriment or termination follows a change of control in certain circumstances, then, subject to compliance with the Corporations Act and stock exchange rules, the Executive is entitled to receive an amount of money from the Company that is equivalent to two months of the Executive's current gross base salary for each year of employment subject to a minimum of six months of gross base salary and a maximum of twelve months of gross base salary.

The following table provides details regarding the estimated payments to the Executives assuming the triggering event occurred on June 30, 2014.

Name	Termination by Company ⁽¹⁾	Termination following Change of Control	Automatic vesting of performance rights in the event of Change of Control ⁽²⁾⁽⁴⁾
	(A\$)	(A\$)	(A\$)
Jeffrey Quartermaine. (Managing Director & CEO)	180,625	566,667	n/a
Colin Carson	80,750	323,000	n/a
(Executive Director)			
Rhett Brans.....	147,316	n/a	n/a
(Executive Director) ⁽³⁾			
Elissa Brown	90,000	180,000	237,800
(Chief Financial Officer)			
Martijn Bosboom	75,110	150,219	102,500
(General Counsel & Company Secretary)			
Kevin Thomson.....	CAD\$75,792	CAD\$454,750	260,057
(Exploration Manager)			
Jon Yelland.....	n/a	n/a	n/a
(Chief Operating Officer) ⁽⁵⁾			

Notes:

- (1) Amounts are those payable where payment is in lieu of notice and termination is in the normal course of business.
- (2) Currently outstanding performance rights of executive directors do not automatically vest in the event of change of control.
- (3) Mr. Brans's employment terminated on December 20, 2013. The amount shown is the amount paid including accrued leave entitlements.
- (4) The market value is calculated simply by reference to the closing share price at the end of the financial year.
- (5) Mr. Yelland resigned effective March 10, 2014. No amounts were paid in respect of termination other than accrued entitlements.

Except as described above, there are no contracts, agreements, plans or arrangements that provide for payments to any other NEO at, following or in connection with, any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's responsibilities.

Compensation of Directors

The following table sets out all amounts of compensation provided to the directors for the Company's most recently completed financial year:

Director⁽¹⁾	Fees Earned	Share- based Awards	Option- based Awards	Non-equity Incentive Plan Compensation	Pension Value	All Other Compensation	Total
	(A\$)	(A\$)	(A\$)	(A\$)	(A\$)	(A\$)	(A\$)
Reginald Gillard . Non-executive chair	175,057	-	-	-	16,193	-	191,250
Michael Bohm ... Non-executive director	88,721	-	-	-	8,207	-	96,928
T. Sean Harvey... Non-executive director	102,730	-	-	-	-	-	102,730
Neil Fearis..... Non-executive director ⁽²⁾	40,912	-	-	-	-	-	40,912

Notes:

(1) The compensation for those directors who are also NEOs, being Messrs. Quartermaine, Brans and Carson, is fully reflected in the “*Summary Compensation Table*” above.

(2) Mr. Fearis retired as a director on November 15, 2013.

Narrative Discussion

During the most recently completed financial year, each non-executive director and the Chairman received fees for services rendered during that year as shown in the above table. Directors are also reimbursed for all reasonable expenses incurred in their capacity of directors. From April 1, 2012, directors of Perseus are entitled to receive additional amounts for committee participation. Those additional amounts are included in the above table. Should the non-executive directors provide services in excess of those expected of such a position, the Company will provide reasonable remuneration for those services. There are no other arrangements under which directors were compensated for their services as directors or as consultants or experts during the Company’s most recently completed financial year.

The Remuneration Committee seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, at a reasonable cost to the Company.

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by the Shareholders in general meeting. An amount not exceeding that amount is then divided between the directors as agreed. The latest determination was at a general meeting on November 26, 2010 when shareholders approved aggregate remuneration of A\$750,000 per year.

The Remuneration Committee (on behalf of the Board of Directors) reviews the remuneration packages for the non-executive directors on an annual basis. The Board of Directors considers fees paid to non-executive directors of comparable companies when undertaking its annual review process.

Incentive Plan Awards

Outstanding share-based awards and option-based awards

No non-executive director held any share-based awards or option-based awards at the end of the most recently completed financial year (including awards granted before the most recently completed financial year).

Incentive plan awards – value vested or earned during the year

No incentive plan awards vested or were earned by any director during the most recently completed financial year.

Indebtedness of Directors and Executive Officers

No director, officer, employee, former director, officer or employee of the Company, nor any associate of the foregoing, is or was indebted to the Company at any time since its incorporation or to any other entity if the indebtedness is or was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

Statement of Corporate Governance

The Board of Directors of the Company currently consists of five members. Each of Messrs. Gillard, Bohm and Harvey are considered to be “independent” directors for the purposes of National Instrument 58-101 “*Disclosure of Corporate Governance Practices*” (“**NI 58-101**”). As such, a majority of the directors of the Company are independent. Mr. Quartermaine is not considered to be independent on the basis that he is the Managing Director of the Company. Mr. Carson is not considered independent on the basis that he is an Executive Director of the Company.

In order to facilitate open and candid discussion among its non-executive directors, the non-executive directors of the Company hold regularly scheduled meetings at which executive directors and members of management (non-independent directors) are not in attendance.

Mr. Reginald Gillard serves as non-executive chairman of the Board (the “**Chairman**”) and is an independent director. Mr. Gillard’s duties as Chairman include setting the agenda for, and leading, meetings of the Board. He is also responsible, in consultation with the Board, for interpreting and monitoring the Company’s compliance with its continuous disclosure obligations under applicable stock exchange rules and securities legislation.

Other Public Company Directorships

Certain directors of the Company are directors of other reporting issuers (or the equivalent) in Canada or foreign jurisdictions, as set out below:

Director	Name of Issuer(s)
Reginald N. Gillard	Platina Resources Limited
Jeffrey A. Quartermaine.....	-
Colin J. Carson	Manas Resources Limited
T. Sean Harvey	Victoria Gold Corporation, Serabi Gold plc, Sarama Resources Ltd, Troy Resources Limited
Michael Bohm	Ramelius Resources Limited

Meetings of the Board

During the most recently completed financial year there have been 10 Board meetings. Attendance by each director is noted in the table below.

	Board Meetings	
	Meetings Eligible to Attend	Meetings Attended
RN Gillard	10	10
JA Quartermaine	10	10
CJ Carson	10	10
TS Harvey	10	10
MA Bohm	10	10
RB Brans (resigned November 15, 2013)	4	3
NC Fearis (retired November 15, 2013).	4	4

Mandate of the Board of Directors

The Board does not have a written mandate. Under applicable corporate law, the Board is responsible for setting the strategic direction and establishing the policies of the Company. Otherwise the Board delineates its own role and responsibilities. The Board is responsible for overseeing the Company's financial position, and for monitoring its business and affairs on behalf of the Shareholders, by whom the directors are elected and to whom they are accountable. The Board sets the strategic direction for the Company and oversees its implementation by management of the Company. The Board also addresses issues relating to internal controls and risk management. In addition to these duties, the Board of Directors monitors and receives advice on areas of operational and financial risk and control framework, and considers strategies for appropriate risk management arrangements. The Board holds regular meetings to discuss operational matters, and holds strategy meetings and other special purpose meetings, at such other times as may be necessary to address any specific significant matters that may arise.

Position Descriptions

The Board has not developed a written position description for the Chairman of the Board. However, by agreement among the Board, Mr. Gillard's duties as Chairman are as described above.

The mandate of the Audit and Risk Committee provides that the chairman of the Audit and Risk Committee shall be determined by the Board and shall not be the Chairman of the Board. The mandate of the Audit and Risk Committee also provides that its chairman thereof shall report the results of the Audit and Risk Committee's deliberations and recommendations directly to the Board. The Board has not however developed a written position description for the chairman of the Audit and Risk Committee. Similarly, the Board has not developed a written position description for the chairman of the Remuneration Committee.

The Board of Directors and the Managing Director and Chief Executive Officer have developed a written position description for the Managing Director and Chief Executive Officer, which includes the authority and responsibilities customarily associated with such a role.

Orientation and Continuing Education

While new directors do not participate in a formal orientation regarding the role of the Board, its committees and its directors, and the nature and operations of the business of the Company, new directors of the Company are provided with insight from other Board members and management on various matters, including the nature and operation of the business of the Company; the functioning of the Board and its committees; and the contribution which they are expected to make to the Board in terms of both time and resource commitments.

Orientation and education activities are also undertaken on an informal basis for existing Board members including meeting with the Company's management, legal counsel and auditors, and other consultants as is appropriate or desirable from time to time. The Company is of the view that these orientation and education activities are appropriate given the nature and scope of the Company's business activities. Each director also has the right to seek independent professional advice at the Company's expense provided that prior approval of the Chairman is obtained, which will not be unreasonably withheld.

Ethical Business Conduct

The Board acknowledges the need for continued maintenance of the highest standards of corporate governance practice and ethical conduct by all directors and employees. The Company has adopted a written code of business conduct for its directors, officers and employees to help ensure that all business affairs are conducted legally, ethically and with the strict observance of the highest standards of integrity and propriety. The directors and management have the responsibility to carry out their functions with a view to maximising financial performance of the Company. The executive directors of the Company are involved in all aspects of its activities. The directors are familiar with listing rules, legal requirements and general requirements for ethical behaviour and integrity in decision making, including trading in the Company's securities. The Board monitors compliance with the code of business conduct by requiring employees and consultants to report breaches of the code and then dealing appropriately with reported breaches. In accordance with applicable corporate law, the directors ensure that any director who has a material interest in proposed transactions or agreements involving the Company disclose such interest prior to consideration of the relevant matter by the directors and abstain from voting on approval of such transactions as appropriate. See *"Directors and Officers — Conflicts of Interest"*. The Board is satisfied there have been no departures from the code during the financial year.

Consistent with the adoption of a code of conduct, the Company has also adopted an Anti-Bribery and Corruption Policy and a Whistle Blower Policy.

A copy of the Code of Conduct is available at the Company's website or can be obtained by contacting the Company Secretary.

Nomination of Directors

The Board believes that the Company is currently not of sufficient size to justify the establishment of a nomination committee. However, the Board reviews its composition on an annual basis to ensure that the Board has the appropriate mix of expertise and experience. When a vacancy exists or where it is determined that the Board of Directors would benefit from the services of a new director with particular skills, the Board will identify candidates with relevant qualifications, skills and experience. External advisers may be used to assist in such a process. The Board of Directors will then appoint or present for election the most suitable candidate.

Compensation

The Board has established a Remuneration Committee comprised of three directors: Messrs. Gillard (Chair), Harvey and Bohm. Each member of the Remuneration Committee is considered to be “independent” for the purposes of NI 58-101. The Remuneration Committee is responsible for, among other things, evaluating the performance of the Company’s management and making recommendations to the Board with respect to the compensation of Board members and the Company’s management.

During the most recently completed financial year there have been two Remuneration Committee meetings. Attendance by each director is noted in the table below.

	Remuneration Committee Meetings	
	Meetings Eligible to Attend	Meetings Attended
R N Gillard	2	2
T S Harvey	2	2
M A Bohm	2	2

For further information with respect to the Remuneration Committee, see “*Statement of Executive Compensation – Compensation Governance – the Remuneration Committee.*”

Committees of the Directors

The Board has no standing committees other than the Audit and Risk Committee and the Remuneration Committee.

Assessment of Directors, the Board and Board Committees

The Board has established a process of formal assessment of the effectiveness and contribution of individual directors, the Audit and Risk Committee or the Remuneration Committee. This formal process has included written self-evaluation by each director, an evaluation of the Board as a whole by each director and evaluation of all fellow directors by each director using various questionnaires and templates. The Board monitors the adequacy of information given to directors, the communications between the Board and management and the strategic direction and processes of the Board and its Committees, to satisfy itself that the Board, its Committees and its individual directors are performing effectively. The Board also meets annually to review its own performance. Evaluations are based on specific criteria, including whether strategic and operational objectives are being met.

Additional Information

For further disclosure on the Company’s corporate governance practices, please see the section of the Consolidated Financial Report for the year ended June 30, 2014 entitled “*Corporate Governance Statement*”, which section is incorporated by reference into this Explanatory Memorandum and Management Information Circular. A copy of the Consolidated Financial Report is filed on SEDAR at www.sedar.com and, upon request to the Company Secretary, will be provided free of charge to any Shareholder.

Audit and Risk Committee

Currently, the Audit and Risk Committee consists of Mr. Harvey (Chair), Mr. Gillard and Mr. Bohm. All members of the Audit Committee are independent within the meaning of National Instrument 52-110 – *Audit Committees* (“NI 52-110”). All members of the Audit Committee are financially literate within the meaning of NI 52-110.

During the most recently completed financial year there have been four Audit and Risk Committee meetings. Attendance by each director is noted in the table below.

Audit and Risk Committee Meetings		
	Meetings Eligible to Attend	Meetings Attended
T S Harvey	4	4
R N Gillard	4	4
M A Bohm	2	2

Additional information regarding the Audit and Risk Committee is contained in the Company’s annual information form for the year ended 30 June, 2014 (the “AIF”) under the heading “Audit and Risk Committee” and a copy of the Audit and Risk Committee Charter is attached to the AIF. The AIF is available on the Company’s profile on SEDAR at www.sedar.com.

Interest of Informed Persons in Material Transactions

No informed person or any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has a material interest, direct or indirect, in any transaction since the commencement of the Company’s most recently completed financial year or in any proposed transaction that has materially affected or would materially affect the Company or any of subsidiaries.

Auditors

The auditors of the Company are Ernst & Young having an address at 11 Mounts Bay Road, Perth, Western Australia. Ernst & Young were appointed on November 25, 2011.

Additional Information

Additional information relating to the Company is available under the Company’s profile at www.sedar.com. Financial information is provided in the Company’s comparative financial statements and MD&A for its most recently completed financial year. The Company will provide to any person, upon request to the Company Secretary, a copy of the Company’s Annual Report for the year ended June 30, 2014 which includes the financial statements of the Company for the most recently completed financial year and the audit report issued thereon and/or one copy of the Company’s MD&A in respect of such financial year.

Copies of the above documents will be provided free of charge to Shareholders. The Company may require the payment of a reasonable charge by any person or company who is not a Shareholder of the Company, and who requests a copy of such document.

Shareholders can contact the Company Secretary, at +61 (08) 6144 1700 if they have any queries in respect of the matters set out in these documents.



ABN 27 106 808 986

APPROVAL OF THIS EXPLANATORY MEMORANDUM AND MANAGEMENT INFORMATION CIRCULAR

The contents and the sending of this Explanatory Memorandum and Management Information Circular have been approved by the directors of the Company.

By order of the Board of Directors

A handwritten signature in dark ink, appearing to be "M. Bosboom", written over a faint horizontal line.

Mr. Martijn Bosboom
Company Secretary
Dated: 3 October 2014



ABN 27 106 808 986

ATTACHMENT 1

KEY TERMS OF THE PERSEUS MINING LIMITED 2010 EMPLOYEE OPTION PLAN

- a. The 2010 Plan does not allow participation by directors of the Company.
- b. The aggregate maximum number of Shares available for issuance under the 2010 Plan at any given time is 5% of the Company's currently outstanding Shares as at that time for the purposes of compliance with Australian law. However, compliance with this 5% limit has to be by reference to all employee incentive plans in aggregate. Consequently performance rights on issue under the PR Plan will be included in assessing compliance with the 5% limit.

The Company presently has 526,656,401 Shares on issue. Therefore, a maximum of 19,690,045 Shares can be reserved for issuance in aggregate under the 2010 Plan and the PR Plan (which is equal to 5% of the issued and outstanding Shares on a non-diluted basis as of the date hereof less the performance rights on issue under the PR Plan (7,263,775)). The aggregate number of securities that can be issued to insiders of the Company within any one year period or issuable to insiders at any time under all of the Company's security based compensation arrangements (including the 2010 Plan and PR Plan) may not exceed 10% of the Company's total number of issued and outstanding securities for the purposes of compliance with TSX rules.

- c. The Board of Directors of the Company will establish the exercise price of an option at the time each option is granted provided that, so long as the Shares are listed on the TSX, such price shall not be less than the volume weighted average trading price of the Shares on the TSX, or another stock exchange where the majority of the trading volume and value of the Shares occurs, such as the ASX, for the five trading days immediately preceding the day the option is granted.
- d. Unless the Company determines otherwise, options issued by the Company vest on the first anniversary of the date of grant and expire on the third anniversary of the date of grant. Notwithstanding the foregoing, in certain special circumstances, including total and permanent disablement, death of the participant, retirement or retrenchment, options issued under the Plan will expire on the date that is the earlier of the three year anniversary of the date of grant and the date that is six months after the date such special circumstance first arose. Further, in the event a takeover offer is made and the offeror is or will become entitled to more than 50% of the Shares of the Company, all outstanding options will immediately vest upon notice by the Company to the participant of the takeover offer and the participant shall thereafter be entitled to exercise all options for a period 30 days from such notice.
- e. Participants will not be entitled to participate in any new issue of securities in the Company unless they have exercised their options prior to the record date for the determination of entitlements to the new issue and participate in such issue as a result of being holders of such Shares. The Company must give participants notice of any issue of securities before the record date for determining entitlements to the issue.
- f. An option will lapse upon the earliest of (i) the last expiry date; (ii) the date the Participant ceases to be an eligible participant in circumstances which the Board considers to involve fraud, dishonesty or other serious misconduct which would constitute sufficient cause for an employer to dismiss an employee without notice; (iii) the expiration of 30 days after the date the Participant ceases to be an eligible participant for any reason including resignation, other than due to the occurrence of a "special circumstance" (which includes total and permanent disablement, death, retirement or retrenchment); and (iv) the date of receipt by the Company of notice from the Participant after a "special circumstance" has arisen with respect to the Participant that the Participant has elected to surrender the Options.

- g. If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an option before the record date for determining entitlements to the bonus issue then the number of Shares in respect of which the option is exercisable shall be increased by the number of Shares which the participant would have been issued if the participant had exercised the option prior to such record date and no adjustment will be made to the exercise price of the option.
- h. If there is any reorganisation, other than a new issue or bonus issue, of the capital of the Company, then the number of options to which each participant is entitled and/or the corresponding exercise price will be adjusted in accordance with the requirements of the ASX and the TSX.
- i. A participant must exercise options in multiples of 10,000 or such other multiples as the Board determines unless the participant exercises all options exercisable at that time. Subject to certain limited circumstances, the options are non-transferable and a participant must not dispose of, grant any security interest over or otherwise deal with any options or any interest in any options, and any such security interest or disposal or dealing will not be recognized in any manner by the Company.
- j. Except in certain circumstances described below for which shareholder approval is required, and subject to regulatory approval, the Board may amend or revise the 2010 Plan or the terms of any option, including to: (a) comply with applicable laws or the requirements of any applicable regulatory authority or stock exchange; (b) amend the exercise conditions of any option; (c) amend the termination provisions of any option or those contained in the 2010 Plan, provided such amendment does not entail an extension beyond the initial expiry date; (d) modify the maximum number of Shares which may be offered for subscription and purchase under the 2010 Plan following the declaration of a stock dividend, subdivision, consolidation, reclassification, bonus issue, rights issue, reorganization, or any other change with respect to the Shares; (e) clarify any ambiguity or remedy any deficiency, error or omission in the 2010 Plan; or (f) facilitate the administration of the 2010 Plan.
- k. The Board of Directors of the Company may make the following amendments to the 2010 Plan only after the receipt of shareholder and regulatory approval:
 - (i) reduce the exercise price of a previously issued option held by an insider, provided that, in no event, may the exercise price be less than the market price;
 - (ii) extend the expiry of any option held by an insider;
 - (iii) remove or exceed the participation limit for insiders;
 - (iv) increase the maximum number of Shares reserved for issuance under the 2010 Plan; and
 - (v) amend the amendment provisions of the 2010 Plan.

ATTACHMENT 2**KEY TERMS OF THE PERSEUS MINING LIMITED PERFORMANCE RIGHTS PLAN**

The Board has approved some amendments to the PR Plan. Most of these changes are procedural and drafting changes which have no impact on the Key Terms summarised below. The amendments apply to the Performance Rights currently on issue. The only Key Term that was amended is automatic vesting of Performance Rights in the event of a change of control (see xiii below). This amendment does not apply to Performance Rights currently on issue that are held by executive directors (vesting of those rights in the event of a change of control is at the Board's discretion).

- (i) **Participation:** The Performance Rights Plan is available to Eligible Participants, as defined below, of the Company and its related bodies corporate, as such term is defined in the Corporations Act (collectively, the **"Group"** and each a **"Group Member"**). Eligible Participants are full and part-time employees and directors of a Group Member, and Eligible Contractors (collectively, **"Eligible Participants"**). An Eligible Contractor means an individual, or company, that has performed work for a Group Member for more than 12 months and received 80% or more of its income from a Group Member. No payment is required for a grant of Performance Rights, nor for the conversion of the Performance Rights to ordinary shares.
- (ii) **Maximum Number Issuable:** An invitation to apply for Performance Rights will not be made where the grant of Performance Rights contemplated by the invitation would result in the Company exceeding the limit that applies under ASIC Class Order 03/184 or any subsequent or replacement class order in respect of new issues of securities under employee share schemes. The limit that currently applies under Class Order 03/184 is 5% of the issued capital of the Company. The Performance Rights Plan also provides that the maximum number of Shares that may be issuable pursuant to Performance Rights under the Performance Rights Plan, together with all of the Company's other previously established or proposed security based compensation arrangements, shall not exceed 10% of the Company's total issued shares from time to time. The Performance Rights Plan does not set out a maximum number of Performance Rights that may be granted to insiders of the Company or to any one person or company.
- (iii) **Vesting:** Vesting conditions may be determined by the Board at the time an invitation is made, and may include a minimum employment term. Performance Rights may not be exercised until vesting conditions, as specified in the invitation, have been met. The Board has the discretion not to impose vesting conditions. As described further in item (xi) below, the Board has the power to amend or waive vesting conditions.
- (iv) **Lapse:** Unless the Board determines otherwise in its absolute discretion, a Performance Right will lapse on the earliest to occur of: (a) a purported transfer, assignment, mortgage, charge, disposition of or encumbrance of the Performance Right, other than with the prior written consent of the Board; (b) the holder of such Performance Right (a **"Performance Rights Holder"**) ceasing to be an Eligible Person for any reason, subject to the provisions described below; (c) a determination by the Board that a Performance Rights Holder has acted fraudulently or dishonestly or is in breach of his or her obligations to any Group Member; (d) subject to any automatic vesting in accordance with the Performance Rights Plan, if applicable vesting conditions have not been met in the prescribed period; (e) the expiry date set out in the related invitation; or (f) the seventh anniversary of the grant of the Performance Right.
- (v) **Cessation of Entitlement –Death or Ill Health:** Subject to any invitation's terms and

conditions, if a holder of a Performance Right ceases to be an Eligible Person due to ill health or death, then (a) if all relevant vesting conditions are met or no vesting conditions are imposed, Performance Rights may be exercised (by the personal representatives in the case of death) until it lapses in accordance with the terms of the Performance Rights Plan; or (b) if any relevant vesting conditions have not been met, the Performance Rights will automatically lapse immediately upon the Performance Rights Holder ceasing to be an Eligible Participant, unless the Board determines otherwise that all or a portion of those Performance Rights immediately vest, notwithstanding non-fulfilment of the vesting conditions.

- (vi) Cessation of Entitlement – Termination for Cause: Subject to any invitation's terms and conditions, if the holder of a Performance Right is terminated for cause, then (a) if all relevant vesting conditions are met or no vesting conditions are imposed, the right to exercise Performance Rights is immediately suspended for a period of 10 Business Days, during which period the Board may determine to lift the suspension and allow such Performance Rights to be exercisable for a period of 20 Business Days after the holder ceases to be an Eligible Participant, following which such Performance Rights will lapse (however, if the Board does not determine to lift the suspension, the Performance Rights will automatically lapse at the end of the 10 Business Day suspension); or (b) if any relevant vesting conditions have not been met, the Performance Rights will lapse on the day the holder ceases to be an Eligible Participant.
- (vii) Cessation of Entitlement – Termination by Consent or Cessation of Employment for Other Reasons: Subject to any invitation's terms and conditions, if a holder of a Performance Right ceases to be an Eligible Participant (a) by their own volition, with the written consent of the Board; (b) by reason of redundancy; or (c) for reasons other than ill health or death, termination for cause or by consent, or redundancy, then: (A) if all relevant vesting conditions are met or no vesting conditions are imposed, the Performance Rights may be exercised for a period of 20 Business Days after the holder ceases to be an Eligible Person, following which such Performance Rights will lapse; or (B) if any relevant vesting conditions have not been met, the Performance Rights will lapse on the day the Performance Rights Holder ceases to be an Eligible Participant, unless the Board determines otherwise that all or a portion of those Performance Rights immediately vest, notwithstanding non-fulfilment of the vesting condition.
- (viii) Change of Control: Subject to the terms and conditions of a grant of a Performance Right, unvested Performance Rights automatically vest and are automatically exercised on the occurrence of a change of control.
- (ix) Winding up/Reorganisation: The Board may, in its absolute discretion, permit the exercise of Performance Rights, irrespective of whether the relevant vesting conditions have been met, during such period as the Board determines where the Company passes a resolution for voluntary winding up or an order is made for the Company's compulsory winding up. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued shares, the number of Performance Rights to which each Performance Rights Holder is entitled will be adjusted in the manner provided for in the listing rules applicable at the time the reorganisation comes into effect.
- (x) Assignability: Performance Rights will be transferable or assignable only with the prior written consent of the Board, which may be withheld in its absolute discretion. If a holder of a Performance Right purports to transfer, assign, mortgage, charge or otherwise dispose of or encumber any Performance Rights without Board consent, the Performance Rights immediately lapse. Performance Rights are transferable to the extent necessary to allow exercise by personal representatives pursuant to the Performance Rights Plan in the event of



ABN 27 106 808 986

death of the holder.

- (xi) Amendments: Subject to the rules of the TSX and ASX, the Board may at any time amend or add to all or any of the provisions of the Performance Rights Plan, or the terms or conditions of any Performance Right granted under the Performance Rights Plan, including vesting conditions. Specifically, the Board may amend provisions of the Performance Rights Plan, or the terms or conditions of any Performance Right, for the purposes described as items (a), (b) or (c) below and amend or waive vesting conditions, without shareholder approval. Despite the foregoing, no amendment may be made to the terms of a Performance Right without the consent of the holder of the Performance Right if the effect of the amendment is to reduce the rights of the holder of such Performance Right, other than an amendment introduced primarily (a) for the purpose of complying with present or future legislation or regulations applicable to the Company or the Performance Rights Plan; (b) to correct any manifest error or mistake; or (c) to take into consideration adverse tax implications in respect of the Performance Rights Plan.